ANNUAL REPORT

2015

NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.

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Fred Meier
Chairman

"The Board acknowledges the hard work and commitment of all the staff members who contributed to our success..."

Chairperson's Report

The 2014/2015 financial year has seen us make solid progress on many fronts as the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). During the year under review, the NBCRFLI remained committed to ensuring that members are united through our relationships with the parties to Council, which in turn helps to contribute to stability in the industry.

Our commitment to continue in our service to the Road Freight and Logistics industry, helping our members with a range of remuneration, wellness and labour-related matters through our 18 offices across the country, has remained stronger than ever.

We have continued to build healthy surpluses as evidenced in the financial statements for both Council and the Wellness fund. Our administration fee income will be exempt from VAT with effect from April 2015 and this will have a positive impact on our revenue. As part of maintaining Council fiscal stability, we continue to focus on improving and maximizing our revenue streams and implementing costs saving measures through a series of financial strategies.

The year under review was one of transition at the NBCRFLI, with the appointment of Mr Musa Ndlovu as the new National Secretary in September 2014. Since his appointment, Mr Ndlovu has demonstrated the ability to steadily guide the Council forward so that it continues to provide a high level of service to members of the Road Freight and Logistics Industry.

His strong understanding of the South African economic, political and labour fields will be of tremendous value in the forthcoming wage negotiations, which we have confidence will be concluded successfully in the best interests of all parties involved.

On behalf of the Board, I would like to thank Tersia Ströh for her tremendous contribution to the Council while a new National Secretary was sought. Under her exemplary leadership, the NBCRFLI celebrated many highs and overcame a fair amount of challenges.

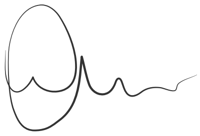
One of our most important mandates is to create a Road Freight and Logistics Industry that is fair for all stakeholders by levelling the playing field. It is for this reason that the parties to the Council, representing both the Industry employer and employee members, thus meet to negotiate and agree on determining industry wages, terms and conditions of employment, matters of mutual interest and formulating industrial policy. The RFLI parties to Council have agreed upon a Negotiation Protocol, which guides parties on what they need to do and expect during the negotiation process. We are confident that this new Protocol will assist in making all negotiation processes more efficient.

2015 marks the beginning of the upcoming wage negotiations, which, in the past, would often take place on an annual basis. However, in 2012, the Parties to Council reached its first ever three-year wage agreement, which brought a tremendous amount of stability to the Industry over the past few years. This agreement ends on 29 February 2016. We are hoping to reach a similar type of long-term agreement in the upcoming wage negotiation process which will bring further stability to the Road Freight and Logistics Industry, and the economy at large.

I am proud of the way in which we have continued to adhere to good governance principles by implementing various components of our governance framework over the previous financial year, including amongst others the establishment of a Remuneration Committee, the appointment of an Independent Risk Specialist, the approval of a Governance Framework and Delegation of Authority.

The Board acknowledges the hard work and commitment of all the staff members who contributed to our success during the financial year under review.

On behalf of the Board, I would also like to extend a warm word of thanks to all our stakeholders, including the Departments of Labour and Health, CCMA, the National Ports Authority, and representatives of the NBCRFLI labour and employer organisation members, for their contribution to ensuring the NBCRFLI continues on its quest to a united and stable Road Freight and Logistics Industry.



National Secretary's Report

Musa Ndlovu
National Secretary

"I feel very privileged to have taken over the reigns as the National Secretary of the NBCRFLI, an organisation committed to creating a better Road Freight and Logistics Industry..."

As I reflect on the 2014/15 financial year, it has been a period of considerable success, as well as one of certain challenges. As an organisation, we made substantial progress in many areas, including developing existing platforms, whilst also establishing new ones.

We continued to perform reasonably well financially, with the income generated for the year at 7.5% above the targeted income. Our return on investments was 9.5%, up from 7.6% achieved last year. The increase in revenue is mainly attributed to the increases in industry wages, resulting in increased levy incomes, implementing cost savings measures, as well as improved efficiencies in the investment process. The Council is in the process of exploring other investment options available in order to maximise its income revenue stream.

The operational expenditure for the year was 6.2% below the budget. The Council kept its expenditure tight without compromising on business continuity and service delivery to the Industry. As part of maintaining the Council's fiscal stability, the culture of cost-saving was encouraged and promoted during the year under review. This was achieved by educating staff members to be effective and efficient in so far as the financial management and procurement of goods and/or services is concerned, thereby enabling them to make the best financial decisions when faced with competing priorities. Furthermore, improvement in internal controls around the procurement of goods and services was also introduced to substantiate the need as well as the selection of the preferred service provider/supplier. The NBCRFLI has reviewed its Supply Chain Management Policy to align it with the provisions of the Broad Based Black Economic Empowerment Act 53 of 2003, read in conjunction with the Codes of Good Practice or Industry Sector Codes.

At the NBCRFLI, our aim is to remain the preferred, trusted partner to our stakeholders. We are a dynamic organisation which stays abreast of trends in the market place. We are particularly pleased to report that we have embarked on our next system project whose aim and purpose is to automate the Enforcement process. Once implemented, the most mundane administrative duties within this process will be automated, leaving room for more value-add services to our stakeholders. The project will roll out in phases over the next two years. To pilot the system, we have rolled it out to the Western Cape with very positive and encouraging outcomes. Next in line are the Head Office, Gauteng and KZN Regions.

If we are to maintain solid relationships with our stakeholders, it is very important for us as an industry body to focus on developing our existing communication platforms for the benefit of all our stakeholders. During the year under review, our organisation continued to focus on growing the effectiveness of our existing communication platforms.

In June 2014 we distributed our second edition of Ziwaphi on the Road, a newspaper which caters specifically for our employee members. The newspaper provides readers with valuable information about the Council's services, including our Wellness Fund Health Plan, how to resolve a dispute, our Trucking Wellness clinic times, as well as entertainment news, competitions and more. Through Ziwaphi, we have been able to reach our employee members in a way we have never been able to before, and I am further pleased to report that the response to Ziwaphi has been encouraging and positive.

During the financial year under review, the use of our Mobi-app – which was launched in 2013 - saw some improvement, with a notable increase in the number of users. The app, which contains similar information to that of our website, caters for a number of the NBCRFLI's employer and employee members who might not have access to the internet on a continuous basis. It also makes it easier for members who are constantly on the road to access Council-related news in the palm of their hands.

Our website has developed steadily over the past year, particularly with the addition of specific service area contact telephone numbers, our online service query function, valuable current information for new members, an in-depth explanation of Agreement Compliance, and all the latest newsletters in electronic format. This is yet another example of our commitment to keep our members informed about important developments within the Road Freight and Logistics Industry.

Throughout the year, we continued to distribute the NBCRFLI news aimed specifically at our HR / Payroll personnel, as we recognise the important role that they play in assisting our employer members to adhere to the Main Collective Agreements. The newsletter helps us, as an organisation, to keep Road Freight and Logistics Industry HR/Payroll personnel updated on developments at the NBCRFLI.

Apart from the previously mentioned communications platforms, we've moved towards our goal of evolving Tseleng, our employer-targeted electronic newsletter, into the preferred information source of industry-related news for the Road Freight and Logistics Industry by continuing to use it as platform to communicate thought-provoking articles about labour-related issues affecting the Industry, as well as international transport trends. Unfortunately, we still don't have the email addresses of all our Industry leaders, thus making it impossible to send this valuable information source to all of them. In the year ahead, we will therefore develop an online campaign to source these contact details.

Further to developing our existing communication platforms, we launched the Gauteng Region Call Centre number in May 2014. The Call Centre is yet another way our members can communicate with us directly at the NBCRFLI and receive immediate assistance. In the year ahead, we will explore the possibility of turning the Gauteng Region Call Centre into a National Call Centre.

On 7 March 2014, we hosted our first ever Gauteng Regional Stakeholder Conference at the Birchwood Hotel and Conference Centre in Boksburg, which provided an important platform for us to build effective relationships with our Gauteng-based stakeholders. Although we did not have a national presence at the event, and was never intended to be a platform for decision making, it was still a tremendous success. Our various industry specialists presented a range of topics to our employer and trade union party members throughout the day which focused on the functions of the NBCRFLI, the various services offered to our stakeholders and the role of trade unions and employer organisations in the negotiation process. The stakeholders were also given the opportunity to make suggestions. For example, the need for an additional quick point of contact with the Council was put forward, and thus the Gauteng Call Centre was implemented.

We are currently looking at how to roll out similar engagements with our stakeholders in the Western Cape, KZN and Head Office regions.

With our approximately 130 000 employee members across South Africa, all from different language groups, the NBCRFLI made a decision to translate the existing English legal version of the Main Collective Agreement into 4 of the 11 official languages, namely Afrikaans, isiXhosa, isiZulu and seSotho. The Agreements, which are available for viewing on the NBCRFLI website and Mobi-app, will soon be available in hard copy format at our 18 offices nationwide.

One can't look back at the enormous contribution the Trucking Wellness programme has made to the fight against the HIV/AIDS in South Africa without an immense sense of pride. The Trucking Wellness programme aims to keep the wheels of the Road Freight and Logistics Industry turning by providing primary healthcare services to long distance truck drivers, sex workers and community members. Since the programme's inception in 1999, almost 700 000 truck drivers and women at risk have been reached through training and education, approximately 308 000 have been treated as patients, and about 76 000 have been treated for sexually transmitted diseases. In 2010, HIV counselling and testing was introduced, and in this time, we have managed to provide HIV counselling and testing to over 90 000 truck drivers and women at risk.

As an organisation, we recognise how the health and wellness of our employee members has a direct effect upon the socio-economic success of our country. We thus introduced the Wellness Fund Health Plan in July 2011 in order to protect the well-being of employees within the Road Freight and Logistics Industry. The Plan is available to all active NBCRFLI members who are contributing to the Wellness Fund and meet the stipulated eligibility criteria. At the beginning of this year, we appointed a new service provider, Affinity Health, for our Health Plan. This means that all eligible NBCRFLI employee members, together with up to two eligible spouses per main member, are now entitled to a number of enhanced benefits and health services. We are pleased to report there was a smooth transition from the old to the new service provider, without major difficulties.

At the NBCRFLI we understand, that part of our success in servicing the Road Freight and Logistics Industry, is to educate our stakeholders about our systems and processes. As a result of the establishment of our e-business solution in July 2008, when it became mandatory for all employers to submit their returns online, we saw the need to offer our employer members free training to ensure that all our online users are confident when using the online system. During the year under review, we continued to provide this service to our stakeholders.

Since we received our prestigious accreditation from the Commission for Conciliation, Mediation and Arbitration (CCMA) in 2013, we have been successful in assisting to resolve labour disputes within the Road Freight and Logistics Industry, as provided for in section 51 of the Labour Relations Act. During the year under review, our Disputes Resolution department managed to achieve an impressive 87% settlement rate.

I am exceptionally pleased to report that the industry compliance rate during the year under review was 83,25%. The Council's working relationship with the Durban Transnet National Port Authority (TNPA) has been an important contributing factor in keeping compliance rates high.

Contact was made with the Durban TNPA during May 2012 in an attempt at establishing a working relationship which would improve compliance of unregistered companies falling within the scope of the Council's jurisdiction, as a vast number of transport companies in and around Durban have trucks that enter the Port on a regular basis. The Durban TNPA agreed to make it a prerequisite that a letter of good standing from NBCRFLI had to be included with the permit application forms, and implemented this during September 2012. The Council has registered more than 524 new companies directly as a result of this partnership. After discussions with the Chief Operating Officer of TNPA, it was agreed that similar initiatives will be rolled out to other ports in the country starting at Richards Bay Port.

I am particularly pleased that the daily payouts application processes continue to be as efficient as possible. The processes are now fully automated, which greatly assists in the efficacy of the payouts processing procedures. Despite the progress the NBCRFLI has made with the payouts processes, there are still a number of challenges they face, mainly with the verification of employee banking details – particularly those of foreign nationals – and with many employees changing their banking details very close to the closing date for payouts. This increases the chances of payments going to incorrect accounts. As an organisation, we have embarked on an ongoing communication campaign to highlight the importance of submitting the correct banking details.

I would like to commend our designated agents who, throughout the year, played a vital role in ensuring that the provisions of the Council's Agreements are complied with by all stakeholders in the Road Freight and Logistics Industry. Our designated agents continue to educate stakeholders on the interpretation and application of the provisions of the Council's Agreements. I would therefore like to urge members to become familiar with the Collective Agreements, to abide by them and to work together with us to ensure the implementation and compliance thereof.

Lastly, I would like to encourage members to make use of our "Be Heard" disclosure service on 0800 000 904 (toll free) to report suspicions of fraud, theft, corruption and anything that they observe as untoward and unethical behaviour to the Council, anonymously. Alternatively, members can also SMS us on 44666 or send an email to nbcrfli@beheard.co.za. The information received from the "Be Heard" disclosure service is used as a basis for investigation into illegal activity.

I feel very privileged to have taken over the reigns as the National Secretary of the NBCRFLI, an organisation committed to creating a better Road Freight and Logistics Industry for all our stakeholders. I would like to thank my predecessor, Tersia Ströh and the management team, for leading the NBCRFLI so ably prior to my appointment.

In closing, I want to express my gratitude to all the Council staff for their efforts in making the NBCRFLI the pillar that it is to the Road Freight and Logistics Industry as well as the Council Members for their unwavering support and guidance. As we embark on our plans amongst others, during the year ahead, to promote industry benefits and schemes, improve compliance, facilitate a successful wage negotiation, improve and maintain customer and stakeholder satisfaction, to strive to be caring and transformative organisation and add general value to the Industry, I am confident that we have the right team in place to achieve these goals.

Great opportunities lie ahead for us as an organisation in the new financial year, but these can only be achieved through successful collaboration with our stakeholders. We look forward to continuing on this journey with you.

Highlights & Timelines of Accomplishments

for the year under review

- NBCRFLI group revenue **up by 15%** to R341.6m.
- Main Council revenue for the period **rose by 17%** to R164.3m.
- NBCRFLI group income **up by 14%** R348.2m.
- Main Council income **up by 16%** to R169.3m.
- NBCRFLI group surplus **up by 128%** to R42.4m.
- Main Council surplus **up by 38%** to R29.2m.
- The average return on investments **increased to 9.5%**.
- The response to the “Be Heard” disclosure service increased from last year, with **155** queries logged.

- There was an **increase of 30.5%** in HIV counselling and testing.
- The total number of active ARV beneficiaries processed by the NBCRFLI Treatment Programme now totals **3 157**, a slight **increase** from the previous year.
- During 2014, more than **41 000** truck drivers and women at risk were examined at the Wellness Centres and **more than 2.5 million** condoms were distributed.

- A total of **R58.6million** was paid out in 2014 for Health Plan benefits, **27% more** than in 2013.
- On average, **11 700** members or spouses used the benefits of the Health Plan each month during 2014, **up 20%** from 2013.

- The operational expenditure for the year was **5.9% below** the budget.
- Statistically, the 2014/2015 year-end payouts process was the **best payouts year** yet.

- A total of **3 225** conciliation hearings were conducted.
- Settlement rate at conciliation hearings was **87%** for the year in review, a **1% increase** from the previous financial year.
- The Council received a total number of **5 276** conciliation referrals, a slight increase from last year.
- The total number of arbitration hearings conducted during the year in review was **3 693**, a notable increase from the previous financial year.
- Unfair dismissals disputes continued to account for the largest percentage **(87%)** of issues of dispute.
- The total number of cases during the reporting year (both complainant and levy cases) were **10 955** as opposed to **11 311** during the previous year.
- A total of **5 858** inspections were conducted.
- The Council dealt with **1 722** Arbitration Complainant Cases as opposed to **809** in the previous year.
- The number of Levy Cases slightly **decreased from 10 502** in the past financial year to **9 233**.
- The Independent Exemptions Body received and dealt with **69** applications, almost half the amount compared to the previous year.

Highlights & Timelines of Accomplishments

for the year under review

2014

March
First ever Gauteng Regional Stakeholder Conference to engage on.

Wellness @ Work Day for NBCRFLI employees.

May
Launch of Gauteng Call Centre.

Council approved new strategic direction for IT

June
Translation of Main Collective Agreement into 4 of the 11 official languages.

July
Wellness @ Work Day for NBCRFLI employees.

September
Appointment of new National Secretary, Mr Musa Ndlovu.

October
Implementation of Enforcement System.

November
Establishment of Remuneration Committee.

2015

January
Improved Health Plan services provided to the Industry.

March
Wellness @ Work Day for NBCRFLI employees in Johannesburg, Cape Town and at the various Council branches.

Organisational Profile

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) is governed by the Labour Relations Act of 1995 which allows for registered employer and employee organisations to establish a bargaining council for an industry and area.

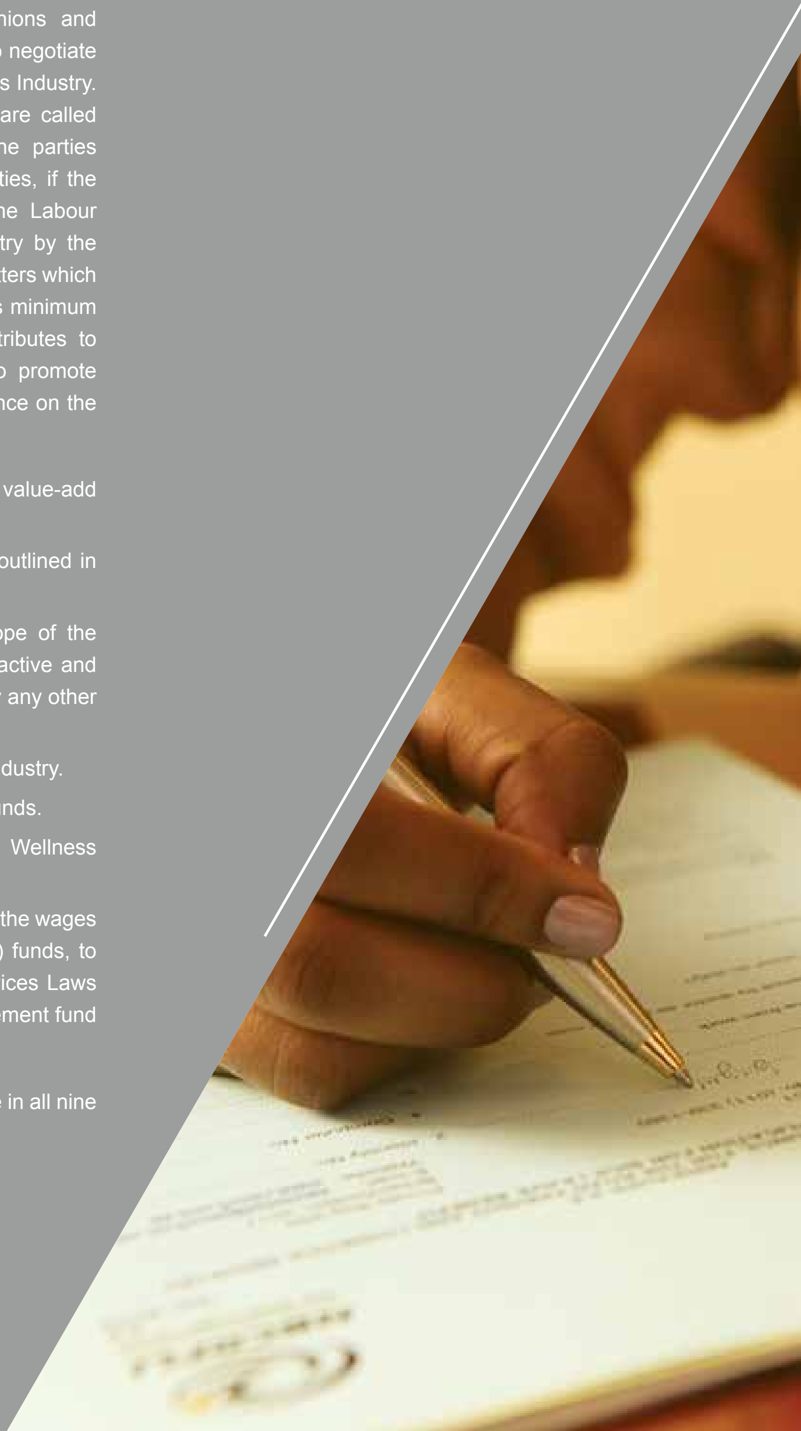
The organisation is comprised of a Council governing body made up of an equal number of employer and employee parties. The Council is headed by the Chairperson and assisted by the Deputy Chairperson. The Council administration is headed by the National Secretary and has a national footprint with 18 offices based countrywide.

The Council facilitates collective bargaining whereby trade unions and employer organisations, which are party to the Council, are able to negotiate matters that are of mutual interest to the Road Freight and Logistics Industry. The agreements concluded between the Parties to the Council are called Collective Agreements, which are applicable and binding to the parties to Council who concluded the agreement, as well as to non-parties, if the agreement has, in terms of the provisions of Section 32 of the Labour Relations Act, 1995, been extended to non-parties in the Industry by the Minister of Labour. This approach allows for better regulation of matters which affect the Road Freight and Logistics Industry as a whole, such as minimum standards and conditions of employment, which ultimately contributes to labour stability. Ultimately, the NBCRFLI works pre-emptively to promote peaceful and sound labour relations which has a stabilising influence on the Road Freight and Logistics Industry.

The Council supports industry members through a number of value-add service offerings, including:

- Setting minimum standards and conditions of employment as outlined in the Collective Agreements.
- Ensuring all employers and employees who fall into the scope of the NBCRFLI follow the Collective Agreements by conducting proactive and on-going educational inspections, investigating complaints or by any other means that the Council may adopt.
- Resolving disputes between employers and employees in the Industry.
- Managing the industry's annual, sick leave and holiday bonus funds.
- Providing Wellness services to the industry, such as Trucking Wellness and the NBCRFLI Health Plan.
- Employers are obliged to ensure that deductions are made from the wages of their employees in respect of retirement (provident/pension) funds, to be paid over to the fund concerned, as per the Financial Services Laws Amendment Act of 2013 which makes the non-payment of retirement fund contributions by employers a criminal offence.

The Council services the Industry through its 18 offices countrywide in all nine (9) provinces.



NBCRFLI Governing Body/Council

The main purpose of the NBCRFLI's Governing Body is to oversee and provide strategic direction to the Council's management and administration staff in order for them to provide an excellent service to the Industry. This is achieved through the adoption of strategic plans, and determining policies to ensure the integrity of the Council's management and internal controls.

The Council, made up of employer and employee parties, who are further made up of Councillors, consisting of 24 members, ensures awareness of and compliance to laws, rules, codes and standards by calling all Council employees to adhere to a compliance matrix, which resides with the Committee Secretary.

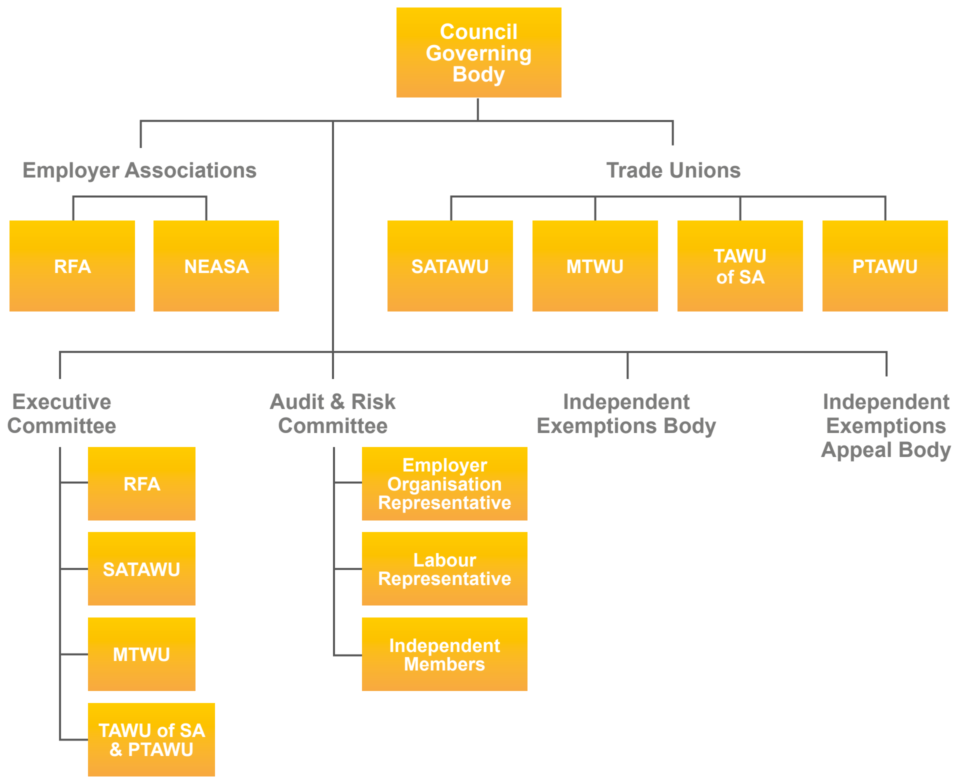
The Governing Body is headed by the Chairperson and the Deputy Chairperson. Councillors are nominated by parties to the Council and are thereafter appointed at the Council's AGM. This process, as stipulated by the Constitution of the Council, occurs annually.

Corporate Governance and NBCRFLI Governing Body

Recognising that the NBCRFLI is not bound by the prevailing governance practices and legislations, the Council still acknowledges that with regards to corporate governance it is critical that substance prevails over form. As a result, the Council will be guided by the principles and recommendations contained in the King Report on Corporate Governance for South Africa ("King III"), PFMA Act of 1995, Companies Act 2008 and established standards of best governance practice, locally and internationally.

Most of the new Governance-related Committees have been formulated, as well as their terms of reference. The Delegation and Limit of Authority was updated and then followed during the year under review. These important developments provide yet more evidence that the NBCRFLI is a leader in corporate governance within the bargaining council space in terms of its governance framework.

Council Governance Structure



Parties to Council

The Parties to Council include the four member unions, namely the South African Transport and Allied Workers' union (SATAWU), Motor Transport Workers' union (MTWU), Transport and Allied Workers' Union of South Africa (TAWU of SA) and the Professional Transport and Allied Workers' Union (PTAWU), as well as the two employer members, the Road Freight Employers' Association (RFA) and the National Employers Association of South Africa (NEASA).

The number of representatives each party has to Council as of 28 February 2015 is as follows:

SATAWU	9
MTWU	2
TAWU of SA & PTAWU (acting jointly)	1
RFA	11
NEASA	1

Party contact details can be found on the last page of the Annual Report.

Governance Structures

The Board

The Council Board is the highest decision making body and is made up of 24 councillors appointed proportionally from all parties to the Council. It meets three times a year, in terms of the Constitution. The Chairperson and Deputy Chairperson are appointed at the AGM each year.

Exco

The Executive Committee or Exco is made up of four members appointed proportionally from the Employer Parties, and four members appointed proportionally from labour parties to the Council. The Chairperson, Deputy Chairperson and National Secretary make up the rest of the members. The Executive Committee meets four times a year in terms of the Constitution.

Wellness Fund Steering Committee

The Wellness Fund Steering Committee was established to take care of the Council's Wellness Funds Projects viz; Trucking Wellness, Wellness Fund Health Plan, Wellness Fund HIV Programme as well as Wellness Fund Clinics. The Committee is made up of five members appointed from the employer parties, and five appointed from the labour parties.

Building Acquisition Task Team

The Building Acquisition Task Team is an interim structure that was formed to establish the adequacy and safety of buildings owned by the Council, as well as those leased to the Council by different service providers. It is also made up of ten members appointed equally from employer parties and labour parties.

Membership Verification Task Team

The Membership Verification Task Team is an interim structure established to ensure that the Council is representative of the industry in which it operates. It is made up of eight members who are representative of all parties to the Council.

Independent Exemption Body and Independent Exemptions Appeal Body

The Exemptions Body is made up of three independent members who have expertise in law, human resources and finance. It meets every month to determine all applications for exemptions made to the Council from any provision of the Collective Agreement. Aggrieved applicants may appeal to the Independent Exemptions Appeal Body which is made up of a senior counsels and attorneys. The Exemptions and Dispute Resolution Collective Agreement stipulates the processes to be followed during the hearings.

Remco/HR Committee

The role of the Committee is to assist Council to ensure that Councillors, Committee members and Senior Managers are remunerated fairly and responsibly with the long-term interests of Council in mind and ensure an effective remuneration policy is in place, aligned with Council's strategy, and is applied consistently throughout the NBCRFLI at all employee levels.

The primary function of the Committee is to review, consider and recommend the following:

- The remuneration policies for all employee levels at the Council.
- The human resources strategy and organisational structure of the NBCRFLI upon consulting and receiving reports from the National Secretary or any official nominated by him/her.
- The report on executive remuneration.
- The fees and any other payments made to members of the Council and its Committees.

Remco is made up of eight members who are representative of all parties to the Council, was established in October 2014, and have completed the following duties:

- reviewed the Remuneration and Performance Management Policies
- oversaw the performance incentive process for the administration staff

Governance Task Team

The Governance Task Team was set up to ensure that the Council is compliant with all relevant and applicable laws and governance requirements in South Africa. During the year under review, the Task Team completed the following duties:

- Formulate and recommend Delegation and Limits of Authority Framework
- Formulate draft Governance Framework and Policy
- Review Conflict of Interest Policy
- Proposed terms of reference for Council's committees
- Appointment of the National Secretary

Compliance Review Committee

This Committee, operating under the auspices of the Council, reviews existing systems and processes relating to enforcement. It then recommends and implements enhancements to existing systems and processes to ensure effective enforcement of the Council's Collective Agreements.

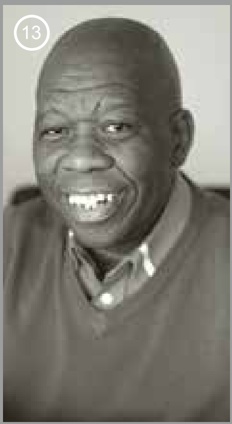
Board Members

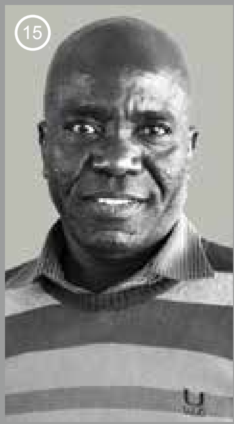
RFA

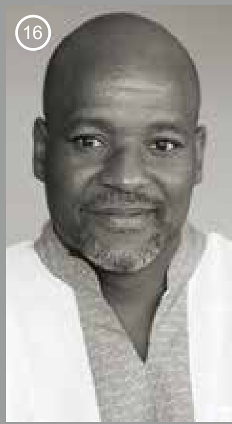
1. Fred Meier (Chairperson)
2. Penwell Lunga
3. Lucky Kolobe
4. Dave Behrens
5. Magretia Engelbrecht
6. Louis Hollander
7. Graeme Barnard
8. Peter Mathapo
9. Pauline Legodi
10. Chantal Schoombie
11. Martin Oosthuizen

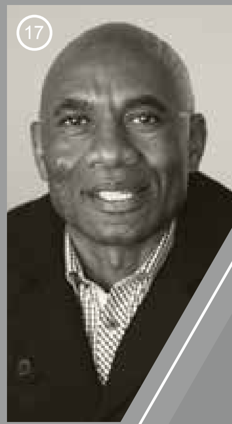
NEASA

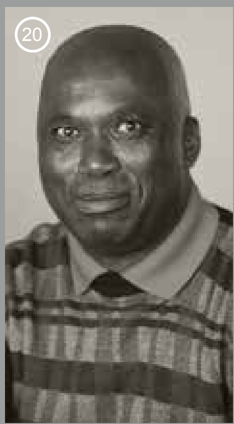
12. Jaco Swart

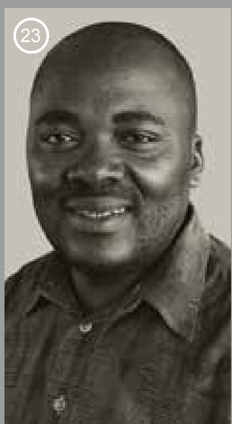


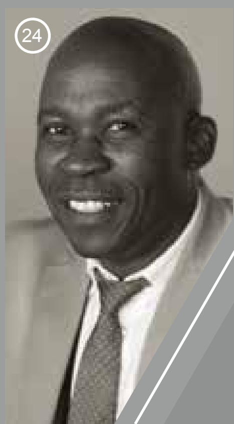












SATAWU

13. June Dube
    (Deputy Chairperson)
14. Zenzo Mahlangu
15. Tabudi Ramakgolo
16. Mavhayisi Shivuri
17. Nthimotse Pakkies
18. Alinah Masilela
19. Betty Mashiyane
20. Wiseman Ngwezana
21. Wayne Bridgens

MTWU

22. Mdumiseni Mabaso
23. Solomon Mothibedi

TAWU of SA & PTAWU *(acting jointly)*

24. Zack Mankge

Alternates

RFA
Tony D' Álmeida
Trevor Short

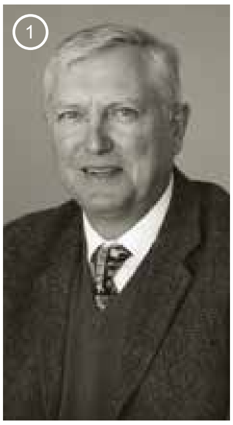
NEASA
Ansius Rust

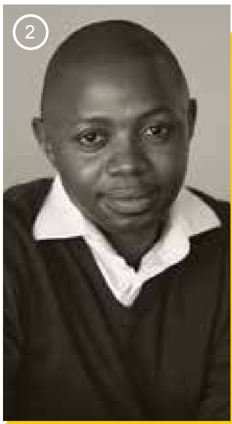
SATAWU
Johnson Gamede
Mr Hlungwane
Livingstone Tshivhanda
Peter Ledwaba
Thobinhlela Meyers
Andrew Sphiri
Zola Manxoyi
Faizel Bheko
Lesego o Magagane

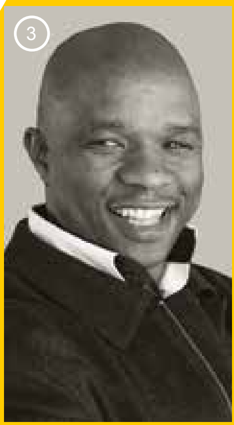
MTWU
Petros Mthembu
Zodwa Zama

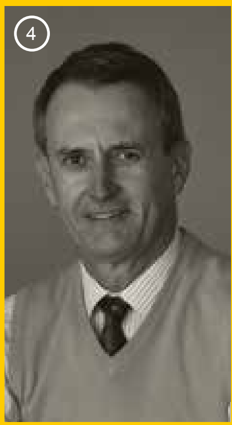
TAWU of SA & PTAWU (acting jointly)
Reckson Baloyi

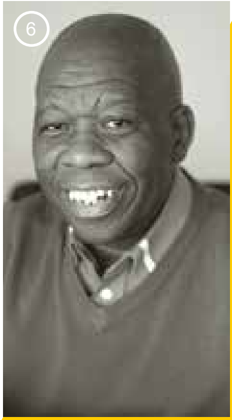
Executive Committee (EXCO)

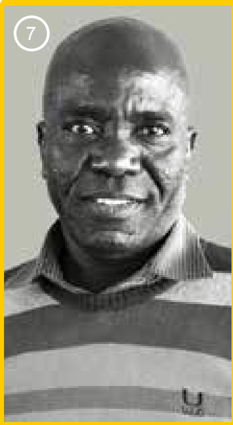


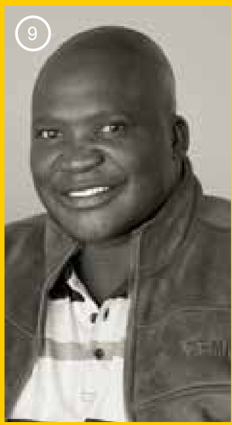


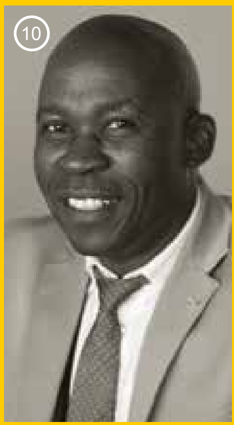












RFA

1. Fred Meier
2. Penwell Lunga
3. Lucky Kolobe
4. Dave Behrens
5. Magretia Engelbrecht

Alternate
Graeme Barnard
Chantal Schoombie

SATAWU

6. June Dube
7. Tabudi Ramakgolo
8. Betty Mashiyane

Alternate
Johnson Gamede
Alinah Masilela
Wiseman Ngwezana

MTWU

9. Mdumiseni Mabaso

Alternate
Solomon Mothibedi

TAWU of SA & PTAWU (acting jointly)

10. Zack Mankge

Alternate
Reckson Baloyi

Council Committees & Task Teams

Audit and Risk Committee

Independent Members

Melusi Ntumba

Maemili Ramatoboe

Governance Task Team

Remuneration Committee

Wellness Fund Steering Committee

Membership Verification Task Team

Compliance Review Committee

Building Acquisition Task Team

Independent Bodies

Independent Exemptions Body

Yusuf Nagdee

Gerhard Wessels

Wandile Tutani

Independent Exemptions Appeal Body

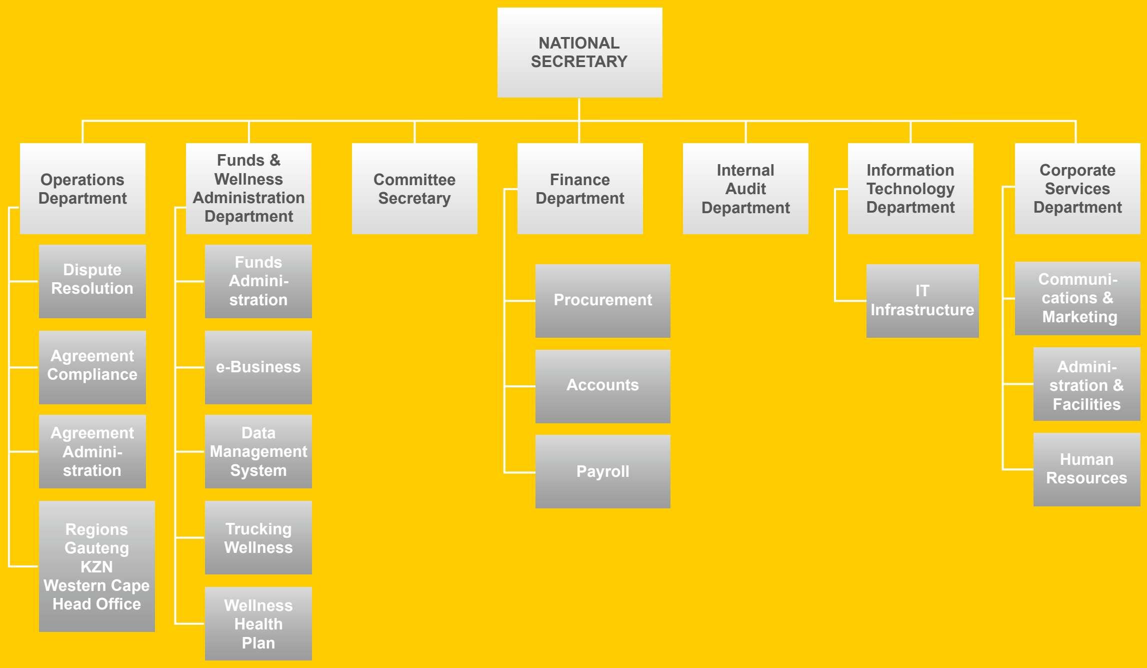
Imraan Haffegee

Ebrahim Patalia

Advocate P Modjadji SC

Administrative Organisational Structure

The organisational structure is headed by the National Secretary with the following departments:



2014 Top 5 Priorities Reporting

G = Target Achieved G+ = Target Exceeded R = Target not Achieved Y = Positive Progress

QUADRANT	NO.	PRIORITY	PERFORMANCE
Finance Essential to ensure the future existence of the NBCRFLI	1.	1.1. Ensuring financial sustainability of the NBCRFLI going forward.	G+
		1.2. Develop and drive an organisation-wide cost saving culture.	G+
		1.3. Develop new avenues of income generation.	Y
		1.4. Tighten up on fruitless and irregular expenditure.	G
		1.5. Ensure spending within regulated/approved parameters.	G
Customer & Stakeholder This is key to the NBCRFLI's success	2.	2.1. Promoting the Mobi-app as well as translated versions of the Main Collective Agreement to all stakeholders in order to further improve on compliance levels.	G+
		2.2. Full roll-out of Governance within the organisation.	Y
		2.3. Create and drive stakeholder appetite on a regional decentralised basis.	Y
		2.4. Closer co-operation with all stakeholders by introducing bi-annual Stakeholder Conferences in the various regions.	G
		2.5. Building co-operative relationships with and between parties to Council.	G+
Internal Business Process All Internal Systems should be beyond repute, have integrity, be modernised and be compliant to legislation	3.	3.1. Develop and implement an Enforcement System aligned to the Enforcement Strategy.	Y
		3.2. Full integration of systems servicing the core business of the Council.	Y
		3.3. SAP HCM.	Y
		3.4. Finalise the Resolution Register and make it accessible to deserving individuals.	G
		3.5. Re-introduce the Boardpad and retrain parties in its use.	Discontinued
Organisation & Learning Business knowledge and proficiency is essential for the NBCRFLI to deliver on mandate and succeed	4.	4.1. Training & Development: Superior Service Capacity through skills alignment.	Y
		4.2. Continuous retention of scarce skills.	Y
		4.3. Embed an Ethical Culture at the NBCRFLI through the integration of Ethics into all NBCRFLI practices, procedures and policies - by doing this we will address issues like inappropriate behaviour, bribery, corruption, fraud and a multitude of other illegal and unlawful actions.	G
		4.4. Knowledge sharing and multi-skilling amongst staff within the organisation (Best Practice).	G
Organisation Branding & Communication Exposition of NBCRFLI Suite of Services to create awareness amongst all Stakeholders	5.	5.1. Strategic promotion of consolidated NBCRFLI Offerings to the Industry and all Stakeholders.	G
		5.2. Introduce a quality control/feedback mechanism of all our communication.	Y

Departmental Reports

Operations Department

Agreement Administration

Collective Bargaining, Agreement Administration and Compliance

During the year in review, no collective bargaining took place. Due to the three year wage agreement concluded in 2012, wage negotiations will begin in 2015. This three year agreement, the first of its kind in the Industry, has brought a tremendous amount of stability in the Road Freight and Logistics Industry. Such stability not only benefits the Council's members in helping their businesses run optimally, but also benefits the South African economy as a whole as goods are moved seamlessly around the country, without any national employee relations issues becoming an economic stumbling block.

From March 2014 onwards, trade unions began collecting membership fees on the 7th of each month. Consequently, February 2014 membership fees were collected on 7 March 2014.

Main Collective Agreement

The Minister of Labour approved an amendment to the Main Collective Agreement, in terms of members to the Provident Fund, which was published in the Government Gazette on 5 September 2014, and came into effect on 15 September 2014. The amendment to the Main Collective Agreement made it compulsory for all employees for whom minimum wages are prescribed in the Industry to belong to a registered provident or pension fund.

Further, the non-payment of provident/pension fund contributions deducted by employers is considered a criminal offence in terms of the Financial Services Laws Amendment Act, 45 of 2013.

All employees for whom minimum wages are prescribed, and who were in the employ of an employer prior to 1 September 2014, were awarded an increase of 0.25% on actual basic wage as from 1 September 2014. The prescribed minimum wages in Schedule 5 of the Main Collective Agreement remained the same for the period ending 28 February 2015 and was not increased.

Alignment of Collective Agreements to the proposed amendments of labour legislation

The Labour Relations Amendment Act, Act no.6 of 2014, became effective 1 January 2015.

In the year ahead, the Council will begin a process to amend certain clauses in the Agreements to align to the provisions of the Labour Relations Act.

Translation of the Main Collective Agreement

With the Council's employee members made up of over 130 000 employees across South Africa, all from different language groups, the Council made a decision to translate the existing English legal version of the Main Collective Agreement into 4 of the 11 official languages; namely Afrikaans, isiXhosa, isiZulu and seSotho. The translated Agreements, which were made available for viewing in June 2014 on the NBCRFLI website and Mobi-app, will also be made available in the Council's 18 offices nationwide during the year ahead. By encouraging understanding of the Main Collective Agreement, the Council is helping to enhance the levels of compliance within the Industry.

General Compliance Management and Enforcement

There was a slight decrease in enforcement numbers during the year under review. The total number of cases during the reporting year (both complainant and agreement contravention cases) were 10 955 as opposed to 11 311 during the previous year.

Agents of the Council

The Council's duty, in terms of the Labour Relations Act, is to ensure that the provisions of the Council's Agreements are complied with by all stakeholders in the Road Freight and Logistics Industry. The Designated Agents, who are appointed by the Minister of Labour at the request of a Bargaining Council, play a vital role in ensuring this. In other words, they help to promote, monitor and enforce compliance with any Collective Agreement negotiated by the Parties to Council and which has been published in the Government Gazette. They achieve this by inter-alia conducting regular educational inspections which helps to decrease the number of complaints and non-payment of returns as well as ensure that all who fall under the Council's jurisdiction are registered. Thereby, enforcement disputes are reduced and enforcement issues are able to be dealt with early before the case goes to arbitration.

Designated Agents receive training on an ongoing basis and they are evaluated on a regular basis. During the year under review, the agents underwent training regarding the interpretation and application of the Council's Collective Agreements, as well as the applicable provisions of the Labour Relations Act, 1995. During the year under review, the respective regions averaged the following totals during evaluation sessions:

Gauteng region:	79.62%
Western Cape region:	82.55%
KwaZulu-Natal region:	85.93%
Head Office region:	80.15%

Compliance Orders issued for the period under review totalled 11 413.

Automation of Enforcement Services

In staying relevant as an organisation, during the year under review, the Council announced the launch of an automated internal Enforcement System within the next two years. The new system aims to create opportunities for job enrichment with more time freed up to improve the Council's service offering to its clients. The automation of enforcement processes will include the following:

- Registration of new employers.
- Investigation of cases.
- Enforcement of Agreements (arbitration process).
- Completion of instructions.
- Conducting of inspections. In this regard, Senior Agents will be conducting so-called "follow-up" inspections on a regular basis to ensure quality of inspections conducted by Agents.
- Reporting on workflow.

The Council has conducted a pilot in the Western Cape with encouraging results. The planned roll out of the new System to the Head Office, Gauteng and KZN regions will occur in the year ahead. Step 1 of the process will focus on walk-in business only. The Council will use most of 2015 to stabilise and mature the system, before adding more sophisticated functionalities. This is a journey with many steps to reach the Council's paper-light, automated destination.

The Enforcement Plan was developed in compliance with Section 33A of the Labour Relations Act, 1995, where provision is made for a bargaining council to monitor and enforce compliance with collective agreements concluded by parties to the Council.

The following Enforcement Services are rendered by the Council:

- Register all unregistered employers within the Industry.
- Train industry stakeholders on Collective Agreements and to promote compliance.
- Verify the correctness of educational inspections.
- Ensure full implementation of Collective Agreements.
- Ensure enforcement of all non-compliance in terms of Collective Agreements and Rules.
- Ensure litigation of all post arbitration matters.
- Manage demarcations and liquidations.
- Ensure that exemption applications comply with the provisions of the Collective Agreements and Rules.
- Improve the collection of Funds.
- Assist new and registered stakeholders within Council's scope in terms of compliance assistance and available training programs, business rescue, training and exemption applications.
- Issue Letters of Good Standing (Compliance Certificates).

New Registrations

The following correction is noted on page 18, under "new registrations" of the NBCRFLI 2014 Annual Report: At 28 February 2014, 4 622 employers and 2 660 owner drivers were registered.

At 28 February 2015, 4 688 employers and 2 846 owner drivers were registered with Council. Owner drivers are employers who are the owner or part-owner or leaseholder or renter of one or more vehicles used in transporting goods for hire or reward and who drives any such motor vehicle for the purposes of transporting goods.

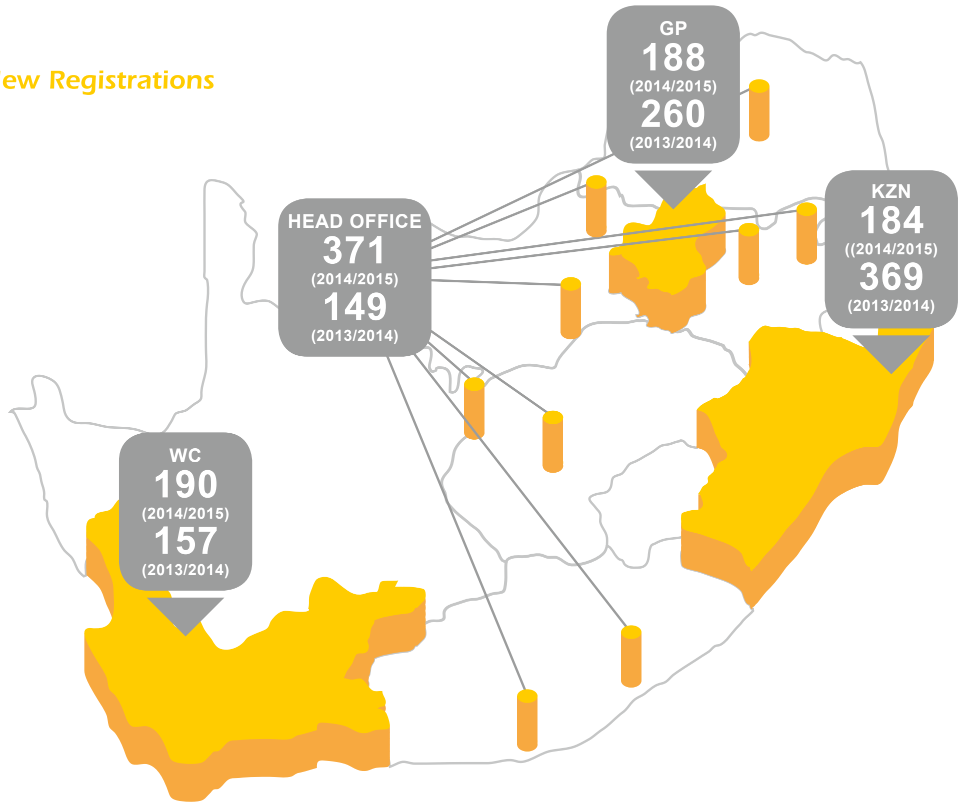
Currently registered 2015

	WC	KZN	HO	GAU	Total
1. Employers Registered	824	790	925	2 149	**4 688**
1.1. Ordinary	801	767	905	1 949	**4 422**
1.2. TES	23	23	20	200	**266**
2. Owner Drivers	446	745	375	1 280	**2 846**
Total registered employers and owner drivers	**1 270**	**1 535**	**1 300**	**3 429**	**7 534**

New registrations

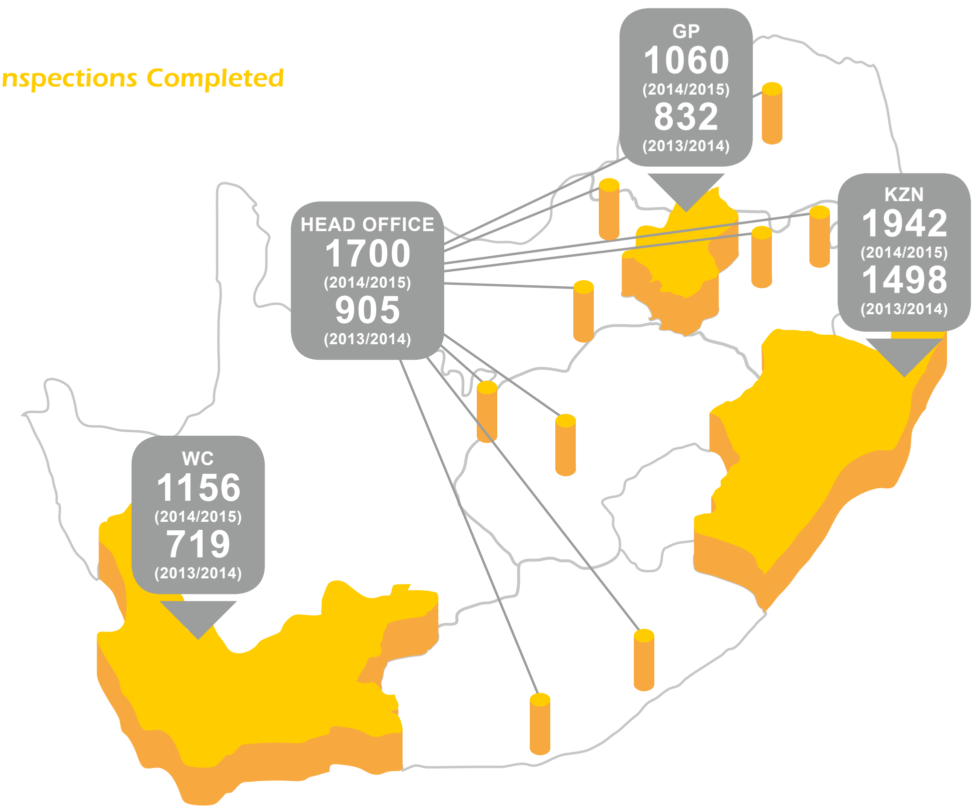
	WC	KZN	HO	GAU	Total
Ordinary	90	96	154	247	**587**
TES	3	2	2	22	**29**
Owner Drivers	97	86	32	102	**317**
Total	**190**	**184**	**188**	**371**	**933**

New Registrations



TOTAL 933 (2014/2015), 935 (2013/2014)

Inspections Completed



TOTAL 5858 (2014/2015), 3801 (2013/2014)

Other Key Statistics Falling under the Council's Enforcement Role

Other key statistics falling under the Council's Enforcement Role during the year under review included the following:

- Number of employers that ceased to operate: 541
- Number of employers under liquidation: 36
- Number of complainant cases received: 1 531
- Number of complainant cases settled: 471
- Number of cases referred to arbitration: 1 037
- Number of cases where the Council had no jurisdiction: 60
- Number of Section 143 applications (Enforcement of Arbitration Awards) sent to the CCMA for certification: 10 088

Returns Control

The Returns Control section maintains strict control over non-compliance of monthly levy contributions.

Arbitration

The Arbitration section of the Council deals with the arbitrations of Agreement contraventions, such as the enforcement of invoices and late payments per levy number.

During the year in review, there was a substantial increase in arbitration complainant cases. On the other hand, the Council heard slightly less Agreement Contravention Cases.

During the past financial year, the Council dealt with more Arbitration Complainant Cases.

1 722
as opposed to
809
in the previous year

The number of Agreement Contravention Cases slightly decreased in the past financial year.

9 233
as opposed to
10 502
in the previous year

Exemptions

The Independent Exemptions Body received and dealt with 69 applications from 01 March 2014 to 28 February 2015, almost half the amount compared to the previous year. A total of 23% of the applications were withdrawn, 5% refused, 33% approved and 39% under consideration. Out of all the applications that were received, 5 were postponed sine die. No exemption licenses were revoked.

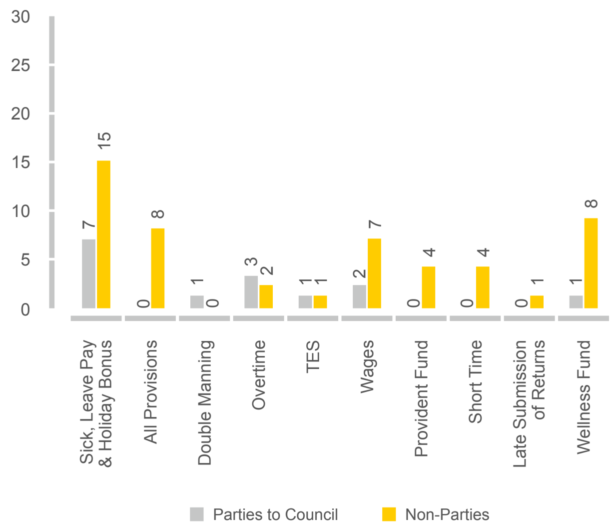
Number of applications for exemption by parties to the Council:

Number of exemption applications granted:	6
Number of exemption applications refused:	0
Number of exemption applications withdrawn:	4
Number of exemption applications placed under consideration:	5
Number of exemption applications postponed:	0

Number of applications for exemption by non-parties:

Number of exemption applications granted:	17
Number of exemption applications refused:	3
Number of exemption applications withdrawn:	12
Number of exemption applications placed under consideration:	22
Number of exemption applications postponed:	5

Types of exemptions applied for by both parties and non-parties



A total of 0 appeal applications were received during the period under review.

Constitutional Attack on the Extension Provisions in the Labour Relations Act (section 32)

Free Market Foundation vs the Minister of Labour and others

In 2013, the Free Market Foundation (FMF) lodged an application in the North Gauteng High Court in Pretoria against the Minister of Labour, Minister of Justice and Constitutional Development and registered bargaining councils (including the NBCRFLI). The Free Market Foundation, in its application, seeks to impugn the constitutionality of section 32 of the Labour Relations Act, 1995. Section 32 of the Act provides that the Minister of Labour may, under certain conditions, extend the provisions of collective agreements negotiated between parties to bargaining councils to non-parties operating within the scope of a specific bargaining council.

Seventeen of the cited bargaining councils, including the NBCRFLI, are opposing the application and have filed two sets of answering papers. The Metal and Engineering Industries Bargaining Council (‘the MEIBC’) has briefed a separate legal team and is opposing the matter independently of the other councils. The Minister, Congress of South African Trade Unions (COSATU), and the Metal Industries Bargaining Council are also opposing the application and have filed their respective answering affidavits.

The FMF filed two sets of replying papers in which it deals with the responses of the Minister of Labour and the remaining respondents respectively. It has also advised that it will oppose the applications of COSATU and NUMSA to be joined as parties.

Disputes about Demarcations between Sectors & Areas

Section 62 of the Labour Relations Act, 1995 provides for disputes about demarcations between sectors and areas. A demarcation is a process whereby a CCMA Commissioner (Bargaining Councils may not perform this function) determine:

- Whether any employee, employer, class of employers is or was engaged in a sector or was engaged in a sector or area.
- Whether any provision of any arbitration award, collective agreement or wage determination made in terms of the Wage Act is or was binding on employees, employer, class of employees or class of employers.

The Council was involved in a few demarcation disputes in the course of the year under review. A breakdown per region is as follows:

Gauteng

Number of demarcations involving Council:	2
Ruled in favour of Council:	0
Not in favour of Council:	1
Withdrawn:	0
Under consideration:	1
On review:	0

Western Cape

Number of demarcations involving Council:	3
Ruled in favour of Council:	0
Not in favour of Council:	1
Withdrawn:	2
Under consideration:	0
On review:	0

KwaZulu-Natal

Number of demarcations involving Council:	1
Ruled in favour of Council:	0
Not in favour of Council:	0
Withdrawn:	0
Under consideration:	1
On review:	0

Head Office

Number of demarcations involving Council:	7
Ruled in favour of Council:	0
Not in favour of Council:	1
Withdrawn:	0
Under consideration:	1
On review:	0

Disputes Resolution

CCMA Accreditation

The Commission for Conciliation, Mediation and Arbitration (CCMA) accredited the NBCRFLI from 1 June 2013 to 29 February 2016 to conduct conciliations and arbitrations (including pre-dismissal arbitrations), subject to the agreed terms. This prestigious award was granted following the outstanding disputes resolution service offered by the Council that is in line with the CCMA's requirements for all stakeholders within the Road Freight and Logistics Industry. The Council continued to provide a high standard of disputes resolution services during the year under review, using only CCMA panel accredited commissioners.

Subsidies

The Council received a subsidy of R548 for every closed case from the CCMA, an increase from the previous year's subsidy of R520. The subsidy is claimed on a monthly basis. The amount received from the Commission for Conciliation, Mediation and Arbitration (CCMA) for the period under review was R529 528, as compared to the R507 574.26 received during the previous year.

Case Management System

The Case Management System of the Commission for Conciliation Mediation and Arbitration (CCMA) efficiently supplies monthly statistical reports, case numbers and information such as the length of service, monthly earning (i.e. lower, middle and higher group) and age group of the applicant. Following the accreditation of the Council by the CCMA as a conciliation, mediation and arbitration body, the CCMA uses the Case Management System, a webmail based format, to objectively measure the Council's efficiency.

Council administrators across all Council offices use the Case Management System to assist members with the progress of their cases and communicate with the CCMA. This system is highly effective and user friendly, thus enabling the Council to provide a high level of service to its members. However, the ongoing loadshedding schedule affected the Council's CMS operations across its 18 offices.

Referrals

During the 2014/2015 financial year, the Council received a total number of 5 276 conciliation referrals, a slight increase from last year.

Referrals 2014/2015

REGIONS	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
GAUTENG	223	179	228	225	225	209	231	214	186	160	156	228	**2504**
WC	76	56	87	64	58	71	65	65	67	20	20	81	**730**
KZN	56	77	64	69	77	51	71	38	78	29	32	90	**732**
HEAD OFFICE	119	73	142	137	130	73	153	148	97	63	65	110	**1310**
	484	**385**	**521**	**525**	**490**	**404**	**502**	**465**	**428**	**272**	**273**	**509**	**5276**

Conciliations Heard 2014/2015

A total of 3 225 conciliation hearings were conducted during the year in review.

The Council also continued on a campaign highlighting conciliation as the preferred method of dispute resolution. The reasons why conciliation is preferable are as follows:

- It is far more beneficial for parties to resolve disputes at the lowest level of resolution. By attending the hearing, both parties are able to avoid the unnecessary costs involved in the arbitration process. These costs are due to the length of the process, the possible attendance of witnesses, the time that the parties need to take from work to attend the arbitration and the extra administration that is involved.
- The conciliation process is private, confidential and without prejudice.
- It is less time consuming than arbitration.
- The conciliation hearing is a process where a CCMA accredited commissioner, selected by the NBCRFLI, meets with the parties in dispute, separately and/or together, and explores ways to settle the dispute by agreement.
- The NBCRFLI has 18 offices countrywide, thereby making it more convenient for Council stakeholders to resolve their disputes through the conciliation process.

REGIONS	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
GAUTENG	123	93	86	189	199	135	135	116	245	75	103	145	**1644**
WC	51	18	33	29	37	13	77	36	29	19	28	41	**411**
KZN	33	42	40	48	70	36	51	35	27	03	41	48	**474**
HEAD OFFICE	39	42	73	65	46	60	42	53	135	30	47	64	**696**
	246	**195**	**232**	**331**	**352**	**244**	**305**	**240**	**436**	**127**	**219**	**298**	**3225**

Arbitrations Heard 2014/2015

The total number of arbitration hearings conducted during the year in review was 3 923, a notable increase from the previous financial year.

REGIONS	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
GAUTENG	139	141	144	137	135	155	142	174	313	31	145	136	**1792**
WC	35	38	31	52	38	31	42	30	33	18	28	23	**399**
KZN	66	59	62	68	59	56	66	63	58	18	35	63	**673**
HEAD OFFICE	71	56	70	168	114	98	72	99	139	35	75	62	**1059**
	311	**294**	**307**	**425**	**346**	**340**	**322**	**366**	**453**	**102**	**283**	**284**	**3923**

Settlement Rate 2014/2015

Settlement rate at conciliation and arbitration was 87% for the year in review, a 1% increase from the previous financial year.

REGIONS	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
GAUTENG	84	93	84	88	88	85	86	80	84	88	85	91	**86%**
WC	76	91	81	90	85	77	84	88	87	70	95	100	**85%**
KZN	93	94	94	93	95	100	97	93	95	100	85	92	**94%**
HEAD OFFICE	81	94	84	81	79	72	89	85	91	83	83	78	**83%**
	84%	**93%**	**86%**	**88%**	**87%**	**84%**	**89%**	**87%**	**89%**	**85%**	**87%**	**90%**	**87%**

Referrals by Issue

Unfair dismissals disputes continued to account for the largest percentage of issues of dispute. During the year review, these disputes amounted to 87% of the caseload.

REGIONS	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
UNFAIR DISMISSALS	413	339	460	438	430	365	424	411	370	237	370	429	**87%**
ULP	50	31	42	49	50	41	59	46	41	26	41	55	**10%**
MUTUAL INTEREST	16	20	21	27	18	20	13	19	14	11	14	18	**3%**
NON JURISDICTIONAL	0	0	0	0	2	0	0	0	0	0	0	0	**0%**
COLLECTIVE	4	2	2	6	1	4	4	3	2	0	2	2	**0%**
OTHER	1	1	1	7	7	1	6	6	2	3	3	6	**0%**
	484	**393**	**526**	**527**	**502**	**431**	**506**	**485**	**429**	**277**	**429**	**510**	

Litigation

The Litigation section keeps strict control over non-compliance in general. This includes reviewing post arbitration agreement contravention cases.

The statistics around litigation processes are as follows:

- Total number of Section 143 applications sent to the CCMA for certification.
  10 088 (2014/2015); 2 082 (2013/2014)
- Number of writs of execution to sheriffs.
  4 587 (2014/2015); 2 523 (2013/2014)
- Number of writs of execution to Labour Court.
  8 748 (2014/2015); 3 268 (2013/2014)
- Number of Nulla Bona (Section 65) matters.
  4 695 (2014/2015); 4 464 (2013/2014)

Stakeholder Relationship Management

One of the main priorities of the Council during the 2014/2015 financial year continued to be the establishment of strong stakeholder relationships. The Council is keenly aware that such relationships are key to the success of its overall mandate to provide a high level of service to the Road Freight and Logistics Industry, as well as an atmosphere of co-operation amongst all stakeholders.

Creating and driving stakeholder appetite through closer co-operation with all stakeholders

Creating a mutually beneficial relationship between the Council and its stakeholders is an important and ongoing process. In an effort to grow the Council's relationship with its stakeholders in the province, the Council hosted its first ever Gauteng Regional Stakeholder Conference on the 7th March 2014 at the Birchwood Hotel and Conference Centre in Boksburg. The event was purely an information and interaction session. Various industry specialists presented a range of topics to the Council's employer and trade union parties throughout the day which focused on the functions of the NBCRFLI, the various services offered to its stakeholders and the role of trade unions and employer organisations in the negotiation process. The stakeholders were also given the opportunity to make suggestions. However, it is important to note that the Council did not have a national presence at the event, nor was it used as a platform to make any decisions.

The Council is deciding on the best way forward to engage with its stakeholders in the Western Cape, KZN and Head Office regions during the financial year ahead.

The KwaZulu-Natal and Western Cape regions continued to hold regular meetings with party trade unions to discuss issues of concern. They also continued to work closely with the CCMA in Durban, Cape Town, the Labour Court and the various regional Departments of Labour.

Customer Service Management

During the year under review, the annual Client Services Survey was completed by Council employer and employee stakeholders. The survey forms are completed monthly, on a voluntary basis, and are available in the reception areas of the Council's offices. Thus, whoever enters these offices, whether employers or employees, can fill them in.

The survey results were highly favourable, with 99.5% of answers falling under the Excellent/Good ratings, the same result achieved in the previous two years' Client Services Surveys. The rest of the responses came under Fair/Poor/Unacceptable. The steadiness of the survey results proves that the Council's service centres and branches are continuing to create customer satisfaction by providing a professional and efficient service to Council members.

Survey: Client Services 2014/2015

	EXCELLENT	GOOD	FAIR	POOR	UNACCEPTABLE
Availability of staff on counter	87.4%	12.4%	0.1%	0.1%	0%
Did you receive professional assistance?	92%	7.7%	0.3%	0%	0%
Were you satisfied with information supplied?	93.1%	6.6%	0.3%	0%	0%
Assisted within reasonable period of time?	91%	8%	1%	0%	0%
Neatness of waiting area/counter	92.6%	6.4%	0.6%	0.2%	0.2%
Friendliness of staff on counter	93.5%	6.3%	0.2%	0%	0%

Funds & Wellness

Funds Administration

Through the Council's Funds Administration department, it effectively and efficiently processes all funds on behalf of the NBCRFLI. This includes annual leave, sick leave, 13th cheque funds and levy payments.

E-business Online and the Funds Administration System

During the period under review, the E-business online system continued to enable faster search options and the uploading of data. An increasing number of employers registered to use the system, although a slight decrease in online submissions were received.

Online Returns System

Future development is planned for the Funds Administration system. Once this development occurs, it will provide a level of automation which will further improve efficiency due to faster pay-outs processes and less chance of human error.

The Council intends to implement an ID verification process for employee members during the year ahead. This additional process will confirm identity number, surname and initials, as registered with the Department of Home Affairs. Another planned e-business change is the amendment of the application process for holiday bonuses. Employers will not complete a Holiday Bonus / 13th Cheque application; payments will be made to all employees listed on October (10/2015) monthly return, provided that the employer has submitted valid banking details for all employees. This change is aligned to the Main Collective Agreement and will provide further accuracy by reducing human error and speeding up bonus payment finalisation times, thereby resulting in a more efficient funds administration processing system.

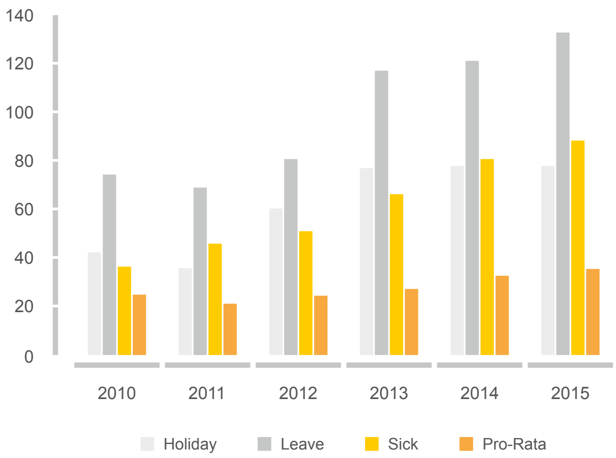
Payouts process

Statistically, the 2014/2015 year-end payouts process was the best payouts year yet, in comparison to previous years. Yet, despite this success, outdated banking details together with employers not confirming pay-outs calculations continued to pose a great challenge to the process. It was most unfortunate that employers didn't respond to the request to confirm pay-outs calculations as this system was implemented to prevent inaccurate payments which results in complaints, queries and dissatisfaction of service at a later stage.

To try overcome this problem, the Council continued to conduct stakeholder training regarding how to deal with Council year-end payments on a regional basis. Through this training, the Council tried to reach as many employers as possible. The Council also continued to communicate the importance of submitting the correct banking details through a number of channels, via email circulars, the website and in its monthly NBCRFLI newsletter that is distributed to all its member HR personnel. Spreading the message about the year-end payouts process, and the importance of supplying the correct contact details as well as confirming calculations, goes a long way to improving the effectiveness of the pay-outs process.

Leave and Sick applications received:	1 062 Employers	26 629 Employees
13th Cheque applications received:	3 169 Employers	105 891 Employees

Applications Processed Comparison 2010 - 2015 (thousand)



Party Trade Union & Employer Organisation Members

Representivity of parties to Council still remains a challenge. The requirement for representivity is 50+1% for both trade unions and employer's associations. These numbers are regulated by the Labour Relations Act, and the representation by unions is based on their membership.

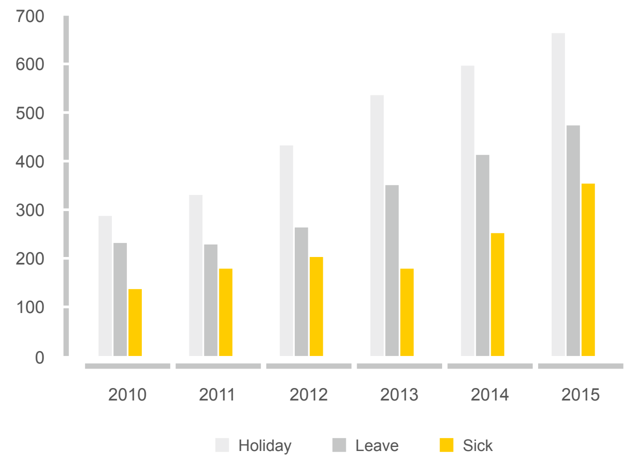
Membership figures of the parties to Council as at 28 February 2015 are as follows:

SATAWU	30 475
MTWU	7 561
TAWU of SA & PTAWU	5 393

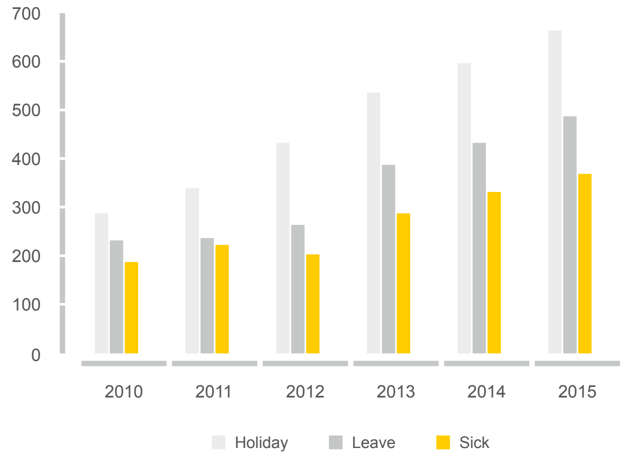
Employer's Associations

Number of RFA members in the industry	562
Number of employees employed by RFA members	48 496
Number of NEASA members in the industry	435
Number of employees employed by NEASA members	6 496

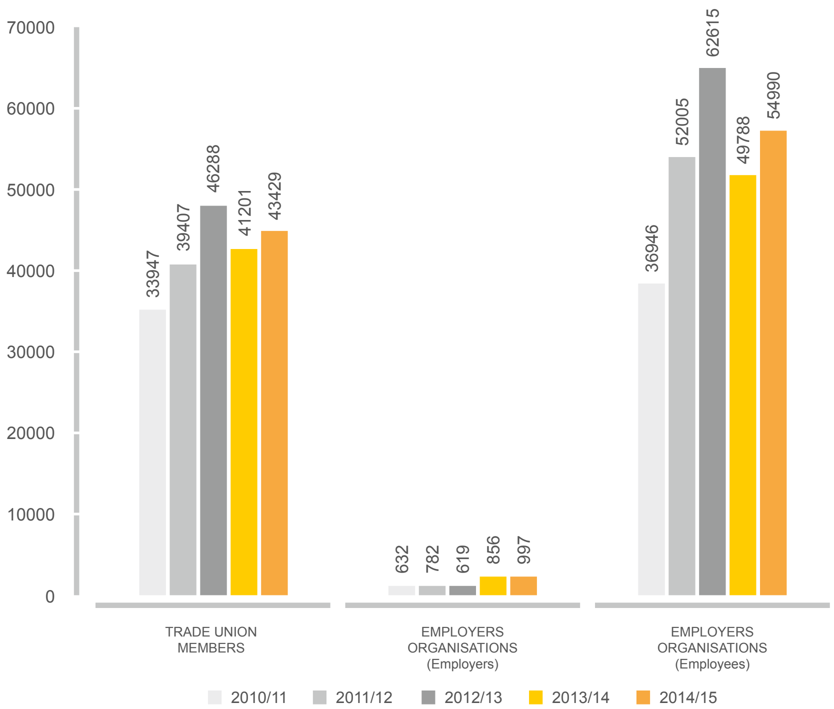
Funds Disbursed Comparison 2010 - 2015 (million)



Funds Collected Comparison 2010 - 2015 (million)



Party Trade Union and RFA Members



Wellness Administration

Trucking Wellness

Background

Since 1999, the Trucking Wellness Programme has worked in collaboration with industry partners, local government and various health departments to deliver high quality HIV/AIDS management services to long-distance truck drivers, commercial sex workers and those at risk, such as driver spouses and partners. Besides offering free HIV/AIDS management services mainly to members, it also offers free primary health care services mainly to our members, such as testing for TB and high blood pressure.

Since its inception, Trucking Wellness has evolved into providing a holistic approach to health and wellness. The highly trained nurses and counsellors are always on hand to provide a range of free primary health care services to clinic visitors, including TB and malaria awareness, education, screening and referrals for treatment and care as well as screening tests for blood pressure, blood sugar, cholesterol and body mass index. Other services include education, training and testing for HIV/AIDS and sexually transmitted infections (STIs) as well as condom distribution, antiretroviral (ARV) treatment, counselling and emotional support.

The year in review

During the year under review, Trucking Wellness continued to contribute to the wellbeing of employees within the Road Freight and Logistics Industry. Ensuring the wellness of drivers ultimately contributes to the overall wellbeing of South Africa's economy as more than 80% of South Africa's goods are transported via trucks around the country. Thus a healthy workforce, equals a healthy economy.

There was an increase of 30.5% in HIV counselling and testing during the year (2013: 16 663 vs 2014: 21 747). This increase is encouraging news for the Industry as the more people that are tested and counselled for HIV, the better chance there is of keeping drivers healthy and enabling them to lead long, productive lives.

During the year, the Council continued to build solid relations with the nine Provincial Departments of Health in order to improve its access to medication and supplies. The response from the Departments has been very positive. The Council is currently in the last phase of meetings with the Departments before signing Memorandums of Understanding that will formalise their commitment and support towards for the Trucking Wellness programme.

The year ahead

During 2015, the Council plans to market the Trucking Wellness programme more aggressively in order to ensure that more member companies are aware of the programme, how they can utilize it and gain access to testing and services. The Council also plans to renovate the existing clinics and review the clinic locations according to the usage statistics. The Council is in the process of replacing the current Trucking Wellness fleet with more 'mobile' vehicles in order to allow it to focus on smaller company members at a lower cost to the TW programme. An increase in the number of mobile clinics will enable Trucking Wellness to participate in more company Wellness Days, thereby reaching an increasing number of employees within the Industry.

22 National Roadside Wellness Centres

Trucking Wellness

Driving the well-being of the industry.

Roadside Wellness Centre HIV Counselling and Testing

2014	TOTAL	HIV +	HIV -	INDETERMINATE
January	665	38	622	5
February	1056	93	953	10
March	761	41	704	16
April	955	80	861	14
May	812	55	754	3
June	747	56	686	5
July	805	54	751	0
August	830	59	770	1
September	896	66	827	3
October	803	46	756	1
November	735	52	673	10
December	760	52	705	3
TOTAL	**9825**	**692**	**9062**	**71**

Mobile Wellness Centre HIV Counselling and Testing

2014	TOTAL TESTED HIV	TOTAL HIV +	TOTAL HIV -	SITES VISITED
January	235	14	221	11
February	1202	47	1155	39
March	1522	69	1453	26
April	651	110	541	15
May	777	83	694	10
June	1636	125	1511	46
July	1360	103	1257	30
August	893	83	810	19
September	767	39	728	16
October	1095	60	1035	25
November	1243	96	1147	28
December	541	12	529	9
TOTAL	**11922**	**841**	**11081**	**274**

Roadside Wellness Centre Primary Healthcare

2014	TRAINING	MALE PATIENTS	FEMALE PATIENTS	STI	CONDOMS DISTRIBUTED
January	4431	2511	382	274	105991
February	5906	3484	543	421	140585
March	4213	2782	472	284	119228
April	5550	3158	588	314	157404
May	4671	2851	528	331	225071
June	4302	2905	504	321	148289
July	4627	3197	601	290	169854
August	4521	3058	668	318	368064
September	4863	2755	662	312	344149
October	5418	3159	556	318	206097
November	4596	2890	574	301	466934
December	3054	1858	439	167	120274
TOTAL	**56152**	**34608**	**6517**	**3651**	**2571940**

ARV Programme

Over the years, the Council's Trucking Wellness Programme has worked successfully together with CareWorks to deliver sustainable HIV solutions by managing HIV/AIDS in the workplace and by treating HIV-positive people. The experienced Trucking Wellness counsellors support and educate patients and their families about HIV, and related diseases, provide HIV/AIDS counselling and refer HIV-infected employee members of the NBCRFLI to CareWorks for ARV treatment.

The NBCRFLI strives to combat the spread of HIV/AIDS effectively:

- By encouraging those who test HIV negative to remain HIV negative.
- By keeping those who test HIV-positive healthy and productive for as long as possible.
- By positively influencing attitudes to breakdown stigma surrounding the disease.

From March 2014 to February 2015, the Council experienced a growth of 18.3% in the number of employees on ARVs. More importantly, 88% of those already on ARVs for over one year are adherent and have achieved viral suppression.

This high adherence rate to the treatment is an indication of the effectiveness of the programme. The target is to maintain adherence rates above 80%. Taking ARVs is a lifetime commitment. Therefore, once an employee is part of the NBCRFLI Treatment Programme, the Council goes to great lengths to ensure the employee continues their ARV treatment, even after retirement. Once an employee leaves the Industry, whether due to retirement or a job change, the Council allows him/her to stay on the programme until he/she is placed in a government programme.

Statistics as at end of February 2015 were as follows:

- The total number of active beneficiaries enrolled in the NBCRFLI Treatment Programme is 3 157, a 9.3% increase from the previous year.
- 45% of enrolled members are in Pre-ARV monitoring.
- Referrals to the NBCRFLI Treatment Programme originate from the Health Plan, company clinics and the Trucking Wellness Programme.
- During 2014, more than 33 000 truck drivers and women at risk were examined at the Wellness Centres and more than 1.3 million condoms were distributed.
- Trucking Wellness has distributed approximately 161 million condoms to truck drivers, and women at risk, since 1999.

Wellness Fund Health Plan

The NBCRFLI Wellness Fund Health Plan protects the well-being of employees within the Road Freight and Logistics Industry, and is available to all active NBCRFLI members who are contributing to the Wellness Fund and meet the stipulated eligibility criteria.

During 2014 the Wellness Fund Health Plan benefits were, in summary:

5 GP visits per annum

R500 acute medicines

Chronic medication for seven chronic conditions

Basic dentistry up to R1 000 per incident and R2 000 per two years

Limited optometry

Radiology and pathology

Accidental injury emergency treatment benefit up to R10 000

Emergency hospital stabilisation benefit up to R15 000

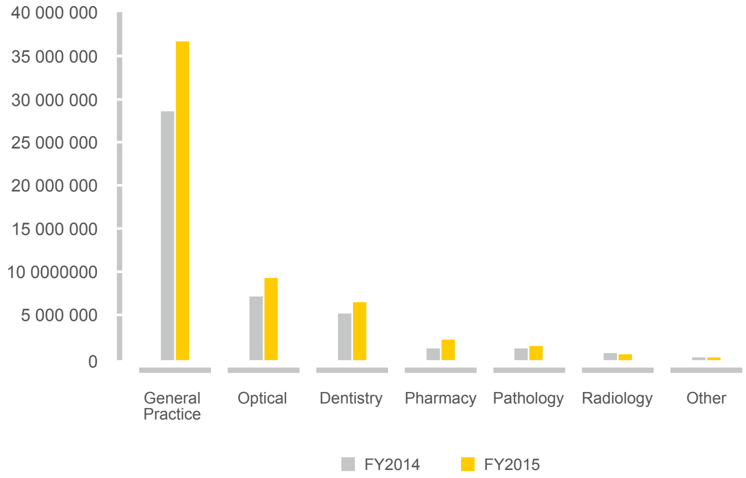
Accidental injury private in-hospital benefit up to R50 000

In January 2015, the Council appointed a new service provider, Affinity Health, for its Wellness Fund Health Plan. The appointment was made following an open tender process that followed the Council's supply chain policy. The new appointment, which came into effect on 1 January 2015, means that all eligible NBCRFLI employee members together with up to two eligible spouses are able to receive even better benefits and health services:

- Unlimited network GP consultations for eligible members and spouses, with pre-authorisation required from the sixth consultation.
- Acute medication up to R1 000 per annum per member according to the formulary and at network pharmacies.
- Chronic medicine for 23 conditions (HIV / AIDS not included) for registered patients according to the formulary and at network pharmacies.
- One annual flu injection for each of the member and eligible spouses.
- Basic dentistry limited to R500 per incident and R1 500 per 24 months per member and eligible spouse.
- Specified basic optometry including spectacles through Specsavers outlet are available every 12 months.
- Basic radiology as referred through other service providers at radiology network.
- Basic pathology as referred through other service providers at radiology network.
- Nutraceutical and wellness benefits.
- Direct (inbound) medical consultations.
- Hospital in-patient indemnity benefit due to an accident with a maximum of R75 000 per incident to member, eligible spouses and eligible children.
- Out-patient accidental injury benefit where the cost of treatment is limited to R12 000 per incident.
- Medical emergency services to the member, spouse and eligible children.
- Hospital Illness benefit to the member, will ensure that you receive some income while you are in hospital.
- Funeral benefit of R10 000 upon death of the member only.

The Industry responded exceptionally well to the appointment of the new Health Plan service provider. The handover process to Affinity Health was well organised. This was reflected in how efficiently Health Plan queries were dealt with after the change occurred. All members also received their new Health Plan cards in the beginning of the year.

Member usage of the Health Plan



Industry Social Initiatives

The NBCRFLI understands that the key to the Road Freight and Logistics Industry's success is the wellbeing of its employees. Thus it has developed strategic partnerships and collaborations with various wellness entities over the years to ensure that the health needs of employees within the Industry remain a priority.

Through its Trucking Wellness programme, the Council has been working in collaboration with industry partners, local government and various health departments to deliver high quality HIV/AIDs management services to long-distance truck drivers and their spouses or partners, as well as commercial sex workers. This is achieved through providing education, support, counselling and ARVs to HIV-infected employee members of the NBCRFLI.

Another initiative of the Council to keep truck drivers and their spouses healthy is that of the Health Plan. Through Affinity Health, the Council makes a range of healthcare services available to eligible Council members and their spouses.

Statistics for 2014

Membership numbers averaged around **100 000** for 2014 plus **19 000** spouses which is more or less the same as for 2013.

R

A total of **R58.6million** was paid out in 2014 for benefits, **27% more** than in 2013.

On average, **11 700** members or spouses used the benefits of the Health Plan each month during 2014, **up 20%** from 2013.

Corporate Services

Human Resources/People at Council

Some of the major focus areas of HR is employee recruitment, organisational development, health and wellness of employees and legislative compliance. HR's priorities during the year in review, is explained below.

Employment Equity

The NBCRFLI continues to implement affirmative action measures to redress the disadvantages in employment experienced by designated groups in order to ensure their equitable representation in all occupation categories and levels in the workforce.

Twenty three vacancies became available during the year under review, while 25 places were successfully filled. 56% of those employed were females, while 44% were male. 61% of the Council's positions were held by females and 39% of the positions were held by men as at February 2015, compared to 62% and 38% respectively in February 2014.

These figures align with the Council's Employment Equity Plan.

The Council continues to boast a high level of representivity with regards to Employment Equity as evidenced by the graph below.

Compensation and Benefits

During the year under review, the pay scale was updated. Pay anomalies were also identified, but will be addressed in the year ahead. The NBCRFLI Remuneration Policy outlines exactly how to address pay anomalies, which is estimated as a three year implementation process. The Remuneration Committee, which was established towards the end of 2014, will provide further guidance on the matter, after which the HR and Payroll section will begin the process of aligning pay anomalies to the pay scale.

Updating the pay scale and addressing pay anomalies will enable the Council to create alignment with its remuneration philosophy of internal equity and external parity, as outlined in the Council's Remuneration Policy, while also creating compliance with the Employment Equity Act with specific reference to equal pay for work completed of equal value.

According to the Council's internal equity stance, it strives to remunerate all staff fairly and consistently according to their role and individual value. The consistent application of remuneration principles throughout the organisation is applied through the Paterson Grading System. In terms of external parity, the Council will, every three years, take national and sectoral remuneration trends into consideration through a salary survey, so as to ensure competitive total remuneration within the parametres of affordability, as far as is achievable and sustainable.

Training & Development

The Council is dedicated to creating opportunities for skills development as well as implementing measures to retain skills, as per its Skills Development Plan. Staff members were sent on a number of training courses during the year under review in accordance with their individual learning plans.

The year ahead will also see HR focused on retention and succession planning to create an ongoing supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed. The aim is also to nurture and grow individuals in the Council who demonstrate high performance and potential for future management, leadership and core technical roles.

Performance Management

The NBCRFLI Performance Management Policy enables the Council to monitor and assist in the continuous improvement of its performance, from an individual to departmental and finally an organisational level. During the year in review, the policy was adhered to, where performance contracts were developed and bi-annual assessments were completed for each employee.

Staff Pension Fund

Yet another way in which the Council looks after its employees is through the Staff Pension Fund. All eligible permanent Council employees are required to join the Sanlam Umbrella Fund as a condition of their employment. For some employees, this Fund is their only retirement saving provision.

Participation in the Umbrella Fund means that the Council is able to offer employees a packaged and flexible retirement savings at a reduced cost. The Umbrella Fund makes the following benefits available to the Council's eligible employees: retirement, death, accident, family funeral, burial repatriation, disability and trauma benefits, as well as spouse life cover.

The Fund is managed by a Board of six Trustees. Three of the Trustees are appointed by Sanlam, and three are elected by pension fund members from a panel of suitably qualified industry professionals – all independent of Sanlam, meaning they have not worked for Sanlam in the last ten years. The Trustees put the Fund structure in place, allowing the Council to select the most appropriate benefits and options for their members. The Trustees are ultimately responsible for the running of the Fund and must ensure that members' interests are protected at all times.

The Council has established a Joint Forum consisting of 50% members elected by employee Pension Fund members, representing Council employees, and 50% members appointed by Council management, representing the employer. The Joint Forum attends to the Council members' needs and ensures they are kept informed about Fund-related issues. The Joint Forum ensured that there was ongoing communication distributed to members during the year under review.

Health & Wellbeing

The HR section is dedicated to looking after the health and wellbeing of the Council's employees. The Council is well aware that healthy employees are happy employees, and happy employees allow the Council to deliver a high standard of service to the Industry.

The Council contributes 66.6% towards employees' medical aid, and also contributes the same when an employee retires. This not only ensures that employees have sufficient medical cover, but also helps to make the Council an employer of choice.

In 2011, the NBCRFLI entered into a partnership with ICAS, an award winning industry leader in employee wellness programmes. ICAS has designed a solution aligned with NBCRFLI employee wellness needs. The goal of the programme is to maintain a healthy, dedicated, responsive and productive workforce at the NBCRFLI. ICAS offers employees a range of core services such as:

- Psychological counselling services.
- Life Management Services.
- eCare Online Services.
- Account Management and Service Promotion.
- Reporting and In-depth Analysis.
- Critical Incident and Trauma Management.
- HIV/AIDS support services.
- Managerial Consultancy Services.

A total of 18 Employee Wellness Days were held at the Council's national offices during the year under review. The Wellness @ Work Day in KwaZulu-Natal was held in July 2014, while those in Johannesburg, Cape Town and the various Council branches took place in March 2015. The goal of the Wellness Days was to raise awareness of health-related conditions that may potentially develop into chronic ailments if not well managed, and to make healthcare facilities accessible to employees whilst at work. As a result of these Wellness Days, the Council is now planning to design and implement internal Wellness and Health interventions based on the information generated from the Wellness @ Work Day report, in which health risks were highlighted.

Communications & Marketing

The NBCRFLI Communications & Marketing Department has been successful and consistent in communicating the Council's key messages to stakeholders during the year under review.

Communication is key to the success of any industry as enlightened industry members are generally happy industry members. A key accomplishment during this financial year was how the Department used the Council's various communication channels for effective dialogue with stakeholders.

During the year, the Communications and Marketing section distributed the second edition of Ziwaphi on the Road, a newspaper which caters specifically for employee members. The newspaper provides readers with valuable information about the Council's services, entertainment, and a section that gives readers a platform to engage us directly. This valuable communication tool has helped bridge the communications divide between the Council and its employee members.

Tseleng, which has been revamped to meet the information needs of our employer members, continued to be distributed. It has evolved into a thought-provoking, bi-annual e-magazine that covers all aspects of the Road Freight and Logistics Industry, including international transport trends.

The NBCRFLI HR News, an electronic newsletter which caters for the Road Freight and Logistics Industry's human resource and payroll personnel, was distributed on a monthly basis. The newsletter provides a valuable information source in that it highlights specific Council-related issues and decisions that impact directly on them.

The 2014/2015 financial year saw the NBCRFLI website www.nbcrfli.org.za grow tremendously, becoming a key source of information with our stakeholders, as well as a platform for communication between stakeholders and the Council. This was made possible, particularly with the addition of specific service area contact numbers, the online service query function, valuable current information for our members, an in-depth explanation of Agreement Compliance, and all the latest newsletters in electronic format. The website is continually updated to provide a leading information hub for all the Council's stakeholders. Other valuable additions to the website include an events page detailing recent functions held by the Council, extraordinary exemptions awards and Council members' Letters of Good Standing.

During the financial year under review, the Council continued to build its relationship with Road Ahead, a popular publication, by providing insightful Council news for its readers, the leaders within the Road Freight and Logistics Industry. Over and above the adverts and advertorials which are placed in each edition, the Council was featured in the April 2014 Foreword, and in the January 2015 edition, it profiled a reflection on the achievements of the NBCRFLI in 2014 by the National Secretary, Musa Ndlovu.

Having access to a complete and updated database of contact details is crucial to enable the Council to communicate seamlessly with its employer and employee members. The database system currently has access to approximately 30% of employee telephone numbers, but some are outdated. This remains a challenge and the Department has thus embarked on a number of activities in order to get these details.

With the appointment of Affinity Health as the new Health Plan service provider in January 2015, it was important for the Council to communicate this change to members in the industry. The Communications and Marketing section developed a widespread communications plan to ensure members were made aware of the new changes to the Health Plan service offering. This plan included using fliers, emailers, Ziwaphi, the NBCRFLI News, posters and the Council's website to disseminate the message.

The launch of our Gauteng Call Centre in May 2014 was another milestone for us as an organisation. Through this system, we have given our members another platform to communicate with us directly.

As an organisation we continue to respond to the needs of our stakeholders, which is why the existing Main Collective Agreement was translated into 4 of the 11 official languages - namely Afrikaans, isiXhosa, isiZulu and seSotho. This has also gone a long way to increasing the understanding of the labour requirements of the Industry. We realise that a major part of ensuring compliance throughout the Industry entails enhancing the understanding of the Collective Agreements and what they mean. The Agreements are available for viewing on the NBCRFLI website and Mobi-app.

During the year in review, the NBCRFLI Mobi-app continued to ensure that the Council's members have access to the latest Council news and requirements in the palm of their hands, at any time. The highly user-friendly app has similar information to the NBCRFLI website, which means users have access to comprehensive, Council-related information at any time. The Mobi-app is aimed at strengthening communication channels between the NBCRFLI and its members. It helps ensure members are kept up to date with Council news and requirements, which forms part of the support and high level of service that the NBCRFLI strives to offer.

Administration & Facilities

OHASA

In order to protect the safety, health and welfare of all NBCRFLI staff, the Corporate Services Department has ensured that the NBCRFLI is in compliance with the Occupational Health and Safety (OHAS) Act of 1993.

During the year under review, the Department installed and implemented a fire detection system and now undergoes random quarterly fire drills to test and improve the evacuation process.

Changes were made to the standard evacuation process following the 5.3 magnitude earth tremor that hit the greater part of Johannesburg and its surroundings on Tuesday 5 August 2014. The changes will ensure that the Council is prepared should such an event happen again in the future.

During 2015, the OHAS committee will be undergoing a reappointment process to renew and make additional appointments to the existing Committee. Current representatives will be sent for refresher courses and the new appointees to First Aid, SHE Representative and basic firefighting courses in order to increase skills and improve compliance to the OHAS Act.

The OHAS Committee is a forum which includes the OHAS Officer, Secretary and all the Council's OHAS representatives. Monthly OHAS reports and checks are submitted to the secretary by the representatives in order for the Administration and Facilities section to action identified risks in order to ensure a healthy and safe working environment. This is in line with the National OHAS Act of 1993.

Record keeping

The NBCRFLI is in compliance with the national retentions legislation due to the fact that it keeps all physical documents on site, as outlined in the legislation.

The Corporate Services Department will continue with the process of digitising all the Council's source documentation in order to ensure availability of documents as and when needed. Once documents are digitised, hard copies will be archived off site, followed by the disposal process within the required retention period as outlined in the Retentions Act.

During the 2014/2015 financial year, the Department continued with Phase 2 of the office upgrades and office maintenance, in line with the Council's goal of maintaining an ideal space for all stakeholders.

Internal Audit

The year in review has been a busy and productive one for the Council's Internal Audit Department. A number of in-house audit qualified staff were appointed. In addition, the Department employed a couple of interns, thereby contributing to skills development.

The Council's Fraud Policy was also reviewed and approved. The approval of these policies are important steps towards laying the foundation for the implementation of these policies in the year ahead.

It is the responsibility of the Internal Audit function to evaluate the adequacy and effectiveness of the internal controls and to make recommendations to management, when appropriate, to enhance the prevention and detection of fraud and error.

The actions of Internal Audit function are governed by the Internal Audit Charter which defines its function's mission, scope and responsibility, accountability, and authority as well as its organisational, operational and communication principles. This Charter is reviewed and updated annually by the General Internal Audit and is subject to comments from the National Secretary as well as to the approval of the Audit and Risk Committee.

The Council follows a risk-based auditing approach. Internal Audit's objective is to assist managers in the corrective discharge of its responsibilities. To this end, Internal Audit delivers analysis, appraisals, recommendations, counsel and information concerning the processes reviewed, by objectively and independently adding value to the achievement of the Council's business strategy, objectives and operational initiatives.

The Internal Audit function works closely with the Council's external auditors to ensure effective and efficient coordination of efforts in terms of combined assurance. The Internal Audit function is managed by the General Manager Internal Audit who appoints in-house staff and a co-sourced partner for internal audit plan execution. For the year under review the appointed co-source partner was Sizwe Gobodo Ntsaluba.

During the 2014/2015 year, the Council implemented an updated internal audit methodology to ensure transparency. Thereafter, internal employees were thoroughly educated about the new process, as well as the roles that the auditees play in achieving these goals. In addition, an impressive 95% of employees were reached when following-up on the implementation of audit recommendations.

To ensure independence and objectivity, the General Manager Internal Audit has a primary reporting responsibility to the Audit and Risk Committee, and administrative reporting responsibility to the National Secretary of the Council.

The Internal Audit function is authorised to:

- Have unrestricted access to the Council's business, functions and activities, strategic plans, minutes of meetings, charts of accounts, records, transactions, documents, correspondence, computer systems and data, property and personnel.
- Have full and free access to the Chairman of the Council Governing Body, Chairperson of the Audit and Risk Committee, General Management and all Council Committees.

For the financial period 2014/2015, the following 11 audit projects were completed:

1. Fruitless expenditure review;
2. Cash Management;
3. 2013 Year end Pay-outs;
4. Input VAT Review;
5. Agreement Administration audit;
6. Payroll (& HR related processes) Audit;
7. Budget Review;
8. Procurement Audit;
9. Protection of personal information Gap Review.
10. Accounts Payable.
11. 2014/15 Year End Pay-Outs.

Fraud Management

The Council is strongly committed to fighting fraud in the industry, and encourages other organisations to do the same, in the name of good governance. The Council is deeply aware that crime negatively impacts on the profits, salaries and infrastructure of the Road Freight and Logistics Industry. As members of this industry, we need to work together to prevent this crime which includes unlawful, dishonest and unethical behaviour such as fraud and non-compliance.

The Council's Internal Audit function launched a new fraud and disclosure service two years ago known as the "Be Heard", in order to mitigate crime within the Road Freight and Logistics Industry. The objective of the hotline is to create an avenue for all the Council's stakeholders to report their suspicions of fraud, theft, corruption and anything that they feel uncomfortable about to the Council anonymously. Members may also phone this hotline if there is any operator they know or suspect is NOT REGISTERED with the NBCRFLI or not doing what has been set out in the Collective Agreements. The contact details of the Be Heard call centre are as follows:

Tel: 0800 000 904 (Toll Free)
SMS: 44666
Email: nbcrfli@beheard.co.za

The fraud hot-line is completely independent and anonymous, and will not reveal the caller's identity to anyone.

Response to the "Be Heard" disclosure service

The response to the "Be Heard" disclosure service has been positive and increased as opposed to last year, with 155 queries logged (122 queries in 2013/2014) and 71 reports generated (36 reports in 2013/2014). Each disclosure report was investigated and feedback was provided to the complainant.

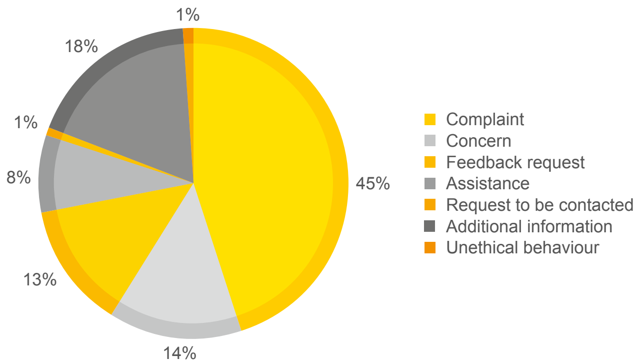
The predominant language used to log queries was English, followed by isiZulu and then Afrikaans.

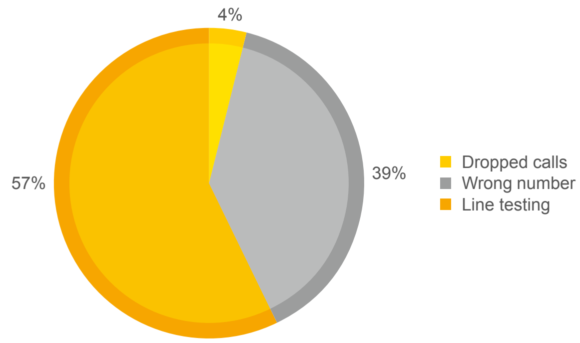
Offence Profile Breakdown

OFFENCE	NO. OF CONTACTS
Alleged stolen property	0
Alleged theft	0
Attempted theft	0
Complaint	31
Concern	10
Feedback requests	9
Assistance	6
Request to be contacted	1
Additional information	13
Unethical behaviour	1
Fraud	0
TOTAL	**71**

Other Calls

TYPE	NO. OF CONTACTS
Dropped Calls	3
Wrong Number	33
Another Company	0
Calls for Assistance	0
Children Playing	0
Abusive Calls	0
Testing the telephone line	48
TOTAL	**84**



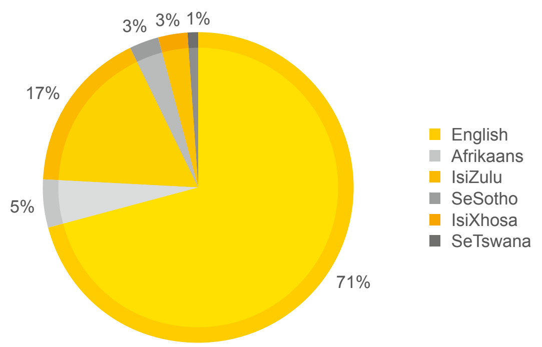


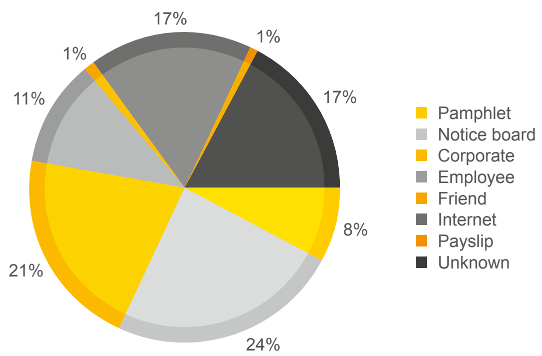
Languages Used

LANGUAGE	NO. OF CONTACTS
English	106
Afrikaans	8
IsiZulu	26
Sesotho	5
IsiXhosa	5
SeSwati	0
Sepedi	0
IsiNdebele	0
SeTswana	2
Unknown	0
TOTAL	**152**

The Caller Became Aware of the Hot Line Through

Pamphlet	1
Notice board	12
Corporate (Newsletter)	6
Employee	16
Friend	15
Internet	8
Intranet	0
Newspaper	0
Payslip	1
Radio	0
Telkom Telephone Directory	0
Television	0
Unknown	12
TOTAL	**71**





Since the Council adopted a zero tolerance policy, fraud remains one of its important focus areas. Internal Audit facilitates the investigation of all Be Heard reports. For serious fraud matters, Internal Audit partners with an independent forensic investigation firm to ensure that the zero tolerance policy of the Council is adhered to. Where necessary, civil and/or criminal cases are opened with the SAPS and disciplinary actions, mostly in the form of dismissals (depending on the matter), are taken.

The information received from the “Be Heard” disclosure service is used as a basis for investigation into illegal activity. In July 2014, the Council received information through its “Be Heard” line about an employer who was initially registered in 2005 as a normal employer with four employees, however around 2007 the company status was changed to “owner driver” and that resulted in the discontinuation of Council levies and contributions. The following additional information on the same employer was also provided via the disclosure service:

- The company employs between 25 to 30 drivers – all foreign nationals.
- It operates approximately 18 trucks.
- The company used one registration number on two of its trucks. It planned to move from its current address in an attempt to run away from the Council.

After conducting numerous site visits, meeting with representatives from the organisation, and issuing a subpoena by the designated agent from the Council’s KZN office, the employer still did not comply and the matter has been filed at the Labour Court. The matter relating to the fraudulent car registration was reported by the Council through our independent forensic investigators to the Road Traffic Management Corporation who conducted a raid at the premises. A criminal case has now been opened against the owner, who was arrested on 18 September 2014.

Risk Management

Risk Management provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for management to make informed management decisions. Risk Management affects everyone in the Council.

The risk and control processes followed by the Council are based upon the guidelines of the King III Report of Corporate Governance. All risk management activities are aligned to the Council's objectives and aim to protect and enhance the reputation and the standing of the Council. The process of risk management and the system of internal control is regularly reviewed for effectiveness.

Not only are annual risk assessments conducted, but the Council's risk management strategy also encompasses on-going risk register reviews and updates, to ensure that risk management forms part of the Council's daily operations.

Risk management in the Council is managed proactively. The aim is to anticipate and, where possible, avoid risks rather than deal with their consequences. Strategic and operational risks are identified, objectively assessed and, where this is the appropriate response, actively managed. In determining an appropriate response, the cost of control/risk management, and the impact of risks occurring will be balanced with the benefit of reducing and/or managing the risk. This means that the Council does not necessarily set up and monitor controls to counter risks where the cost and efforts are disproportionate to the impact or expected benefits. The Council also recognises that some risks can be managed by transferring them to third parties. Should the Council ever be faced with a disastrous incident that impacts on its activities, it has a disaster recovery site built into its IT processes. It should be noted that the Council is in the process of formalising its business continuity processes.

For the period under review on the right are some of the top risks identified and managed:

Top 10 Risk Dashboard

Increasing Risk **Stable risk** **Decreasing Risk**

FUNCTION/TYPE	RISK TITLE	RISK MAGNITUDE	STATUS
Sustainability risk that has a direct impact on the existence of Council	1. Non-Compliance Status of Parties and Party Representation 1.1 Free market foundation case- attack on the collective bargaining and bargaining council.		The Department of Labour's verification has been finalised and the final statistics, under the year in review, are as follows: • Trade unions 34% representivity; • Employer's organization 43.3% representivity. *Free Market Foundation:* • Possible amendments to Labour Relations Act by the Department of Labour. • The matter will in all probability be set down in February 2016. • The Membership Task Team comprising of RFA, NEASA, SATAWU, MTU, TAWU & PTWU, National Secretary (as an ex officio), and Department of Labour representative has been formed as per clause 17 of the Council Constitution. • The task team has analysed the membership database as per Council systems to parties' system. • The task team has made recommendations to Council on the way forward.
Trade unions & Road Freight Association / Strategic Risk	2. Transnet rollout of rail infrastructure (R 300 billion over 15 years)		• As per discussions at the Revenue Maximization Workshop facilitated by Deloitte & Touche, the RFA appointed a specialist to assess the impact of this project on the industry, and the specialist has assessed this as an opportunity rather than a risk. • The trade unions continue to see this as a risk to the labour force.
Collective bargaining	3. Collective bargaining deadlock resulting in prolonged strikes and dead period for the enforcement of the collective agreement		• A streamlined negotiation protocol has been implemented. • The Negotiation Protocol was re-drafted with new proposed timelines. Council at its meeting on the 28th of November 2014 approved same, however the entire document was approved the end of March 2015 as per the agreed timelines. • The National Secretary will lead the Team from Council Administration for the 2015 Wage Negotiations. • A challenge existing in the 2014/15 financial year to be addressed by the Membership Verification Task Team and thereafter EXCO and Council in 2015/6 financial year is the provisions of Clause 20.4.2 of the NBCRFLI Constitution in relation to the wage negotiations commencement subject to the parties having a threshold of at least 43% in the defined bargaining unit. This might also lead to a late start in the negotiations should the parties elect not to amend this provision. • Application for extension of the Main Collective Agreement will be made to the Department of Labour prior to termination of the agreement in 2015/16 financial year. • The Labour Relations Act amendments which came into effect on 1 January 2015 poses a further challenge in that should the parties to the NBCRFLI not represent 50% +1 of the Industry, the DOL and the Minister of Labour will have to in terms of the Labour Relations Act provisions, embark on a public participation process which can take a period of time before promulgation which might delay the implementation which will have a negative impact on NBCRFLI income.

↑ **Increasing Risk** ↔ **Stable risk** ↓ **Decreasing Risk**

FUNCTION/TYPE	RISK TITLE	RISK MAGNITUDE	STATUS
Trade unions & Road freight association/ Strategic Risk	4. Party conflicts	↓	• The Governance Task Team has been formed to formalise Council governance processes and to provide a structure that clearly distinguish party matters to Council administration matters. • Governance Policy, Governance Framework and Council board committee terms of reference documents were drafted, however the final approval from EXCO and Council has not been obtained. • In November 2014 a Council decision was made to terminate the governance framework review service provider, this might result in further delays in finalization of this project.
Corporate Services / Compliance & Operational Risk	5. Paper Document Management System Risks	↓	• IT investigated the possibility of combining the document management requirement with the Enforcement workflow requirements onto a single SharePoint / K2 document management and workflow platform and workflow platform. • Administration and Facilities are in the process of digitising source documents onto a server.
Corporate Services / Strategic Risk	6. Inadequate Capacity or skill and Undue Reliance on key staff	↓	• A plan has been established. HR will engage in establishing a succession planning process within the organisation.
Senior Management / Compliance Risk	7. No formal active monitoring of compliance with relevant legislation and regulations	↔	• The governance committee has made a decision to allocate the compliance process facilitation to internal auditing, and should a need arise internal audit can appoint consultants to set up the framework and the compliance universe. • Internal audit is continuing to conduct compliance auditing/monitoring as part of the internal audit plan execution. • Internal Audit has engaged Deloitte & Touche to conduct a gap analysis review and to propose a road map to comply with the Protection of Personal information (POPI) act. • The outcome of the (POPI) compliance review mentioned above will be used as a basis for formalisation of compliance processes across the organization. • For the year in review, Finance, Internal Audit, Human Resources and other sections have reviewed their respective policies and part of the review was alignment to legislative requirements and best practice. • Council Core business, constitution, main collective agreements, and processes are aligned to the Labour Relations Act and promulgated by the Department of Labour. • Risk/Compliance officer position recommended by the Audit and Risk Committee and approved by EXCO and Council. • Recruitment process to be finalised in the 2015/16 financial year.
Information Technology / Strategic Risk	8. Risks due to the degree of changes in IT environment and systems - negatively impacting on business	↓	• IT governance framework and mandate to be finalised in the 2015/16 financial year. • IT change management controls was implemented on the 16 October 2014.
Funds Administrator / Wellness / Compliance Risk	9. Medical aid scheme legislative amendment: • Closure of combined Health Insurance Products. • Registration of the Wellness Fund Health Plan with the Council for medical schemes.	↔	• Council's comments on the draft demarcation regulations were submitted to National Treasury with all supporting documentation on the 07 July 2014. • The Department of Labour will also be submitting comments on behalf of the NBCRFLI Health Plan.

During the following year, the Council faces the possible risk of strikes as a result of the wage negotiation process. The renewal of the Collective Agreement, which affects the going concern of the status of the Council, also poses a risk to the Council. Should the Wage Agreement change, this could affect the revenue of the Council. The representivity of parties to Council also still remains a challenge.

Audit & Risk Committee

The Audit and Risk Committee assists the Governing Body in ensuring that the Council maintains adequate accounting records, internal controls and systems. These are essential in providing reasonable assurance about the integrity and reliability of the Council's financial information as well as safeguarding Council assets. During the year under review, the Audit and Risk Committee also appointed a Risk Specialist to ensure the undertaking of proper Risk Governance processes.

The Audit and Risk Committee is constituted as a statutory committee of the NBCRFLI and is a committee of the Council Governing Body. It performs the duties assigned to it by the Council's Governing Body. The primary role of the Audit and Risk Committee is to assist the Council's Governing Body in discharging its duties relating to:

- Safeguarding the organisation's assets.
- Ensuring the operation of adequate systems.
- Overseeing the control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

It achieves this by overseeing management's role in creating and maintaining an effective control environment in the organisation.

The Audit and Risk Committee responsibilities, as identified by the King Report are:

In respect of the external auditors and audit:

- Consider, and make recommendations to the Council Governing Body, on the appointment and retention of external auditors.
- Discuss and review, with the external auditor(s) before the audit commences the auditors engagement letter, the terms, nature and scope of the audit function and audit fee.
- Agree to the timing and nature of reports from the external auditors.
- Identify key matters arising in the current year's management letter and satisfy itself that they are being properly followed up.
- Obtain assurance from the external auditors that adequate accounting records are being maintained.
- Obtain annually from the external auditors a written statement that their independence has not been impaired.
- Evaluate the performance of the external auditors.

In respect of the financial statements:

- Examine and review the quality of draft annual financial statements, the interim reports, the accompanying reports to Councillors, the preliminary announcements of results and any other announcements regarding the Council's results or other financial information to be made public, prior to submission to and approval by the Council Governing Body.
- Review the annual report and financial statements taken as a whole to ensure they present a balanced and understandable assessment of the financial position, performance and prospects of the Council.
- Consider the appropriateness of the accounting policies adopted and any changes thereto, the accounting treatment of significant unusual transactions or accounting judgments that could be contentious.
- Consider any problems identified in the going concern statement or the statement on the effectiveness of internal controls.
- Review any legal matters that could have significant impact on the financial statements.
- Assess the performance of the financial management of the organisation.

In respect of internal control and internal audit:

- Review the effectiveness of the organisation's systems of internal control, including internal financial control.
- Review and approve the internal audit charter and internal audit plans.
- Evaluate the independence, effectiveness and performance of the internal audit and compliance with its mandate as approved by the Committee.
- Assess the adequacy of available internal audit resources, including the qualifications of internal audit employees.
- Review significant matters reported by the internal audit function and the adequacy of corrective action taken in response to significant internal audit findings.
- Review significant differences of opinion, if any, between management and the internal audit function.
- Review significant difficulties in the completion of the audit plan, including any restrictions on the scope of work or access to required information.
- Review the co-ordination between the internal audit function and external auditors and deal with any issues of material significant dispute or concern.
- Ensure that the Head of internal audit has the right of direct access to the chairperson of the Committee.
- Review the Council's statement on internal control systems prior to endorsement by the Council Governing Body.

- Review the organisations policies and procedures for preventing or detecting fraud.
- Review the Council's processes for ensuring that it complies with relevant regulatory and legal requirements, and consider management's reaction to any transgressions detected.
- Monitor that proper and adequate accounting records are maintained.
- Obtain assurance from the internal auditors that adequate records are being maintained.

In respect of risk management:

- Review and ensure that the risk management process and procedures followed are adequate to ensure enterprise risks are identified and monitored.
- Review the status of tax risks and the management of these risks.
- Review the processes and procedures for identification and managing of technology risks.

In respect of organisational integrity/ethics:

- Review any statements on ethical standards or requirements for the organisation and the procedures or review system implemented to promote and enforce compliance.
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the company.
- The Audit and Risk Committee is headed by an independent Committee Chairperson who is appointed by the Council's Governing Body. The Audit and Risk Committee operates according to formal terms of reference which are reviewed and updated annually. The Audit and Risk Committee is permitted to consult with specialists or consultants after following an agreed process.

The year ahead

In the new financial year, the Internal Audit Department plans to implement a Combined Assurance Model whereby Internal and External Audit will work closely together to conduct a quality review. This will help the Council to save costs. It also plans to:

- Formulate an IT steering Committee.
- Appoint an IT Specialist at an Audit and Risk Committee Level.
- Appoint a Risk and Compliance Officer.
- Formulate and implement the Risk and Compliance framework(s).

Committee Secretary

The Committee Secretary provides an administrative and support service to the NBCRFLI in terms of the functioning of its committees and board, and to improve the overall level of governance and effectiveness of the Council. The Committee Secretary also provides an administrative support service for all strategic focus areas, as well as task teams that may be appointed in terms of any agreements reached by the parties.

The Committee Secretary fulfils the following key roles which contribute to the overall smooth operation of the Council:

- Manages the logistics relating to all Council committee meetings.
- Provides support services for the Industry Meetings.
- Organises, prepares agenda for and takes minutes of meetings including board meetings.
- Prepares a year planner for all Board, EXCO, Audit and Risk committee meetings as well as meetings of all standing and adhoc committees.
- Provides support services for Council meetings and contributes to all meetings, including board meetings as and when required, and advises members on governance matters.
- Maintains statutory books, including registers of Council members and stakeholders.
- Deals with correspondence, collating information and writing reports.
- Accountability to archive all legal documents and records.
- Responsible for maintaining proper stakeholder relationships with but not limited to the CCMA, Department of Labour and internal independent bodies such as the Audit and Risk Committee and the Exemption Body.
- Responsible for the creation and managing of the organisational Balanced Score Card.
- Responsible for ensuring that decisions from various committees are communicated to the relevant parties in the organisation and having in place a follow-up system so that implementation actions can be followed up on.
- Strengthens governance and effectiveness of the Council.
- Facilitation of wage negotiations.
- Accountable for the mitigation of organisational risk.
- Accountable for statutory reporting to the Department of Labour.
- Accountable for compliance with King III, all relevant laws, legislation and general corporate governance environment.
- Responsible for the Code of Good Practice for Council members and staff.

Information & Communications Technology

The Council's IT Department plays a crucial role in enabling the NBCRFLI to deliver an effective and efficient service to all its stakeholders. The Department does this by adopting IT Governance and management control and service management frameworks, based on industry good practice, developing business systems to support and enable the Council's core business processes, and developing and maintaining IT infrastructure based on IT best practices.

The activities during this financial year focused on the implementation of a fundamental change in IT strategic direction, as adopted by Council in January 2014. As part of this process, a single IT infrastructure service provider was appointed and all core IT infrastructure services were contracted as a managed service underpinned by comprehensive Service Level Agreements (SLAs). A centralised service desk was implemented to manage user requests, system changes, problem management as well as third party management. An automated infrastructure monitoring and alert platform was also deployed, and the call logging process was integrated into the centralised service desk. The monitoring system provides proactive alerts as well as dashboards for the technical staff to assist with troubleshooting.

A number of infrastructure remediation projects were completed to stabilise the IT infrastructure, improve security and enhance compliance to good IT practice. This included the installation of a new anti-virus, patch management and a centralised back-up solutions, a new secure VPN solution, as well as the remediation of the Active Directory, as well as a firewall and network assessment. All Toshiba multi-functional printers (MFPs) were at the end of their life and their performance started to severely impact upon business activities. Thus all the Toshiba MFPs were replaced by Xerox MFPs to improve performance and drive standardisation. Some of the old physical servers were also migrated to the core IT infrastructure service provider's cloud base platform, leading the way for the Council's future server virtualisation and cloud based strategy.

From a business perspective, an email compliance and archiving solution was deployed to ensure email traceability and improve mail security. The first phase of the new Enforcement System that supports the business operations with the registration, management and tracking of complainant cases was also completed.

Finance

Introduction

South Africa's tough economic climate during the year under review meant that a number of companies within the Road Freight and Logistics Industry either downsized or closed, resulting in less revenue for the Council. The loss of revenue, together with the low interest, posed the greatest financial challenges to the Council during the year in review. Yet, despite these challenges, the Council continued to perform well, with yet another improved performance compared to the previous financial year. The main contributors to the Council's improved performance included increased levies, admin fees and interest income. In addition, the Council worked hard to manage its expenses, while both its revenue and surplus increased. To maintain and improve financial stability, the Council continued to be prudent in its spending while also maintaining discipline in investing funds timeously. Emphasis was also placed on encouraging compliance by industry members, thereby ensuring admin fees were paid to the Council.

Performance Overview

Revenue for the period rose by 17% to R164.3m (2014: R140.5m) while the surplus increased by 55% to R32.8m (2014: R21.2m). The increase in the Council's Group Revenue and surplus can be attributed to the increase in levies, admin fees and interest income.

Levies increased by 11% to R68.2m (2014: R61.4m). This can be attributable to, among other things, the increase in the industry wage rate by 8% from March 2014 and further 0.25% from September 2014. Main Council admin fees increased by 19% to R79.8m (2014: R66.9m) due to the increased level of funds available to invest and also the frequency of investments. Main Council interest income increased by 34% to R16.3m (2014: R12.2m), also due to the increased level of funds available to invest and negotiated interest rates, as well as the frequency of investments.

The operational expenditure was also managed tightly.

Financial Highlights

Revenue

+15% NBCRFLI group revenue up by 15% to R341.7m (2014: R296.4m)

+17% Main Council revenue up by 17% to R164.3 (2014: R140.5m)

Income

+14% NBCRFLI group income up by 14% to R348.2m (2014: R305.7m)

+16% Main Council income up by 16% to R169.3m (2014: R145.4m)

Surplus for the period

+128% NBCRFLI group surplus up by 128% to R42.4m (2014: R18.6m)

+38% Main Council surplus up by 38% to R29.2m (2014: R21.2m)

Capital expenditure

+32% Capital expenditure up by 32% to R5.1m (2014: R3.9m)

+12% Property value down by 12% to R26m (2014: R29.6m)

Operating expenditure

+5% NBCRFLI group operating expenditure up by 5% to R302.3m (2014: R287.1m)

+10% Main Council operating expenditure up by 10% to R136.4m (2014: R124.1m)

Operating surplus

+147% NBCRFLI group operating surplus up by 147% to R46.0m (2014:18.6m) and total comprehensive income after revaluation of properties increased by 128% to R42.4m (2014:18.6m)

+55% Main Council operating surplus up by 55% to R32.8m (2014: R21.2m) and total comprehensive income after revaluation of properties increase by 38% to R29.2m (2014: R21.2m)

Revenue and Income

The income generated for the year was 7.5% above the targeted income, while the return on investments was 9.5% (2014: 7.6%). The increase in revenue is due to the increases in the industry wage and improved efficiencies on investment process. The CCMA subsidy income remained the same as last year at R0.5m.

The increase in the industry wage resulted in an increase in the levy income and also cash available for investments. The funds available were invested accordingly to ensure an attractive return on investment. The total funds under management as at period end was R1.5 billion (2014: R1.3 billion).

The Council did not create new avenues for income generation in the year under review, however, strategies are in place to set-up a Revenue Committee/Investment Committee which will drive initiatives for revenue.

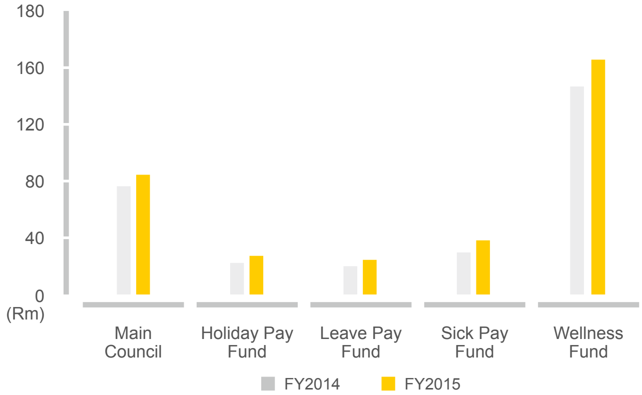
Expenditure

The operational expenditure for the year (excluding depreciation) was 6.2% below the budget. The Council maintained the expenditure tightly without compromising business continuity and service delivery to the industry.

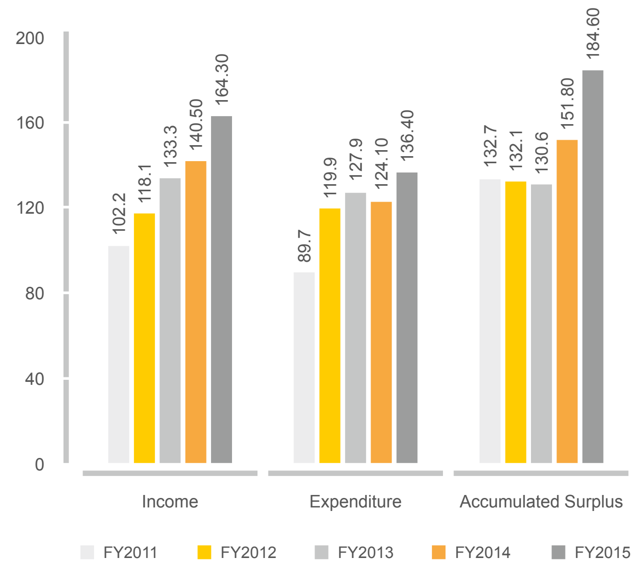
As part of maintaining the Council's fiscal stability, the culture of cost-saving was encouraged and promoted. A culture of understanding what is important and critical was introduced within the organisation to assist in making decisions where there are competing priorities. Furthermore, improvement in controls around procurement of goods and services were also introduced to substantiate the need and the preferred service provider/supplier.

NBCRFLI Group Revenue Analysis

Rm	MAIN COUNCIL	HOLIDAY PAY FUND	LEAVE PAY FUND	SICK PAY FUND	WELLNESS FUND	TOTAL
FY2013	77.0	22.4	20.0	30.0	147.0	296.4
FY2014	84.5	27.2	24.9	38.9	166.1	341.7



Main Council Five Year Performance (Rm)



Balance Sheet & Cash Flows

Capital Expenditure

Capital expenditure for the year increased by 31.6% to R5.1m (2014: R3.9m). The increased capital expenditure is attributable to improvements in the IT infrastructure and systems geared to increase administrative efficiency and enforcing compliance.

Financial Assets

The NBCRFLI Main Council and trust funds investments are held with major banks in South Africa. The investments yielded returns of 5.9% and 7.10% (2014: 5.8% and 7.1%). The market value of the Main Council investments was R147.4m (2014: R129.5m), a growth of 13.4% from 2014. The average return on investments also increased to 9.5% (2014: 7.6 %).

The consolidated market value of the Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund was R1.4bn (2014: R1.2bn). The balances of the investments grew by 11.6% which is primarily attributable to an increase in contributions received from trust funds (i.e. in respect of Holiday, leave and Sick pay Funds); increased frequency of investments; and reinvestments of interest yield during the period.

Trade & Other Receivables

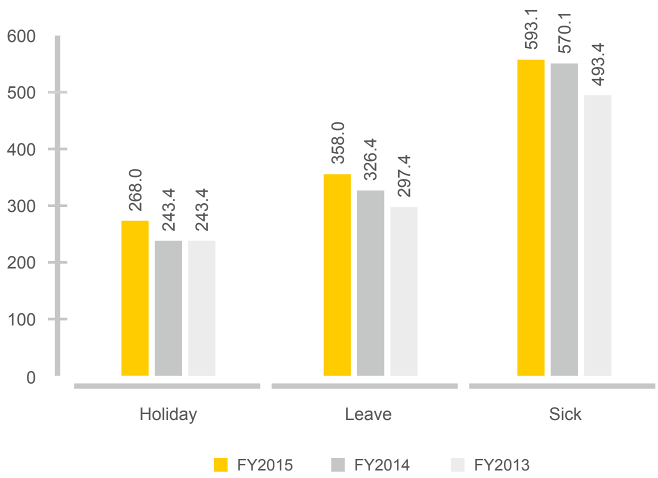
Trade and other receivables of the Main Council decreased by 13% to R5m (2014: R5.8m). The balance is largely attributable to amount outstanding from the Road Freight and Logistics Industry Provident Fund (RFLIPF).

Cash Flow

The Main Council bank balance increased by 27% to R31.0m (2014: R24.5m). The Council experienced positive cash flows from operations of R40.3m (2014: R15.6m) due to cash generated from normal operations of R24m and Main Council interest received of R16.3m.

Trust Fund Liabilities

The movement and balances in the trust fund liabilities are highlighted in the graph below (amounts in Rm):

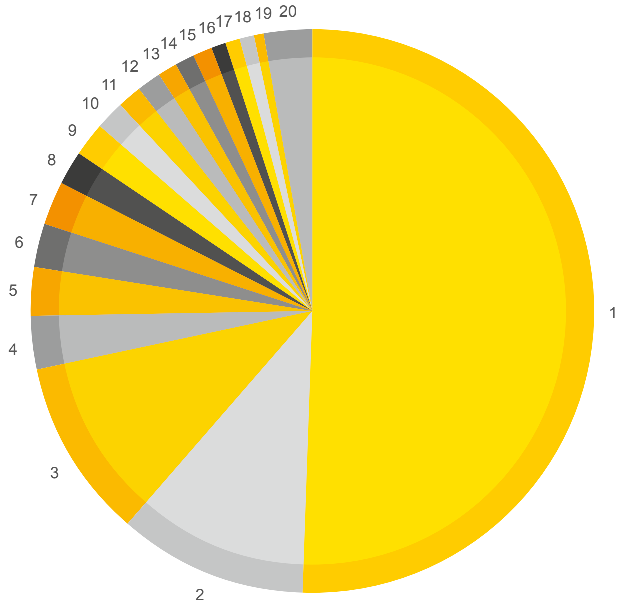


Trust Funds Investments (Rm)	HOLIDAY	LEAVE	SICK	TOTAL
FY2011	168.1	157.9	300.2	626.2
FY2012	242.0	248.6	376.5	867.1
FY2013	262.9	306.3	500.7	1 070.0
FY2014	272.5	343.8	597.6	1 214.0
FY2015	244.0	432.7	674.5	1 351.2

Trust fund liabilities (Rm)	HOLIDAY			LEAVE			SICK		
	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013
Accumulated Funds - beginning of the year	243.4	240.5	222.8	326.4	297.4	243.8	570.1	493.3	366.4
Contributions Received	681.4	613.6	544.6	501.7	450.8	397.8	379.5	341.3	302.5
Total Payments	- 651.4	- 594.2	- 526.9	- 463.2	- 405.4	- 344.1	- 347.1	- 246.5	- 175.6
Contributions forfeited during the year	- 5.4	- 16.5	-	- 6.9	- 16.4	-	- 9.4	- 18.0	-
CLOSING BALANCE	**268.3**	**243.4**	**240.5**	**357.9**	**326.4**	**297.4**	**593.1**	**570.1**	**493.4**

The movement and balances in the trust fund liabilities are highlighted in the table and chart below.

MAIN COUNCIL EXPENDITURE ANALYSIS	
1. Employee costs	50.78%
2. Computer Hardware Leasing and Software Maintenance	10.87%
3. Arbitration Expenses	10.20%
4. Staff Welfare	2.94%
5. Depreciation amortisation and impairments	2.84%
6. Legal expenses	2.62%
7. Attendance fees	2.29%
8. Lease rentals on operating lease	2.06%
9. Non-reclaimable VAT	1.91%
10. Repairs and maintenance	1.57%
11. Utilities	1.48%
12. Advertising	1.34%
13. Bank charges	1.13%
14. Telephone and fax	1.11%
15. Motor vehicle expenses	1.10%
16. Security	1.01%
17. Equipment hire	0.78%
18. Consulting and professional fees	0.73%
19. Printing and stationery	0.58%
20. Other	2.67%



Procurement

Introduction

The Procurement Section is a centralised function operating within the Finance Department. Its existence has been driven by its key objectives that consist of supporting the operational requirements; managing the procurement process and supply base effectively and efficiently; developing and maintaining strong relationships with all departments; and developing integrated strategies that support the organisation's strategy, goals and objectives. To live up to this purpose, the Procurement Section is also aiming to continuously adopt best practices and adhere to all prevailing regulations.

Legislative requirements

Even though the NBCRFLI is not a state entity, its existence falls under the requirements of the Labour Relations Act and its activities are governed under the Department of Labour, and ultimately the Minister of Labour. It therefore follows that the NBCRFLI, in terms of its operations, will be informed by best practice in both the public and private sectors in order for the Council to effectively serve its stakeholders.

Procurement Activities

Procurement Activities Key activities include:

- Stock Management.
- Supplier Database Management.
- Tender Management.
- Service Level Agreement Management.
- Insurance /Risk Covers.
- Daily processing of Orders through SAP.
- Regular review of Risk and Strategy.
- Regular review of Policy and Procedures.

Other activities

The Procurement Section has successfully completed a project charter to address the concern of appropriately accruing for expenses. The project is currently in the implementation stage and will be closely monitored accordingly.

Payroll

Introduction

The primary mission of the Payroll Section is to ensure that all employees and other stakeholders are paid accurately and timeously with the correct withholdings and deductions, and to ensure the withholdings and deductions are remitted in a timely manner. This includes salary payments, tax withholdings, and deductions from earnings. The Payroll Section's mission is accomplished by working with all the other departments within the NBCRFLI, as well as the section of Human Resources.

Legislative requirements

The Payroll Section is required to comply with the following legislative requirements:

- Employee Tax incentive (ETI).
- SARS requirements (EMP201 and EMP501).
- BCEA.
- Department of Labour requirements (UIF, Maternity).
- StatsSA.
- Workman's Compensation.
- Pension Fund Act.

Third party requirements

The Payroll Section also has to comply with third party requirements which include:

- Garnishee implementation – Court orders.
- Medical aid requirements – Registration and payments of contributions.
- Pension fund – Registration and payments of contributions.
- IEMAS payment of the contributions.

Key payroll activities that occurred during the year under review include:

- Monthly payment of staff, Board members and commissioners.
- Processing monthly accruals such as leave and other payroll related provisions.
- Processing of payroll and other statutory deductions.
- Payment of all third party payments and statutory deductions.
- Monthly submissions to relevant authority.
- EMP201 recon monthly.
- EMP501 recon bi-annually.

Future Outlook

The Council has performed well over the past few years and management is optimistic that it will continue to maintain a positive surplus during the year ahead due to the Council's healthy financial standing in terms of its assets and performance. Another promising contributor to the Council's financial success will be the establishment of the Revenue Committee/Investment Committee which will assist in making decisions on investing funds, especially where expert advice is required.

The upcoming industry wage agreement will also have a profound effect on the Council's financial performance. The Council is hoping to reach a long term agreement once again as this will continue to bring stability to the Road Freight and Logistics Industry while enabling the Council to plan for the future from a financial perspective.

Chairman's Report of the Audit & Risk Committee

We are pleased to present our report for the financial year ended 31 March 2015.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members listed

- Mr. Melusi Ntumba CA(SA) — *Independent Chairman*
- Mr. Johnson Gamede — *Labour*
- Ms. Maemili Ramatoboe — *Independent Member*
- Mr. Penwell Lunga — *RFA*

The committee is chaired by Mr Melusi Ntumba, five (5) meetings were held during 2013/14 Financial Year.

Audit and Risk Committee responsibility

The committee reports that it has complied with its responsibility arising from recommendations of King Code on Corporate Governance Requirements. The committee also reports that it continued to regulate its affairs according to the audit and risk committee charter that it adopted at the beginning of the financial year 2014/15. All its affairs and responsibilities were performed in compliance with this charter.

The effectiveness of Internal Control and Risk Management

The system of control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the Act and the King III report on Corporate Governance requirements, as a matter of principle Internal Audit and External Audit (combined assurance) provide the Council, the committee and management with assurance that the internal controls are appropriate and effective. This achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Internal Audit

The committee is satisfied that the NBCRFLI key risks have been identified and are receiving adequate attention from management. NBCRFLI has an in house internal audit function however the function is not properly resourced as a result a co source arrangement is in place. All identified issues by internal audit were resolved by management and we express our gratitude to both internal audit unit and management. The Internal audit plan is risk-based.

External Audit

The committee is directly responsible for the appointment (subject to member ratification), compensation, retention and oversight of the independent auditors. The committee has satisfied itself through enquiry that the external auditors of the NBCRFLI are independent as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2014/15 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

The External Auditors are Deloitte and will be in office for the Financial Year 2015/16.

Risk

The NBCRFLI risk register is continuously updated and reviewed annually to ensure that management is addressing relevant issues. The committee is satisfied that the risks identified are receiving adequate attention from management.

Finance

The committee reviews the budget, management accounts, financial statements and other financial matters of the NBCRFLI and recommend them to the Council.

Annual Financial Statements

The committee has reviewed and recommended the annual financial statements to be included in the integrated report for approval to the Council. The Council has subsequently approved the financial statements which will be open for discussion at the annual general meeting which is scheduled for 26 June 2015.

Melusi Ntumba CA (SA)
Chairman of the Audit and Risk Committee

Corporate Governance Matters

Financial Governance

The Council used its external audit firm's tax unit to apply for VAT exemption, as well as their governance unit to provide guidance on best practice corporate governance requirements. Before any extra services are provided by the external auditors, approval must be given by the Audit and Risk Committee. The cost associated with the extra services is tabled at the Audit and Risk Committee, where it is also approved.

Information Technology Governance

All IT risks are managed closely by the Council's IT steering committee (utilising the Senior Management Meeting Structure), which oversees all the Council's major IT projects. It is important to note that the Council is still in the process of documenting and reviewing its IT policy to meet governance requirements. IT best practices and frameworks like Cobit 5, ITIL, ISO 38500 and ISO 27000 have been adopted to improve and mature the overall Governance and Control landscape.

A new IT Governance framework has been developed and is in the process of finalisation. Once approved, a separate and dedicated IT Steering Committee will be appointed that will drive IT Governance within the Council.

Remuneration

In the year under review, EXCO has overseen the Council's remuneration structure and made decisions regarding staff and executive remuneration. EXCO is made up of five members from the employer parties and five from the unions. Councillor allowances are determined at the AGM.

Delegation of Authority

The Delegation of Authority framework is developed and approved by the Council Board in alignment with governance principles. Its purpose is to give defined authority to governance structures within the organisation.

Meetings

During the previous financial year, three Council meetings were held, including the AGM as well as three EXCO meetings. The Audit and Risk Committee held five meetings. All meetings quorated.

In the year ahead

In the next financial year, the Council plans to implement its governance framework, which will stabilise its governance structure operations.

Audited Financial Statements

Board members' Responsibilities and Approval

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), the Council, is an organisation registered as a bargaining council in terms of section 29(15)(a) of the Labour Relations Act 1995. The organisation changed its name from the National Bargaining Council for the Road Freight Industry (NBCRFI) to National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) with effect from 23 July 2010.

The Board members are required, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with specific accounting policies adopted and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Board members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable priority on maintaining a strong control environment. To enable management to meet these responsibilities, the Board members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavour's to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board members have reviewed the Council's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Board members are primarily responsible for the financial affairs of the Council, they are supported by the Council's external auditors.

The external auditors are responsible for independently reviewing and reporting on the Council's consolidated financial statements. The consolidated annual financial statements have been examined by the Council's external auditors and their report is presented on page 63.

Corporate Governance

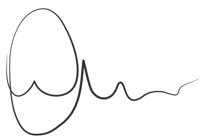
The Council's corporate governance processes include the appointment of internal auditors, a dedicated risk manager and independent external auditors, all of whom report to the Audit and Risk committee, which meets at least quarterly and reports to the Board members.

Approval

The annual financial statements set out on pages 64 to 78, which have been prepared on the going concern basis, were approved by the Board members on 26 June 2015 and were signed on its behalf by:

Mr Musa Ndlovu

National Secretary of the NBCRFLI



Mr Fred Meier

Chairperson

Financials

Council Members' Responsibilities and Approval

The Nature of Business

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), the Council, is an organization registered as a bargaining council in terms of section 29(15)(a) of the Labour Relations Act 1995. The organization changed its name from the National Bargaining Council for the Road Freight Industry (NBCRFI) to National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) with effect from 23 July 2010.

Council Members Responsibility for Annual Financial Statements

The Council members are required, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with specific accounting policies adopted and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Internal Control

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable priority on maintaining a strong control environment. To enable management to meet these responsibilities, the Council members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavour's to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Going Concern

The Council members have reviewed the Council's cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

Auditor's Responsibility

The external auditors are responsible for independently reviewing and reporting on the Council's and consolidated annual financial statements. The consolidated annual financial statements have been examined by the Council's external auditors and their report is presented on page 63.

King III Corporate Governance

The Board of Council endorse the Recommendations and Principles as set out in the King III Report ("the Code") issued during 2009 and which became effective from 1 April 2010. By voluntarily supporting the Code, the Council members recognise the need to conduct the affairs of the Council in compliance with sound corporate governance principles, with integrity and accountability.

The Council's corporate governance processes which include the appointment of internal auditors, a dedicated risk manager and independent external auditors, all of whom report to the Audit and Risk committee, which meets at least quarterly and reports to the Council members.

Approval

The annual financial statements set out on pages 64 to 78, which have been prepared on the going concern basis, were approved by the Council members on 26 June 2015 and were signed on its behalf by:

Mr Musawenkosi Ndlovu
National Secretary

Mr Fred Meier
Chairperson

Report of the Independent Auditors to the Members of the National Bargaining Council for the Road Freight and Logistics Industry

We have audited the Council and the consolidated annual financial statements of the National Bargaining Council for the Road Freight and Logistics Industry, which comprise:

- The consolidated and separate statements of net assets for the period ended 28 February 2015;
- The consolidated and separate statements of comprehensive income for period ended 28 February 2015;
- The consolidated and separate statements of changes in funds for the period ended 28 February 2015;
- The consolidated and separate statements of cash flows for the period ended 28 February 2015;
- A summary of significant accounting policies and other explanatory notes, as set on pages 64 to 78.

Management's Responsibility for the Financial Statements

The council is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with basis of accounting set out in page 69, and in manner required by the Labour Relations Act of 1995 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying Group and Council annual financial statements of the National Bargaining Council for the Road Freight and Logistics Industry have been prepared in all material respects, in accordance with the basis of accounting as set out in Note 1 of the financial statements, and in a manner required by the provisions of its constitution relating to financial matters and Section 53(2) (b) of the Labour Relations Act.

Emphasis of matter – Supporting Schedules

Without qualifying our opinion we draw attention to the fact that the supplementary information set out on pages 77 to 78 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon

Restriction on use

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

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per D Munu
Partner
8 July 2015

Consolidated Statement of Net Assets

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Notes	Group		Main Council	
		2015	2014	2015	2014
		R	R	R	R
ASSETS					
Non Current Assets		**1 533 480 941**	**1 380 497 878**	**182 146 964**	**166 595 087**
Property, plant and equipment	2	34 425 532	36 843 705	34 425 532	36 793 484
Other financial assets	3	1 499 055 409	1 343 654 174	147 721 433	129 801 603
Current Assets		**64 075 201**	**59 665 003**	**36 238 713**	**30 369 138**
Inventories		178 315	92 088	178 315	92 088
Trade and other receivables	4	14 689 858	5 760 650	5 024 986	5 760 650
Cash and cash equivalents		49 207 028	53 812 265	31 035 412	24 516 400
Total assets		**1 597 556 142**	**1 440 162 881**	**218 385 678**	**196 964 225**
EQUITY AND LIABILITIES					
Equity		**336 039 388**	**272 108 905**	**188 557 514**	**159 336 837**
Reserves		119 033 537	101 063 065	3 894 136	7 494 136
Surplus funds		217 005 851	171 045 840	184 663 378	151 842 701
Non Current Liabilities		**1 219 230 914**	**1 139 924 333**	**-**	**-**
Industry employees trust account	7	1 219 230 914	1 139 924 333	-	-
Current Liabilities		**42 285 839**	**28 129 643**	**29 828 164**	**37 627 388**
Other financial liabilities	5	3 035 346	3 260 219	2 201 863	12 925 338
Trade and other payables	6	39 250 493	24 869 424	27 626 301	24 702 050
Total equity and liabilities		**1 597 556 142**	**1 440 162 881**	**218 385 678**	**196 964 225**

Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Group		Main Council	
	2015	2014	2015	2014
	R	R	R	R
Income	341 652 547	296 357 522	164 329 314	140 491 850
Other Income	6 585 998	9 295 357	4 937 072	4 886 512
Operating expenses	(302 278 535)	(287 075 516)	(136 445 709)	(124 137 944)
Operating surplus/(deficit)	45 960 011	18 577 363	32 820 677	21 240 418
Surplus/(Deficit) for the year	45 960 011	18 577 363	32 820 677	21 240 418
Other comprehensive income:	(3 600 000)	-	(3 600 000)	-
Total comprehensive income for the period	**42 360 011**	**18 577 363**	**29 220 677**	**21 240 418**

Consolidated Statement of Changes in Funds

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Notes	Revaluation Reserve R	Forfeitures Reserve R	Total Reserves R	Surplus Funds R	Total Funds R
Group						
Balance at 28 February 2013		**7 494 136**	**42 660 697**	**50 154 833**	**152 468 478**	**202 623 311**
(Deficit)/Surplus for the period		-	-	-	18 577 363	18 577 363
Total comprehensive income for the period		**-**	**-**	**-**	**18 577 363**	**18 577 363**
Movement to forfeitures reserve		-	50 908 232	50 908 232	-	50 908 232
Balance at 28 February 2014		**7 494 136**	**93 568 929**	**101 063 065**	**171 045 841**	**272 108 907**
(Deficit)/Surplus for the period		-	-	-	45 960 011	45 960 011
Other comprehensive income		(3 600 000)	-	(3 600 000)	-	(3 600 000)
Total comprehensive income for the period		(3 600 000)	-	(3 600 000)	45 960 011	42 360 011
Movement to forfeitures reserve		-	21 570 473	21 570 473	-	21 570 473
Balance at 28 February 2015		**3 894 136**	**115 139 401**	**119 033 537**	**217 005 852**	**336 039 390**
Main Council						
Balance at 28 February 2013		**7 494 136**	**-**	**7 494 136**	**130 602 283**	**138 096 419**
(Deficit)/Surplus for the period		-	-	-	21 240 418	21 240 418
Total comprehensive income for the period		-	-	-	21 240 418	21 240 418
Balance at 28 February 2014		**7 494 136**	**-**	**7 494 136**	**151 842 700**	**159 336 837**
(Deficit)/Surplus for the period		-	-	-	32 820 677	32 820 677
Loss on revaluation of properties		(3 600 000)	-	(3 600 000)	-	(3 600 000)
Total comprehensive income for the period		(3 600 000)	-	(3 600 000)	32 820 677	29 220 677
Balance at 28 February 2015		**3 894 136**	**-**	**3 894 136**	**184 663 377**	**188 557 514**

Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Notes	Group		Main Council	
		2015	2014	2015	2014
		R	R	R	R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	A	55 259 440	10 519 228	40 277 938	15 632 011
Transfer of forfeitures/Increase in reserves		21 570 473	50 908 232	-	-
Net cash (outflow)/inflow from operating activities		**76 829 913**	**61 427 459**	**40 277 938**	**15 632 011**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(5 144 522)	(3 909 450)	(5 144 522)	(3 909 450)
Proceeds from sale of property, plant and equipment		28 900	65 552	28 900	65 552
Increase in other financial assets		(155 401 235)	(150 228 900)	(17 919 829)	(6 286 351)
Net cash outflow from investing activities		**(160 516 857)**	**(154 072 798)**	**(23 035 452)**	**(10 130 249)**
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/Increase in other financial liabilities		(224 874)	(2 452 209)	(10 723 474)	(712 995)
Increase in industry employees trust account		79 306 581	108 694 429	-	-
Net inflow/(outflow) from financing activities		**79 081 707**	**106 242 220**	**(10 723 474)**	**(712 995)**
Net increase/(decrease) in cash and cash equivalents		(4 605 238)	13 596 881	6 519 012	4 788 767
Cash and cash equivalents at beginning of year		53 812 266	40 215 384	24 516 400	19 727 633
CASH AND CASH EQUIVALENTS AT END OF YEAR	**B**	**49 207 028**	**53 812 265**	**31 035 412**	**24 516 400**

Notes to the Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Group		Main Council	
	2015	**2014**	**2015**	**2014**
	R	**R**	**R**	**R**
A. RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH GENERATED FROM OPERATIONS				
Operating (deficit)/surplus	45 960 011	18 577 363	32 820 677	21 240 418
Adjustment for non cash items:	3 933 795	5 053 321	3 883 574	4 941 253
Depreciation and amortisation	3 918 931	5 118 015	3 868 710	5 005 947
(Gain)/Loss on disposal of property, plant and equipment	14 864	(64 694)	14 864	(64 694)
Adjustment for separately disclosable items:				
Interest received	(108 257 317)	(85 016 874)	(16 307 676)	(12 196 989)
Operating cash inflow before working capital changes	(58 363 511)	(61 386 190)	20 396 575	13 984 682
Working capital changes	5 365 634	(13 111 456)	3 573 687	(10 549 660)
Changes in inventories	(86 227)	(3 286)	(86 227)	(3 286)
Changes in trade and other receivables	(8 929 208)	(1 392 189)	735 663	(313 767)
Changes in trade and other payables	14 381 069	(11 715 981)	2 924 251	(10 232 606)
Cash generated from operations	(52 997 877)	(74 497 646)	23 970 262	3 435 022
Interest received	108 257 317	85 016 874	16 307 676	12 196 989
CASH GENERATED FROM OPERATING ACTIVITIES	**55 259 440**	**10 519 228**	**40 277 938**	**15 632 011**
B. CASH AND CASH EQUIVALENTS				
Bank balances				
Main Council	31 035 412	24 516 400	31 035 412	24 516 400
Wellness Fund	18 171 551	29 295 787	-	-
Holiday Pay Fund	22	26	-	-
Leave Pay Fund	22	26	-	-
Sick Pay Fund	22	26	-	-
	49 207 028	**53 812 265**	**31 035 412**	**24 516 400**

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

REPORTING ENTITY

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) is an organization registered as a bargaining council in terms of section 29(15)(a) of the Labour Relations Act 1995. The organization changed its name from the National Bargaining Council for the Road Freight Industry (NBCRFI) to National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) with effect from the 23 July 2010.

1.1 Accounting Policy

The consolidated annual financial statements are prepared in accordance with the entity specific accounting policies adopted by the Council. The consolidated financial statements except for buildings and investments at fair value, have been prepared on the historical cost basis in accordance with the accounting policies set below.

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

1.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and Buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent impairment losses and are not depreciated.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Any increase in an asset's carrying amount, as a result of a revaluation is credited directly to equity in the revaluation reserve. The increase is recognised in the profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss.

Any decrease in an asset's carrying amount, as result of a revaluation, is recognised in the profit or loss in the current period. The decrease is debited directly to equity in the revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation is calculated on cost, less residual value, using the straight-line method over their expected useful lives. The useful lives applied are as follows:

Motor Vehicles: 5 years
Furniture and Fittings: 5 years
Office Equipment: 5 years
IT Equipment: 3 years
Computer Software: 3 years
Containers: 5 years

The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

1.3 Financial Instruments

- *Initial Recognition*

  The funds classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

  Financial assets and financial liabilities are recognised on the fund's balance sheet when the fund becomes party to the contractual provisions of the instrument.

- *Loans*

  Loans are recognised initially at fair value plus direct transaction costs. Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

- *Trade and Other Receivables*

  Trade receivables are measured initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

- *Trade and Other Payables*

  Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

- *Cash and Cash Equivalents*

  Cash and cash equivalents compromise cash on hand and 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. These are initially and subsequently recorded at fair value.

- *Held to Maturity and Loans and Receivables*

  These financial assets are initially recognised at fair value plus direct transaction costs.

1.4 Revenue

Revenue is recognised on both the accrual and cash basis.

- *Levies*

  Levies are charged to the industry for the services that the NBCRFLI provides to the industry. Levies are recognised on the cash basis based on amounts received for the returns submitted and processed. Where reasonable, an accrual is made for the levies relating to the financial period under review.

- *Administration fees*

  Administration fees charged for the administration of the Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund. The administration fee is recognised on the accrual basis.

1.5 Employee Benefits

- *Defined Contribution Plans*

  Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

  Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the council's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.6 Outstanding Levies

Consistent to prior year, levies due but unpaid at the end of the current financial period have been brought into account.

1.7 Interest Income

Interest income is recognised on a time proportion basis taking into account the effective interest rate over the period of maturity when it is determined that such income will accrue to the Council.

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	2015			2014		
	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R
Land and Buildings	26 000 000	-	26 000 000	29 600 000	-	29 600 000
Furniture & fittings	12 077 736	(10 303 398)	1 774 338	11 502 231	(9 675 721)	1 826 510
Motor vehicles	2 817 539	(2 526 851)	290 688	2 817 539	(2 293 441)	524 098
Office Equipment	3 439 050	(2 845 786)	593 264	3 102 058	(2 572 915)	529 143
IT Equipment	11 312 707	(8 447 994)	2 864 713	9 094 297	(7 076 524)	2 017 773
Computer Software	18 521 949	(15 619 420)	2 902 529	16 546 051	(14 211 343)	2 334 708
Containers	572 384	(572 384)	-	572 384	(560 911)	11 473
	74 741 366	**(40 315 834)**	**34 425 532**	**73 234 559**	**(36 390 855)**	**36 843 705**

MAIN COUNCIL	2015			2014		
	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R
Land and Buildings	26 000 000	-	26 000 000	29 600 000	-	29 600 000
Furniture & fittings	12 077 736	(10 303 398)	1 774 338	11 464 515	(9 638 005)	1 826 510
Motor vehicles	1 612 808	(1 322 120)	290 688	1 612 808	(1 127 368)	485 440
Office Equipment	3 359 950	(2 766 686)	593 264	3 022 958	(2 493 905)	529 053
IT Equipment	11 119 305	(8 254 592)	2 864 713	8 900 895	(6 883 122)	2 017 773
Computer Software	18 257 149	(15 354 620)	2 902 529	16 281 251	(13 946 543)	2 334 708
	72 426 949	**(38 001 418)**	**34 425 532**	**70 882 427**	**(34 088 944)**	**36 793 484**

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

2. PROPERTY, PLANT AND EQUIPMENT (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

GROUP 28 FEBRUARY 2015	Land & Buildings R	Furniture & Fittings R	Motor Vehicles R	Office Equipment R	IT Equipment R	Computer Software R	Containers R	TOTAL R
Opening carrying amount	**29 600 000**	**1 826 510**	**524 098**	**529 143**	**2 017 773**	**2 334 708**	**11 473**	**36 843 705**
Cost	29 600 000	11 464 515	2 817 539	3 102 058	9 094 297	16 546 051	572 384	73 196 844
Accumulated depreciation	-	(9 638 005)	(2 293 441)	(2 572 915)	(7 076 524)	(14 211 343)	(560 911)	(36 353 139)
Additions	-	613 221	-	336 992	2 218 410	1 975 898	-	**5 144 522**
Revaluations through equity	(3 600 000)	-	-	-	-	-	-	**(3 600 000)**
Disposals at net book value	-	-	-	-	(43 764)	-	-	**(43 764)**
Current depreciation	-	(665 393)	(233 410)	(272 871)	(1 327 706)	(1 408 077)	(11 473)	**(3 918 931)**
Closing carrying amount	**26 000 000**	**1 774 338**	**290 688**	**593 264**	**2 864 713**	**2 902 529**	**-**	**34 425 532**
Cost	26 000 000	12 077 736	2 817 539	3 439 050	11 312 707	18 521 949	572 384	74 741 366
Accumulated depreciation	-	(10 303 398)	(2 526 851)	(2 845 786)	(8 447 994)	(15 619 420)	(572 384)	(40 315 834)

GROUP 28 FEBRUARY 2014	Land & Buildings R	Furniture & Fittings R	Motor Vehicles R	Office Equipment R	IT Equipment R	Computer Software R	Containers R	TOTAL R
Opening carrying amount	**29 600 000**	**2 052 853**	**779 149**	**628 869**	**1 498 902**	**3 447 252**	**46 104**	**38 053 129**
Cost	29 600 000	10 556 289	2 752 639	2 824 218	7 598 396	15 451 105	572 384	69 355 031
Accumulated depreciation	-	(8 503 436)	(1 973 490)	(2 195 349)	(6 099 494)	(12 003 853)	(526 280)	(31 301 902)
Additions	-	945 941	64 900	277 840	1 525 822	1 094 947	-	**3 909 450**
Disposals at net book value	-	-	-	-	(859)	-	-	**(859)**
Current depreciation	-	(1 172 284)	(319 951)	(377 566)	(1 006 093)	(2 207 491)	(34 631)	**(5 118 015)**
Closing carrying amount	**29 600 000**	**1 826 510**	**524 098**	**529 143**	**2 017 773**	**2 334 708**	**11 473**	**36 843 705**
Cost	29 600 000	11 464 515	2 817 539	3 102 058	9 094 297	16 546 051	572 384	73 196 844
Accumulated depreciation	-	(9 638 005)	(2 293 441)	(2 572 915)	(7 076 524)	(14 211 343)	(560 911)	(36 353 139)

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

2. PROPERTY, PLANT AND EQUIPMENT (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

MAIN COUNCIL 28 FEBRUARY 2015	Land & Buildings R	Furniture & Fittings R	Motor Vehicles R	Office Equipment R	IT Equipment R	Computer Software R	TOTAL R
Opening carrying amount	**29 600 000**	**1 826 510**	**485 440**	**529 053**	**2 017 773**	**2 334 708**	**36 793 484**
Cost	29 600 000	11 464 515	1 612 808	3 022 958	8 900 895	16 281 251	70 882 427
Accumulated depreciation	-	(9 638 005)	(1 127 368)	(2 493 905)	(6 883 122)	(13 946 543)	(34 088 944)
Additions	-	613 221	-	336 992	2 218 410	1 975 898	**5 144 522**
Revaluations through equity	(3 600 000)	-	-	-	-	-	**(3 600 000)**
Disposals at net book value	-	-	-	-	(43 764)	-	**(43 764)**
Current depreciation	-	(665 393)	(194 752)	(272 781)	(1 327 706)	(1 408 077)	**(3 868 710)**
Closing carrying amount	**26 000 000**	**1 774 338**	**290 688**	**593 264**	**2 864 713**	**2 902 529**	**34 425 532**
Cost	26 000 000	12 077 736	1 612 808	3 359 950	11 119 305	18 257 149	72 426 949
Accumulated depreciation	-	(10 303 398)	(1 322 120)	(2 766 686)	(8 254 592)	(15 354 620)	(38 001 418)

MAIN COUNCIL 28 FEBRUARY 2014	Land & Buildings R	Furniture & Fittings R	Motor Vehicles R	Office Equipment R	IT Equipment R	Computer Software R	TOTAL R
Opening carrying amount	**29 600 000**	**2 052 853**	**663 175**	**628 658**	**1 498 902**	**3 447 252**	**37 890 840**
Cost	29 600 000	10 518 574	1 547 908	2 745 118	7 404 994	15 186 305	67 002 900
Accumulated depreciation	-	(8 465 721)	(884 734)	(2 116 460)	(5 906 092)	(11 739 053)	(29 112 060)
Additions	-	945 941	64 900	277 840	1 525 822	1 094 947	**3 909 450**
Disposals at net book value	-	-	-	-	(859)	-	**(859)**
Current depreciation	-	(1 172 284)	(242 635)	(377 445)	(1 006 093)	(2 207 491)	**(5 005 947)**
Closing carrying amount	**29 600 000**	**1 826 510**	**485 440**	**529 053**	**2 017 773**	**2 334 708**	**36 793 484**
Cost	29 600 000	11 464 515	1 612 808	3 022 958	8 900 895	16 281 251	70 882 427
Accumulated depreciation	-	(9 638 005)	(1 127 368)	(2 493 905)	(6 883 122)	(13 946 543)	(34 088 944)

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Group		Main Council	
	2015	2014	2015	2014
	R	R	R	R
2. PROPERTY PLANT AND EQUIPMENT (continued)				
Other information				
Details of properties				
Erf 2915 Johannesburg measuring 496 square meters with office building erected thereon.				
Erf 2914 Johannesburg portion 2				
Erf 7498 Parrow 141 Voortrekker Road Parrow				
- Balance at beginning of period	29 600 000	29 600 000	29 600 000	29 600 000
- Improvements	-	-	-	-
Total land and buildings before revaluation	**29 600 000**	**29 600 000**	**29 600 000**	**29 600 000**
Revaluation of land and buildings	(3 600 000)	-	(3 600 000)	-
Total land and buildings after revaluation	**26 000 000**	**29 600 000**	**26 000 000**	**29 600 000**
Land and building are re-valued independently every three years.				
Revaluation of the land and buildings is performed by an independent valuator Grant Fraser (MIV. SA) of G.C Fraser & Associate who are not connected to the NBCRFLI.				
Revaluation on the land and buildings was performed as at 28 February 2015. (The previous revaluation was performed as at 28 February 2012.) Details of the revaluation are as follows:				
Erf 2915 Johannesburg, 31 De Korte Street, Braamfontein	11 500 000	13 200 000	13 200 000	13 200 000
Erf 2914 Johannesburg, 29 De Korte Street, Braamfontein	9 400 000	9 500 000	9 500 000	9 500 000
Erf 7498 Parrow, 141 Voortrekker Road, Parrow	5 100 000	6 900 000	6 900 000	6 900 000
Total value as per the revaluation report - 28 February 2015	**26 000 000**	**29 600 000**	**29 600 000**	**29 600 000**
The valuation stated for the current period was on the basis that the properties will be sold on the assumption of vacant possession.				
3. OTHER FINANCIAL ASSETS				
Held to maturity and demand				
Fixed deposit and money market funds:				
Main Council investments	147 403 954	129 483 785	147 403 954	129 483 785
Holiday Pay Fund investments	244 013 734	272 524 030	-	-
Leave Pay Fund investments	432 759 629	343 834 158	-	-
Sick Pay Fund investments	674 560 614	597 604 551	-	-
	1 498 737 931	**1 343 446 523**	**147 403 954**	**129 483 785**
The investments are held at a variety of financial institutions.				
The yield on investments was 5.88% and 7.10% (February 2014: 5.76% and 7.05%) per annum.				
Loans and Receivables				
Provident Fund	317 478	317 818	317 478	317 818
Wellness Fund - Payable to Main Council	-	(110 167)	-	-
Total other financial assets	**1 499 055 409**	**1 343 654 174**	**147 721 432**	**129 801 603**

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Group		Main Council	
	2015	2014	2015	2014
	R	R	R	R
4. TRADE AND OTHER RECEIVABLES				
Sundry Debtors	466 657,57	1 482 621	466 658	1 482 621
Sundry Debtors - Provident Fund Payable to Main Council	4 192 539	4 192 539	4 192 539	4 192 539
Deposits	85 490	85 490	85 490	85 490
Receivable - Prepaid Expenses (Health Plan Premium paid in advance in line with SLA)	9 945 171	-	280 300	-
Total trade and other receivables	**14 689 858**	**5 760 650**	**5 024 986**	**5 760 650**
5. OTHER FINANCIAL LIABILITIES				
Held at amortised cost				
Holiday pay bonus fund	-	-	71 490 673	13 035 998
Leave pay fund	-	-	(44 055 009)	6 405 596
Sick fund	-	-	(42 420 250)	2 067 992
Provident fund	1 293 678	1 293 678	1 293 678	1 293 678
Wellness fund	-	-	14 151 105	(11 844 466)
Unallocated funds received	1 741 667	1 966 540	1 741 667	1 966 540
Total other financial liabilities	**3 035 345**	**3 260 218**	**2 201 863**	**12 925 338**
6. TRADE AND OTHER PAYABLES				
Trade payables and control account balances	21 139 050	7 152 535	9 973 137	7 152 535
Employee cost related payables	1 870 295	933 507	1 691 169	3 472 471
Incentive bonus provision	8 185 521	5 771 192	7 906 368	5 646 557
VAT	(494 661)	(756 571)	(494 661)	(756 571)
Trust account	3 649 934	3 280 532	3 649 934	3 280 532
Refunds due	4 834 677	4 849 925	4 834 677	4 849 925
Industry Unions and Agency Fees	65 677	1 056 602	65 677	1 056 602
Total trade and other payables	**39 250 493**	**22 287 721**	**27 626 301**	**24 702 050**

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Group		Main Council	
	2015	2014	2015	2014
	R	R	R	R
7. INDUSTRY EMPLOYEES TRUST ACCOUNT				
Balance at beginning of period				
Holiday Pay Fund	243 424 587	240 501 171		
Leave Pay Fund	326 392 036	297 405 885		
Sick Pay Fund	570 107 710	493 322 849		
	1 139 924 333	**1 031 229 904**		
Contributions received				
Holiday Pay Fund	681 410 278	613 644 158		
Leave Pay Fund	501 713 385	450 813 160		
Sick Pay Fund	379 591 666	341 314 993		
	1 562 715 328	**1 405 772 311**		
Less:				
Pay-outs for the year				
Holiday Pay Fund	(651 465 904)	(594 224 389)		
Leave Pay Fund	(463 248 523)	(405 398 435)		
Sick Pay Fund	(347 123 848)	(246 546 827)		
	(1 461 838 274)	**(1 246 169 650)**		
Less:				
Forfeitures adjustment				
Holiday Pay Fund	(5 114 630)	(16 496 353)		
Leave Pay Fund	(6 963 798)	(16 428 575)		
Sick Pay Fund	(9 492 045)	(17 983 304)		
	(21 570 473)	**(50 908 232)**		
(The forfeitures adjustments relates to forfeitures for the five year ended February 2010)				
Closing balance at the end of the year				
Holiday Pay Fund	268 254 332	243 424 587		
Leave Pay Fund	357 893 100	326 392 036		
Sick Pay Fund	593 083 483	570 107 710		
	1 219 230 914	**1 139 924 333**		
8. OPERATING EXPENSES				
Included in operating expenses is the following:				
Employee costs	(75 394 158)	(71 299 246)	(69 289 199)	(64 663 640)
Wellness employee health insurance	(114 781 351)	(128 215 339)	-	-
Party representativity funding	(3 414 704)	-	(3 414 704)	-

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 28 FEBRUARY 2015

9. TAXATION

No provision has been made for taxation as the fund is currently exempt from income taxation.

10. CONTINGENCIES

(a) The provisions of Labour Relations Act of 1995 requires parties' representativity in bargaining council to be 50% plus one in order to qualify for full enforcement of agreement to the entire industry . The Department of Labour issued a certificate on 24 August 2010 stating that it is certified that the parties to Council's Collective Agreement are representative and this certificate is valid up until 31 August 2011.

(b) As at reporting period ended 28 February 2015, NBCRFLI had legal claims against the Road Freight and Logistics Industry Provident Fund (RFLIPF) for outstanding administration fees due to be paid to Main Council. The amount outstanding of R4,192,539 has been included in trade and other receivables. The only financial exposure would be legal expenses.

(c) In addition to the matter in (b) above, Main Council owes the Road Freight and Logistics Industry Provident Fund (RFLIPF) an amount of R7,924,494.00 in respect of contributions received for the periods before May 2008. Council was issued with a summons for payment of the outstanding amount. The amount has been accrued in financial assets.

(d) As at reporting period ended 28 February 2013, Council had a dispute against E-Prime Dynamix for breach of contract. The service provider was contracted to install and implement the SAP system. The contract was terminated when failures were discovered on the system and the service provider failed to rectify the system errors. Upon termination, E-Prime Dynamix instituted a claim against Council with a contingent liability of R3,569,129. The legal claim against E-Prime Dynamix has been suspended due to E-Prime being liquidated.

Detailed Consolidated Income Statement

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Notes	Group		Main Council	
		2015	2014	2015	2014
		R	R	R	R
Revenue					
Levies Received		68 235 761	61 443 074	68 235 761	61 443 074
Wellness fund contributions		165 159 469	146 508 568	-	-
Interest Received		108 257 317	85 016 874	16 307 676	12 196 989
Admin Fees Received		-	3 389 006	79 785 877	66 851 787
		341 652 547	**296 357 522**	**164 329 314**	**140 491 850**
Other Income					
Gains/(Loss) on disposal of assets		(14 864)	64 694	(14 864)	64 694
Rental Income		469 784	475 722	469 784	475 722
Sundry Income		6 131 078	8 754 941	4 482 152	4 346 096
		6 585 998	**9 295 357**	**4 937 072**	**4 886 512**
Income		**348 238 546**	**305 652 879**	**169 266 386**	**145 378 362**
Operating expenses					
Advertising		(1 984 979)	(1 833 432)	(1 827 704)	(1 833 432)
Arbitration expenses		(13 922 497)	(13 117 057)	(13 922 497)	(13 117 057)
Attendance fees		(3 123 712)	(2 058 759)	(3 123 712)	(2 058 157)
Auditor's remuneration		(641 573)	(927 698)	(641 573)	(927 698)
Bank charges		(1 550 594)	(1 211 992)	(1 544 208)	(1 205 064)
Bursary expense		(3 000)	24 785	(3 000)	24 785
Consulting and Professional fees		(1 729 229)	(2 916 935)	(997 114)	(668 774)
Computer Hardware Leasing and Software Maintenance		(14 826 701)	(11 092 899)	(14 826 701)	(11 092 636)
Complex agreement		545	-	545	-
Depreciation amortisation and impairments		(3 918 931)	(5 118 015)	(3 868 710)	(5 005 947)
Employee costs		(75 394 158)	(71 299 246)	(69 289 199)	(64 663 640)
Equipment hire		(1 062 055)	(1 123 769)	(1 062 055)	(1 123 769)
Exemption body expenses		(501 713)	(275 096)	(501 713)	(275 096)
Forfeitures tracing		(100 812)	(3 128 914)	(100 812)	(3 128 914)
Governance		(306 601)	-	(306 601)	-
Insurance		(835 237)	(827 245)	(669 190)	(622 653)
Legal expenses		(3 734 434)	(2 401 460)	(3 568 060)	(2 384 766)

Detailed Consolidated Income Statement

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Notes	Group		Main Council	
		2015	2014	2015	2014
		R	R	R	R
Operating expenses (continued)					
Lease rentals on operating lease		(2 807 861)	(2 538 578)	(2 807 861)	(2 538 578)
Management fee - Wellness Clinics/Other		(1 096 053)	(6 836 376)	-	-
Medical expenses - Wellness employee health insurance		(114 781 351)	(128 215 339)	-	-
Motor vehicle expenses		(1 969 668)	(1 894 231)	(1 498 874)	(1 428 130)
Non- reclaimable VAT		(13 779 323)	(10 947 333)	(2 609 882)	(2 062 543)
Party representativity fund		(3 414 704)	-	(3 414 704)	-
Penalties and interest		(228 396)	(7 894)	(228 396)	(7 894)
Postage		(294 306)	(256 329)	(294 306)	(195 964)
Printing and stationery		(787 877)	(1 252 114)	(787 877)	(1 241 455)
Repairs and maintenance		(2 142 093)	(2 099 503)	(2 142 093)	(2 099 503)
Security		(1 377 121)	(1 275 738)	(1 377 121)	(1 275 738)
Seminars		-	(19 547)	-	(19 547)
Staff Welfare		(597 598)	(737 520)	(597 163)	(737 520)
Strategic focus areas		-	(229 402)	-	(229 402)
Telephone and fax		(1 514 864)	(1 694 071)	(1 514 864)	(1 634 580)
Training		(388 064)	(233 558)	(388 064)	(233 558)
Travel - local		(511 042)	(718 997)	(511 042)	(718 997)
Treatment Program Costs		(22 656 373)	(9 179 539)	-	-
Trucking Wellness Funding		(8 275 001)	-	-	-
Utilities		(2 021 160)	(1 631 717)	(2 021 160)	(1 631 717)
		(302 278 535)	**(287 075 516)**	**(136 445 709)**	**(124 137 944)**
Operating Surplus/(Deficit)		45 960 011	18 577 363	32 820 677	21 240 418
Surplus/(Deficit) for the period		**45 960 011**	**18 577 363**	**32 820 677**	**21 240 418**

Acknowledgements

Both internal and external strategic partnerships are an essential contribution to a successful financial year. A warm word of thanks therefore goes to all our staff members, managers and Committees for their hard work, as well as to our strategic partners for their unwavering support. This includes all Council employees, Councillors, industry employers and employees, Deloitte & Touche, the Departments of Labour and Health, the CCMA and the Registrar of the Labour Court (Gauteng).

It must be acknowledged that Trucking Wellness' achievements are only possible due the support of its friends, stakeholders, donors and partners. A special word of thanks goes to all of these important stakeholders, as well as CareWorks and the Corridor Empowerment Project (CEP) which has successfully managed Trucking Wellness for over ten years.

The Council also wishes to thank both the previous and current Health Plan service providers for working together to ensure an efficient handover, as well as all Industry stakeholders for their continuous support of the Plan and adapting to system changes that assist the Council in improving its effectiveness.

Contact Details for the NBCRFLI

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Clanwilliam, 8135
Tel: 027 482 1620
Fax: 027 482 1920

KwaZulu-Natal Region

Durban
5th Floor Old Mutual Building, 300 Smith
Street, Durban, 4001
Private Bag X54378, Durban, 4000
Tel: 031 307 6070
Fax: 031 307 6071

Newcastle
4th Floor Room 402, Old Mutual Building,
Corner Scott & Voortrekker Streets,
Newcastle, 2940
PO Box 2604, Newcastle, 2940
Tel: 034 312 9470

Pietermaritzburg
Shop 12a Polly Shortts Centre, 1 Claveshay
Road, Cleland, Pietermaritzburg, 3201
PO Box 3653, Pietermaritzburg, 3200
Tel: 033 396 5316
Fax: 033 396 3948

Richards Bay
2nd Floor Office 14, 7 Trinidad Parkade,
Lakeview Terrace, Richards Bay, 3900
PO Box 61, Richards Bay, 3900
Tel: 035 789 3847
Fax: 035 789 3849

Parties to the Council

The Road Freight Employers Association (RFA)

Block E1, Isando Business Park,
Gewel Street (cnr Hulley Road),
Isando
Tel: 011 974 4399
Fax: 011 974 4903
Email: enquiries@rfa.co.za
www.rfa.co.za

South African Transport and Allied Workers' Union (SATAWU)

117 De Korte Street,
SATAWU House,
Braamfontein,
Johannesburg
Tel: 011 403 2077 117
Fax: 011 403 2021
Email: info@satawu.org.za
cecilia@satawu.org.za
www.satawu.org.za

National Employer's Association of SA (NEASA)

Brooklyn Bridge Office Park, Steven House, 3rd Floor,
570 Fehrsen Street, Brooklyn, Pretoria 0181
Tel: 012 622 8971
Fax: 012 332 4347
Email: info@neasa.co.za
www.neasa.co.za

Motor Transport Workers' Union (MTWU)

6th Floor, Samro House,
20 de Korte Street,
Braamfontein,
Johannesburg
Tel: 011 403 1619
Fax: 011 403 1852
Email: info@mtwu.co.za
www.mtwu.co.za

Professional Transport and Allied Workers Union of SA (PTAWU)

Elephant House,
107 Market Street,
Johannesburg
Tel: 011 333 0904/1743
Fax: 011 333 1448
Email: headoffice@ptawu.co.za
ptwu1@telkomsa.net
www.ptawu.co.za

Transport and Allied Workers' Union of South Africa (TAWU of SA)

14 New Street South,
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Johannesburg
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zack@tawusa.org.za

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National Bargaining Council for the Road Freight and Logistics Industry
Your Road Freight Partner.