

**National
Bargaining Council
for the
Road Freight Industry**



NBCRFI

“Your Road Freight Partner”
ANNUAL REPORT
2007



Contents

SECTIONS	TITLE	PAGE
1.	Chairperson's Report.....	2
2.	National Secretary's Report.....	3
3.	Council Business Performance.....	8
4.	Management & Committees.....	10
5.	Council Members.....	11
6.	People Profile.....	12
7.	Management Structure.....	12
8.	Core Functions.....	13
9.	Social Investments.....	17
10.	Institutional Capacitation.....	17
11.	Financial Report.....	19
12.	Contact details.....	54

Chairperson's Report



Wage and substantive negotiations were successfully concluded in January 2007. For the first time in the history of the Council, a two year agreement was entered into by the parties. This signifies the positive trust relationship that is developing between the party trade unions and the employers association. This accomplishment is amplified when one considers the traumatic consequences that surrounded the delayed promulgation of the 2006/7 agreement. The minimum wage increased by 7% and a 9% 'across the board' increase was agreed upon. Other significant amendments include; an increase in subsistence/cross border allowances, an increase in employee/employer Provident Fund contributions, a back dating provision of up to eight (8) weeks and upgrading of the Agency Shop Agreement. For the 2008/9 period, an 8% increase in minimum wages, actual wages and specified allowances, will be automatically applied.

Union party representivity remains a concern. Despite concerted recruitment efforts, union membership has not reached the required target and greater efforts in this area, are required in order to ensure that automatic extension of the collective agreement to non-parties is achieved.

The intensive focus placed upon the "Trucking Against Aids" initiative is starting to achieve impressive results. Following a selection process wherein three organizations were invited to submit tenders for the management of the 'Wellness Clinics' Ikaheng HR Services was re-appointed for further period of eighteen (18) months. Other achievements and highlights include; the establishment of a clinic in Kokstad, upgrading of the clinic computer system, the distribution of immune boosting nutritional products to the target group, participated at the World Aids Conference in Toronto. During the period under review, the Wellness Centres have assisted 93 000 patients, trained 240 000 members of the target group and treated 38 000 patients with sexually transmitted infections.

Dispute resolution continues to be an important function of the Council with 3326 conciliations and 1412 arbitrations having been addressed the period under review. It has been decided to amend the current conciliation system in order to conform more

closely to that of the Commission for Conciliation, Mediation and Arbitration (CCMA).

Amendments to the current collective agreement have been agreed for submission to the Department of Labour. CCMA accreditation was renewed in October 2006 for the period until 01 November 2008.

A strategy conference, facilitated by Ketan Lakhani an internationally renowned leadership and transformation consultant, was held in March 2007. Apart from the representivity issue, projects were identified by the parties as being essential to the improvement of party relationships, service excellence and good governance.

Funds administration, another vital function of the Council, has once again been well managed regarding collections and disbursements.

The members of the Council have been excellently supported by the Chief Executive Mr. Joe Letswalo and his staff, throughout the period under review. The majority of the transitional operational problems have been resolved and the financial results have been gratifying, considering the many challenges which arose from the change of management.

In thanking the members of the Council for their unfailing commitment and contributions to the successful operation of Council I look forward to their continued efforts regarding the difficult challenges that the new period holds. Finally, I thank all stakeholders, and give the assurance that our quest for service excellence and good governance is ongoing.



Mr. Trevor Short
Chairperson

National Secretary's Report



1. Introduction

The financial year 2006/2007 saw the consolidation of our efforts to provide better service delivery to our members in the road freight sector. Our turn around strategy focused on improving service delivery by modernizing and updating some of the processes, systems and procedures. A realignment of the organisational structure resulted in significant improvement in strategic focus, better coordination and eradication of duplications. The organization is now structurally on a surer footing with business service centres headed by three executives, namely, benefit administration, agreement administration and finance and support services.

We have begun to benchmark our performance and have tested service delivery perception through customer surveys. Although some have questioned the wisdom of participating in such surveys right in the middle of our transformation process, we believe that our transformation initiatives can only benefit from establishing baselines against which to measure progression, regardless of the outcome.

The results of the customer satisfaction survey have shown client starting to appreciate certain pockets of excellence but equally indicating and identifying areas of concern. Mostly, communication was identified as one of the areas in need of urgent attention. What we read from the surveys is that much work still needs to be done to improve our customer satisfaction levels.

2. Business Highlight

2.1 Financial performance

The council continues to show strong growth with gross revenue up by 20 percent from the previous year at 59 million. Cost containment initiatives that were started in 2005 are bearing fruit. Surplus at 14 million is 114 percent higher than the previous year.

2.2 Procurement services

The restructuring of the procurement function was completed in this financial year. The emphasis was to formalize all current providers through service level agreements and based on the Council's procurement policy. Further focus was on improving efficiencies and reduces turnaround times. Some remarkable achievements

were made even though improvements are still going on. Total procurement spent for the year was 15 million compared to the previous year of 14 million. BEE procurement was 9 million against total procurement spent.

2.3 Information technology

As part of the modernisation of Council operations and service improvement, Council's IT is up to date, with all 16 branches connected to the mailserver. All employees eligible for email are fully connected. Information systems have been upgraded and information reliability levels have improved drastically. We are currently working on giving membership accessibility to the Council parties through internet.

2.4 Various Operational Highlights

2.4.1 Disputes Resolution and Exemptions

Unfair dismissal disputes continued to account for the largest percentage of issues of dispute. This year these disputes amounted to 82,3% of the total caseload – an increase of 2% from the previous year.

Of the 219 exemption applications, 200 (form) non-parties were heard by the Exemptions Body of which 80% were granted. The Exemptions Body complimented the usage of the standardized forms which assist applicants in providing relevant information in support of their cases and subsequently expedites the process.

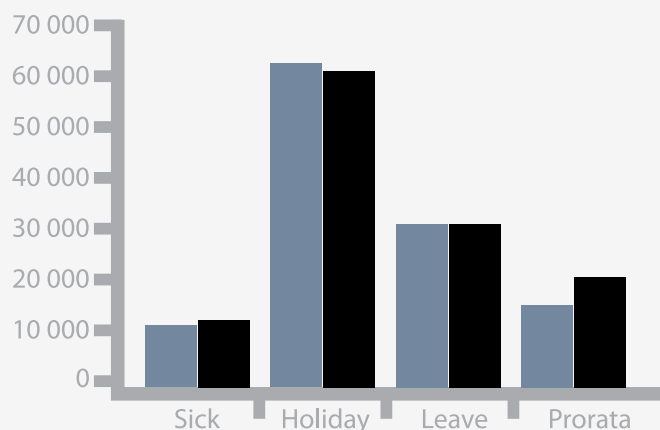
2.4.2 Agreements Compliance

In terms of our voluntary compliance rate we successfully increased to 65% for the year 2006/2007. This was achieved by conducting pro-active inspections and educating the stakeholders on compliance issues.

2.4.3 Funds Administration

Applications processed increased by 2% from 120'917 in 2006 to 123'295 in 2007:

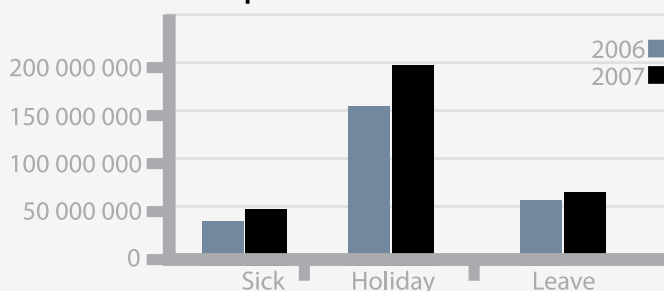
Applications Processed Comparison for Financial Year 2006 & 2007



National Secretary's Report

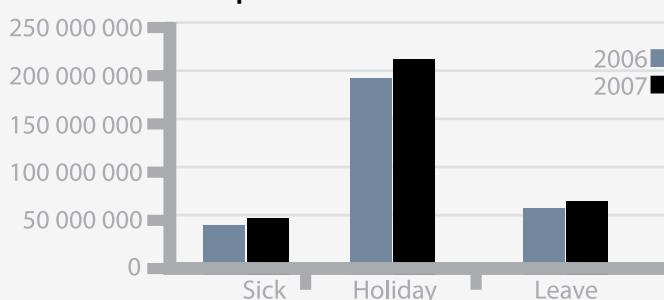
Funds disbursed increased by 11% from R276K in 2006 to R306K in 2007:

Funds Disbursed Comparison for Financial Year 2006 & 2007



Funds collected increased by 13% from R314K in 2006 to R354K in 2007:

Funds Collected Comparison for Financial Year 2006 & 2007



2.4.4 Benefits Administration

The core focus of the Provident Fund department is to give effect to the mandate set out in the Provident Fund Agreement, namely, "to provide benefits for members and their dependants.

The administration of the provident fund is primarily divided into two main areas. The first area is insurance which includes death, disability and funeral benefits. The second is retirement benefits. Fortunately, being one port of call, members get all these services within the Council.

3. Operating model

The Council administration transformation journey saw the Council enter a new phase of consolidation and rationalization. A need was identified to group the client facing services under one roof. The same need was identified for internal support functions. This resulted in the reduction of executive positions, allowing for better focus in the respective environment. The organization now not only runs on a single opportunity pipeline but has eliminated previous bottlenecks and multiple developments of solutions for single requirements.

3.1 Agreement Administration

This department deals with the core functions of the Council on a decentralized basis. We can summarize our main functions as: Promotion, Enforcement and Monitoring of all the Collective Agreements, for example, Main Agreement, Exemptions and Dispute Agreement and the Provident Fund Agreement. We further

promote and establish training and education in the industry in order to prevent labour disputes. Consequently we are great proponents of standardized, time efficient processes, to the benefit of our stakeholders.

We have revised our strategies and confirm that it is accurate even though it still calls for accelerated focus on service delivery.

We are pleased that the Independent Exemptions body works diligently towards accommodating the industry as a whole but specifically SMME's.

The department intends to continue increasing our dispute resolution settlement rate and there are advancing initiatives such as the implementation of CCMA case management system.

The Council has established and strengthened partnerships within the industry. We continue to invest in both our staff and stakeholders to strengthen our internal and external reputation by developing and maintaining relationships with the Departments of Labour, Health, Transport, the CCMA and other Bargaining Councils.

3.2 Funds Administration

During the decentralization process, the front office functions were realigned to the core services under the stewardship of the Agreement Administration department and the discipline function reporting to. Finance and Corporate Services department.

The front office functions have been regionalized as Gauteng, KwaZulu-Natal, Western Province and other regions. The latter and former are administered in our head office (Gauteng) and KwaZulu-Natal and Western Province administered in Durban and Cape Town respectively.

3.3 Finance and Corporate Services

This department has eight major sections and their description and functions can be summarized as follows:

- 1) Funds administration (discipline) – administration of holiday, sick and leave funds.
- 2) Accounting – Recording and reporting of financial performance and state of affairs.
- 3) Financial Information Systems – maintenance and administration of software systems and processes.
- 4) Information Technology Services - maintenance of hardware systems including operating systems.
- 5) Payroll and Human Resources – Personnel related matters.
- 6) Skills Development and Employment Equity – training, development and employment practises.
- 7) Procurement – supply chain management.
- 8) Corporate Services – refers to office space administration which includes management of rented and owned properties, general maintenance, utility key accounts, filing, cleaning services, security, switchboard/reception, printing room, mail room, drivers, courier, health and safety.

4. Human Capital

4.1 Employment Equity

The category which is in compliance thus far is the one for senior of-



National Secretary's Report

ficials. Other levels are not equitable as yet. Nevertheless, the Council has many women in our workforce profile and occupational level and / or categories. Indians are the fewest group we have. We do not have anyone with disability. Focus will have to put on hierarchical levels and getting suitably qualified people with disabilities, basically we will have to use any opportunity to be equitable.

4.2 Education, Training and Development

A strategic vision does not define a company's success but its people do. NBCRFI has embarked on education, training and development of its staff so that the company can realise its strategic vision with ease. This has proven a success, and in going forward we will be more specific in our skills development, prioritizing the skills which are necessary to accelerate the achievement of NBCRFI strategic goals. The Council is taking advantage of support systems the government has made available to South African companies to improve on our skills capacity.

ETD/Skills Programmes – 2006 / 2007

Course /Training Programme	No. Beneficiaries
Customer Care	116
Computer Literacy	40
Basic Management	6
IT Skills (App.)	2
Payroll Skills	1
Business Analysis	1
Business Management	1

Course / Training Programme	No. Beneficiaries
Pick / Linux	6
Supply Chain Management	1
Labour Law	4
Health & Safety	7
Cleaning	8
Commissioner's Course	2
CCMA Case Management System	8
Enforcement Agreement	24

4.3 Employee Wellness

Employee Assistance Programme (EAP) is an employment-based programme which provides assistance to employees with any physical or other social problems which are affecting their work performance.

The purpose of this programme is to provide confidential, accessible services to individual employees in order to restore and strengthen the health and productivity of employees and the workplace. The Council Wellness programme has helped to improve morale, reduced absenteeism, and add to the health and longevity of each employee.

5. Government Relations

The council continues to build working relation with government at local, provincial and national levels. Specific focus has been on

improving the relationships with the Department of Labour. Good working relationships now exist with the department. The Council continued to engage government on party representation and extension of agreements to non-parties. Furthermore, the relations with Commission for Conciliation, Mediations and Arbitration (CCMA) dramatically reached a stage of maturity and relations continue to be strong.

6. Strategic Partnerships with Industry

In line with our drive to add value to our customers and improve internal efficiencies, better ways of partnering with the Bargaining Council sector are being vigorously pursued. Areas where the NBCRFI is better positioned to play a leading role has been identified and areas where industry partners should play a leading role were also identified. This takes cognizance of the respective competencies, capacities, and expertise resident within sector. To this end an elaborate process of building those strategic partnerships has been initiated.

7. Industry Wellness Programme

Trucking Against Aids is a project of the NBCRFI which aims to manage the impact and prevalence of the HIV/AIDS pandemic in the road freight industry. This is done through a partnership initiative which invests in Wellness Centres across the country. Currently the investment boosts 16 Wellness centres – 12 stationary and 4 mobile. These centres roll-out primary health care such as health education and training, STI treatment, VCT, condom distribution, food packets distribution and so forth. All the services are free of charge and are offered at convenient times.

Acknowledgement

This has been yet another challenging year. I'm grateful to the employees for their tireless work throughout the year to help us achieve the good results. Tribute must also go to the Executive team who had to endure a sustained period of turbulence in the organization over the past twelve months. I thank those who took in their strides the sometimes traumatic changes. The subordination of their personal interest to the greater ideals of the organization showed an admirable level of maturity.

The Council Board and its committees, ably led by Mr. Trevor Short, hit the ground running, arriving as it were in the middle of an intensive transformation programme. The repertoire of skills and experience is a great boon to management and will certainly stand Council in good stead.

The Department of Labour which also has overall responsibility for the bargaining council system in South Africa has a reputation for expecting and accepting nothing short of excellence. We are appreciative from the support we received from this oversight institution.

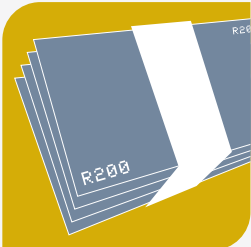
Lastly, I would be remiss if I do not extend my gratitude to the former chairperson of the Road Freight Employers Association, Mr. Johan van Der Walt as well as his colleague Mr. Allan Young. We are appreciative of their contribution to this Council over many years.

Mr. J Letswalo
National Secretary





Council Business Performance

	KRA	Objectives	
Finance	Cash Management	Improvement in collection from returns	
		Timeous payment of invoices	
	Financial reporting	To report financial information to stakeholders	
		To report financial information to management for decision making	
	Stock management	To monitor the use of consumables	
	Return on investment	Effective use of council's fixed assets	
		Maximise return on investment	
Customer & Stakeholder	Council of choice	To service efficiency and enhance professionalism & credibility	
			
	Integral Business Partner	Facilitate optimal business decisions	
	Exco & Council appetite	To create Exco and Council appetite for administration	
	Communications	To share information and knowledge with customers and stakeholders	
		To promote our image to customers and stakeholders	
	Procurement	To have a fully functional procurement system in place	
Internal Business Processes		To optimize on best procurement practice	
	Strategic Focus	To provide efficient service	
	Collective agreement	To ensure that industry fully implement collective agreements	
		To ensure annual wage negotiations are conducted as per protocol	
		To ensure effective dispute resolution machinery	
	Good Governance	To demonstrate and drive practice of good governance	
		To comply with RSA laws	
	Information management	To provide timeous, accurate and relevant information to facilitate business decisions	
	Benefits Administration	To effectively administer Council & industry benefits	
	Industry HIV/AIDS	To manage the impact & prevalence of HIV/Aids in the industry	
	Information technology	To be innovative in service provision & asset utilisation	
	Fund administration	To effectively administer industry funds	
Organisation & Learning	Culture	Exceptional performance; adherence to code of conduct; promote sharing of knowledge	
	Employee Assistance programme	To have safe & healthy working environment	
		To enhance employee wellness	
	Knowledge sharing and learning	To ensure knowledge and skills transfer & leverage bargaining council know-how	
	Staff Benefits	To have a comprehensive and balanced benefits cover for staff	
	Managing performance	To ensure that performance management principles are in place	
	Competent workforce	Right people; right place; right practice; right time	

	Target	Actual Performance
	5 months - No of months outstanding	Less than 4 months
	50 days - Age analysis	Less than 30 days
	4 months - Stakeholder index	Exceeded target by a month
	4 months - Stakeholder index	Exceeded target by 3 months
	Improve by 85% Stock loss prevention	Exceeded target by 10%
	Fixed assets losses	Achieved
	7% return on investment	Achieved
	70% compliance with the SLA	Achieved
	No of collaborations with external stakeholders	Exceeded target
	No. of unsolicited complaints	Achieved
	60%. of voluntary compliance with agreements	Exceeded target by 5%.
	No. of decisions taken & implemented	Achieved
	Acceptance of advice given by administration and decision influence levels	Exceeded target
	Feedback matrix – 360 degree	Achieved
	Customer satisfaction index –	Achieved
	Operators satisfaction index	Achieved
	No of new suppliers sort	Achieved
	Compliance with the SLA's	Exceeded target by 10%
	No of collaborations with external stakeholders	Achieved
	No of unsolicited complaints	Achieved
	Reduce non-compliance with collective agreements by 35%	Exceeded target by 5%
	Successful settlement rate	Achieved
	12.5% settlement & resolution rate	Achieved
	80% compliance against governance matrix	Achieved
	80% compliance against legislative matrix	Exceeded target by 10%
	75% adherence to set standards. Reduce no. of errors. Adherence to deadlines	Achieved
	100% improvement on admin matrix	Achieved
	100% compliance with SLA/KPI	Achieved
	No. of technologies reviewed and development of new & existing systems	Achieved
	70% improvement on admin matrix	Achieved
	60% improvement on culture index	Achieved
	50% improvement on safety audits	Exceeded target by 20%
	Reduce absenteeism due to work related illnesses	Below target by 5%
	No. of employees being mentored	Achieved
	100% participation on the benefit matrix	Achieved
	80% high and exceptional performers	Achieved
	No of resignations; actual vs. required competencies; Workplace Skills Plans; 50% adherence to succession plans	Achieved

MANAGEMENT & COMMITTEES

Management

Joe Letswalo – National Secretary
Tersia Stroh – Agreement Administration
Anil Ranchod – Finance & Corporate Support Service
Ngoako Bopape – Benefit Administration

Executive Committee

Trevor Short – Chairperson
June Dube – Deputy Chairperson
Joe Letswalo – National Secretary
Fred Meier
Nico Badenhorst
Magretia Brown
Abner Ramakgolo
Johnson Gamede
Emily Fourie

Technical Committee

Trevor Short – Chairperson
June Dube
Rudy Bosch
Magretia Brown
Zack Makge
Solomon Mothibedi
Nico Badenhorst
Abner Ramakgolo
Hennie de Villiers
Louis Hollander
Fred Meier
Emily Fourie
Daniel Zondani
Mdumiseni Mabaso
Dave Behrens

Wellness Committee

Abner Ramakgolo – Chairperson
Magretia Brown
Mdumiseni Mabaso
Thulani Zulu
Nosipho Ntsele
Natasha Nielson
Louis Hollander
Lucas Aphane
Daniel Zondani
Solomon Mothibedi

Dispute & Exemption Committee

Trevor Short – Chairperson
Nico Badenhorst
Magretia Brown
Rudy Bosch
Magretia Brown
Hennie de Villiers
Gerrie van Niekerk
Emily Fourie
Zack Makge
Lucas Aphane
Solomon Mothibedi
Sam Lefuwa
Themba Xulu

Registered Office

31 De Korte Street
Braamfontein
Johannesburg
2001
(Private Bag X69, Braamfontein 2017)

Bankers

First National Bank
Jorrisen Street
Brammfontein

Lawyers

Moodie & Robertson
9th Floor 209
Braamfontein
Johannesburg
2001

Auditors

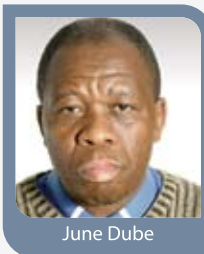
Sizwe Ntsaluba
Atterbury Estate Office Park
19 Frikkie de Beer Street
Menlyn
Pretoria
0063

Registration number
LR2/6/6/55

Website address
www.nbcrfi.org.za



Trevor Short



June Dube



Lucas Aphane



David Mahlanza



Andile Sizane



Andrew Mothudi



Nico Badenhorst



Dave Behrens



Hennie de Villiers



Magretia Brown



Fred Meier



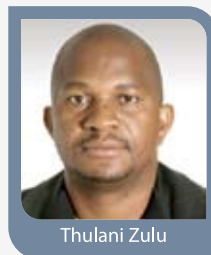
Nthimkose Pakkies



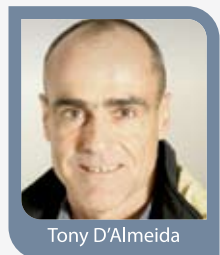
Rudy Bosch



Kobus Britz



Thulani Zulu



Tony D'Almeida



Michael Gwedashe



Brian Selvan



Johnson Gamede



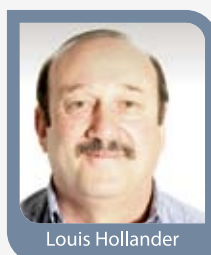
Mdumiseni Mabaso



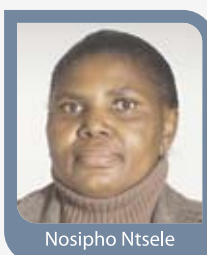
Gerrie van Niekerk



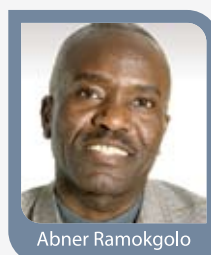
Craig Mathee



Louis Hollander



Nosipho Ntsele



Abner Ramokgolo

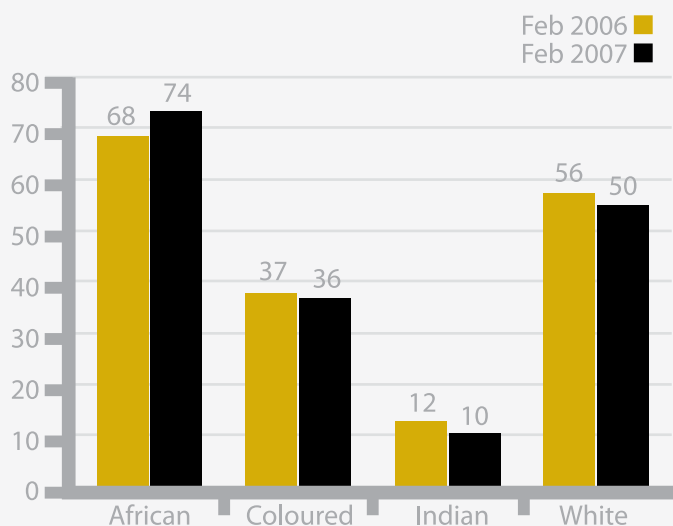


Emily Fourie

People Profile

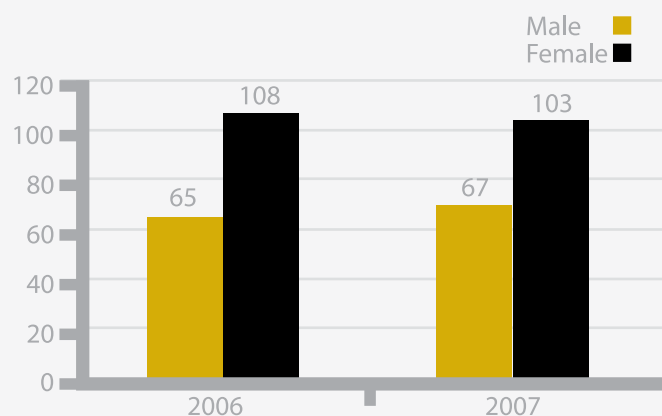
Employment Equity

Employees by Race

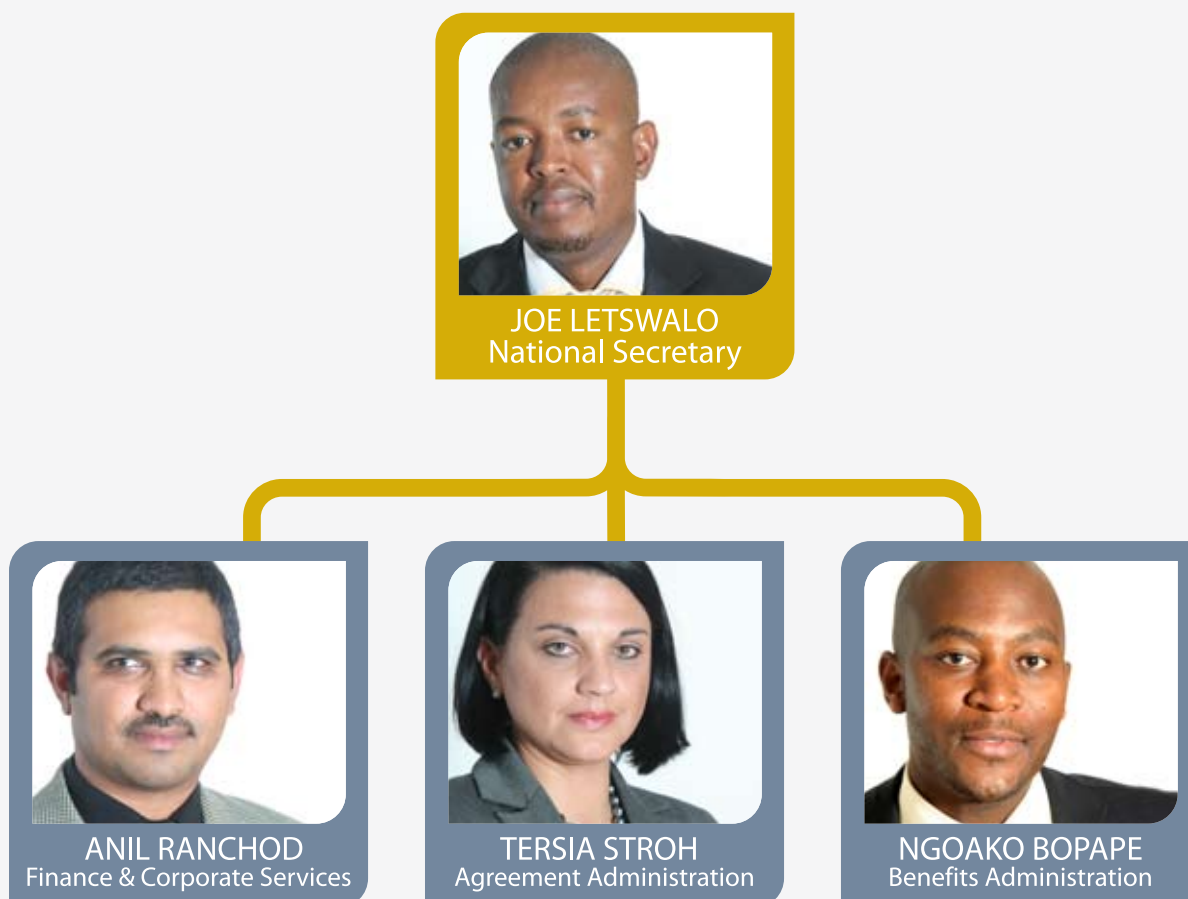


Employees by Gender

Employee by Gender



Management Structure



Core Functions

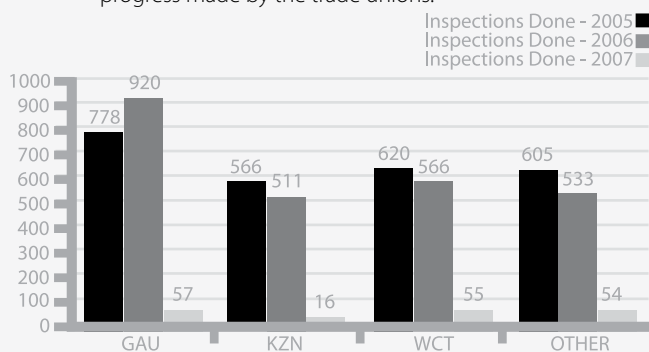
6.1. Agreement Administration

This Department is segmented into six sections: Enforcement, Returns Control, Arbitration, Litigation, Disputes and Exemptions.

6.1.1. Enforcement

The roll out of the decentralization of the regions has been implemented. The decentralization of the Gauteng Regional office together with KwaZulu Natal Regional office and Western Cape Regional office will be implemented as from the 01 March 2007. The idea behind the decentralization is to improve on service delivery.

This department has also embarked on a Registration Drive Project. The objective of this project is to inform trade unions and the Road Freight Employers Association of new employers entering the industry about the functions of the Council. Embedded in this project are guidelines for the agents when registering new employers. This is to ensure that only employers in our industry are registered. Out of the top priorities identified Representation remains a huge concern. A task team has been put together to work in conjunction with the trade unions to improve trade union membership. Bi-monthly meetings are held to monitor progress made by the trade unions.

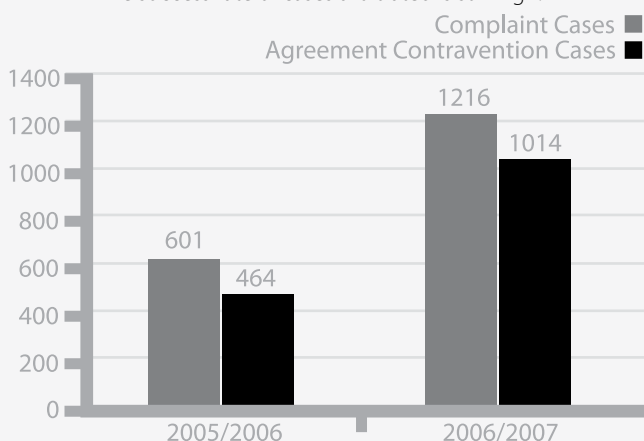


6.1.2. Litigation

In terms of demarcation cases, two were received for the year under review. The one company recently withdrew their application to oppose the review. The other case is currently with our attorneys.

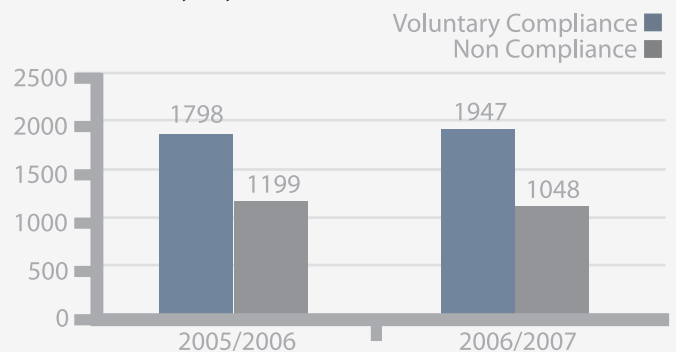
6.1.3. Arbitration

The success rate of cases arbitrated is still high.



6.1.4. Returns Control

This section keeps a strict control over non-compliance of monthly levy contributions.

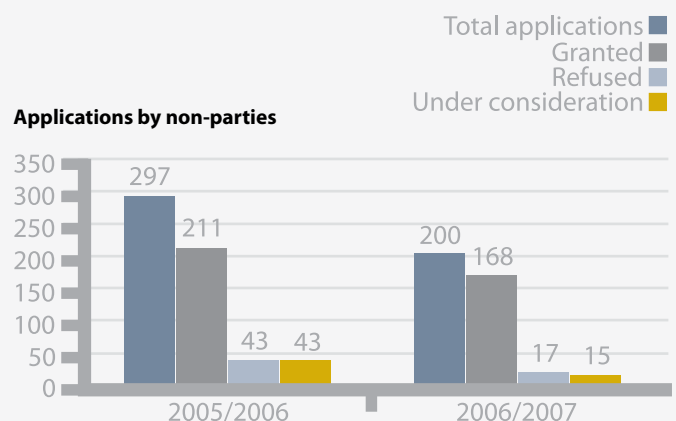
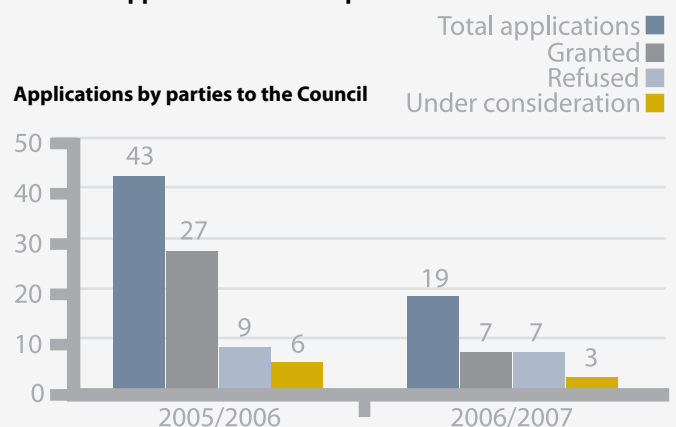


6.1.5. Exemptions

Some 219 exemption applications were heard by the Exemptions Body of which 80% were granted, 11% refused and 3% were withdrawn by the applicants. The Exemptions Body approved the usage of forms developed to assist applicants in providing relevant information in support of their cases.

Over the year the Exemptions Body has made a number of reportable decisions.

Applications for Exemption



Core Functions

6.1.6. Disputes

Referrals

The demand for the Council's services to settle disputes continued to increase steadily during the year under review. Due to the numbers received, the department had to linger its work arrangement in order to cope with the volumes and deal with objections received from parties. Gauteng region still has the largest caseload, followed by KwaZulu Natal region and Western Cape region.

Referrals by Issue

Issue	2005/2006	2006/2007	% Difference
Unfair Dismissals	83,3%	80,3%	+ 2%
Unfair Labour Practice	6,6%	7,3%	-0,7%
Mutual Interest	3,8%	3,5%	+0,3%
Severance Pay	7%	,9%	-0,2%
Other	6,6%	8,0%	-1,4%

Unfair dismissal disputes continued to account for the largest percentage of issues of dispute. This year these disputes amounted to 82,3% of the total caseload – an increase of 2% from the previous year.

Section 143 Application

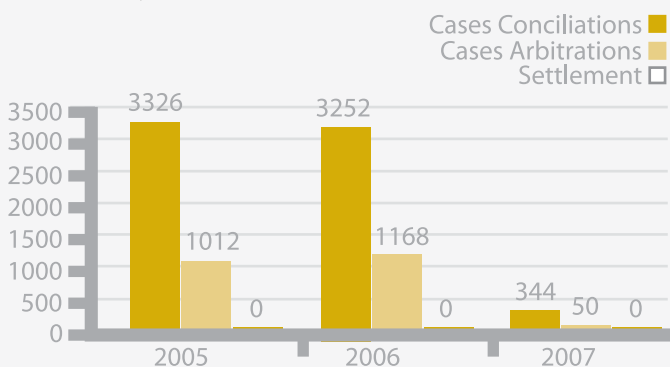
There appears to be a gradual increase in the number of Section 143 applications (Enforcement of Arbitration Awards) during the year under review.

Subsidies

The Council continues to receive a subsidy of R450.00 for every closed case. This subsidy is claimed for on a monthly basis. The subsidy for the 2005/6 amounted to R173 250.00 and for period under review R347 850.00.

Conciliation and Arbitration Statistics

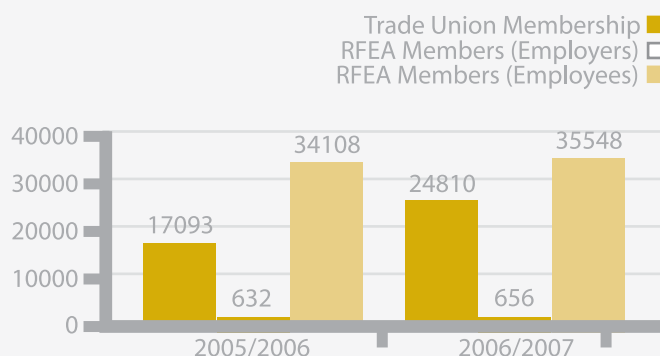
There is a gradual decrease in the number of referrals and a very slight increase in the settlement.



6.1.6. Party Trades & Employer Organisation

This section is dealing with Representation for Trade Union & RFEA. The membership must be 50+1%. The RFEA is at 63.25% and Trade Union at 44%. We meet with Trade

Unions on a monthly basis to make them aware of the importance of recruiting for the future existence of NBCRFI. We give them the support and assistance they require to recruit members.

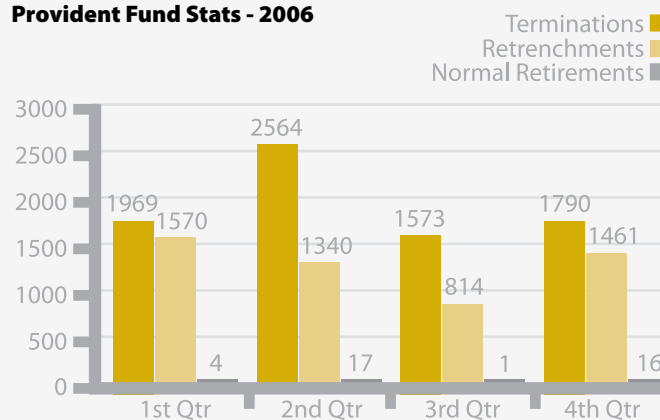


6.2. Benefits Administration

Provident Fund

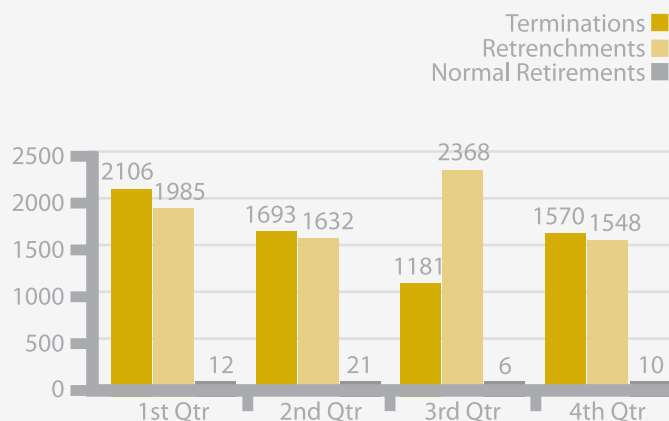
The graphs below depict a pattern of terminations, retrenchments and normal retirement in the industry. Fund withdrawals, terminations and retrenchments, are indicative of a high staff turnover in the industry, particularly as it relates to labour broker activities.

Provident Fund Stats - 2006

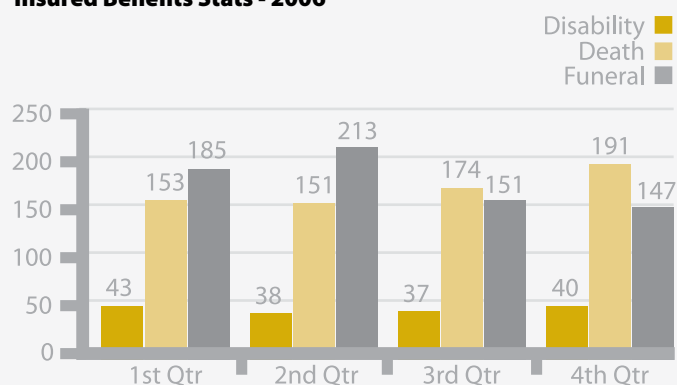


Core Functions

Provident Fund Stats - 2006

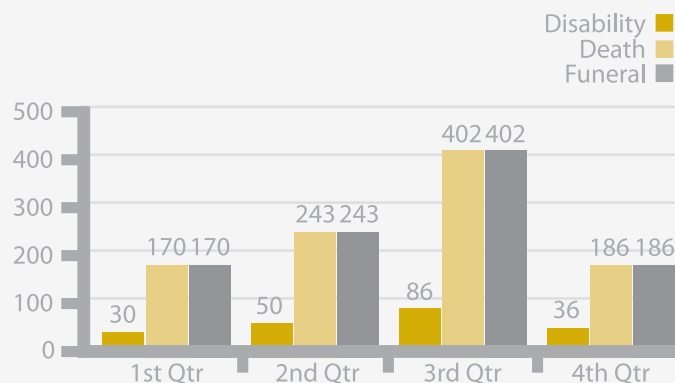


Insured Benefits Stats - 2006



The statistics in respect of deaths is high. The high death rate figures have an effect on the insurance risk rating and could have a negative effect if contribution rates are increased.

Insured Benefits Stats - 2007



Core Growth - Guaranteed Investments

Underlying Portfolio Returns

The investment portfolio underlying CoreGrowth is invested in a range of domestic and international asset classes. The opposite table shows the underlying investment portfolio's returns, annualised over three years, as at 31 December 2006.

Core Growth Portfolio	2005/2006
Domestic Equities	37.9%
Domestic Interest Bearing	9.7%
Domestic Alternatives	25.6%
International Equities	18.6%
International Interest Bearing	5.1%
International Alternatives	16.1%
Property	23.6%
Combined Portfolio	22.8%
Combined Portfolio Benchmark	21.2%



The returns from the Fund investment have been impressive. This was achieved on the back of a strong bull market run over the last three years. See performance table below.

SYMMETRY multi manager

Fund and Benchmark Returns

Period ending 30 April 2007 (Final)

	Launch Date	April	3 Months	6 Months	Year to Date	1 Year	3 Years	5 Years	Inception
Aggressive Fund	8-Mar-00	2.86%	7.28%	16.94%	10.52%	28.53%	33.66%	22.22%	19.78%
Benchmark		3.26%	8.57%	18.67%	11.67%	30.43%	33.39%	20.67%	18.38%
Balanced Fund	8-Mar-00	2.62%	6.78%	15.56%	9.77%	26.66%	31.09%	20.95%	18.88%
Benchmark		3.00%	7.97%	17.27%	10.86%	28.45%	30.78%	19.71%	17.99%
Conservative Fund	8-Mar-00	2.10%	5.49%	12.49%	8.00%	22.18%	26.15%	18.28%	17.20%
Benchmark		2.40%	6.43%	13.80%	8.82%	23.41%	25.70%	17.42%	16.68%
CPIX+7% Fund	4-Apr-04	2.96%	7.07%	15.26%	10.10%	19.89%	27.62%	-	27.08%
CPIX+7% p.a.		0.90%	2.87%	5.66%	4.50%	12.38%	11.30%	-	11.28%
CPIX+5% Fund	11-Sep-02	2.35%	5.11%	13.00%	8.02%	19.49%	21.91%	-	17.96%
CPIX+5% p.a.		0.74%	2.39%	4.69%	3.86%	10.38%	9.30%	-	9.79%
CPIX+3% Fund	1-Oct-05	1.67%	3.99%	8.71%	5.78%	11.70%	-	-	13.06%
CPIX+3% p.a.		0.58%	1.91%	3.71%	3.21%	8.38%	-	-	7.71%
Money Market	17-Jul-00	0.77%	2.17%	4.39%	2.99%	8.47%	7.92%	9.50%	9.78%
Benchmark		0.73%	2.08%	4.17%	2.83%	8.02%	7.56%	9.15%	9.60%
Paragon Fund	3-Jan-06	2.89%	7.35%	17.63%	11.05%	29.50%	-	-	33.61%
Benchmark		3.54%	8.76%	19.80%	12.28%	31.44%	-	-	34.00%
Islamic Fund	21-Sep-05	1.76%	7.52%	16.27%	9.57%	25.76%	-	-	34.26%
Benchmark		2.80%	8.58%	15.85%	10.40%	26.19%	-	-	30.02%
SRI Fund	3-Jul-06	1.30%	3.52%	9.93%	7.89%	-	-	-	14.24%
CPIX+5% p.a.		0.74%	2.39%	4.69%	3.86%	-	-	-	8.41%
Medical Aid Portfolio	3-Dec-06	1.38%	3.78%	-	5.61%	-	-	-	6.89%
CPIX+3.5%		0.62%	2.03%	-	3.38%	-	-	-	3.73%
Multi-Strategy Balanced	1-May-04	2.02%	1.59%	6.58%	3.35%	8.78%	-	-	16.64%
Benchmark		1.06%	3.06%	6.15%	4.15%	12.02%	-	-	11.57%
Multi-Strategy Conservative	1-May-05	1.33%	2.22%	5.25%	3.39%	7.89%	-	-	10.87%
Benchmark		0.98%	2.82%	5.65%	3.82%	11.02%	-	-	10.51%
CPIX Inflation		0.34%	1.17%	2.22%	2.22%	5.38%	4.30%	5.13%	-

Annualised returns are shown for periods greater than 1 year.

All performance data reflected above are calculated by Symmetry Multi-Manager, gross of investment management fees and tax.

Performance figures are reflected net of performance fees paid to the underlying managers.

The Aggressive, Balanced and Conservative Fund benchmarks are composite benchmarks of the following indices:

SA Equity: Shareholder Weighted Index (SWIX), SA Bonds: All Bond Index (ALBI), Cash: Alexander Forbes Short Term Fixed Interest Index (STFI)

International Equity: Morgan Stanley Capital World Free Index (MSCI World), International Bonds: Lehman Global Aggregate Index (Lehman Global)

The Paragon Fund is benchmarked against the median return of the managers in the AF Global Large Manager Watch and AF Multi-Manager Watch (Strategic Asset Allocation, Balanced Category), measured monthly.

CPIX refers to the Metropolitan and Urban CPIX data provided one month in arrears by Statistics South Africa.

CPIX estimates for April are calculated by averaging actual CPIX data over the previous six months.

Social Investments

Wellness Programme

Trucking Against HIV/Aids project is an initiative of the National Bargaining Council for the Road Freight Industry which has been funded by SIDA and various other South African based companies.

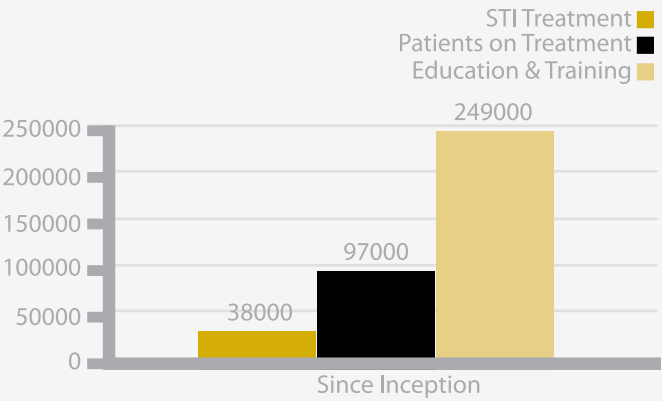
The project has 17 roadside clinics and 3 mobile clinics. The clinics have assisted over 250 000 people in the last five years. Through this project initiative, the numbers of patients in the industry with sexually transmitted infections has been reduced by 17%.

NBCRFI Aims:

- 100% knowledge by all drivers of their HIV/AIDS status
- 0% new infections
- 100% access to treatment

The fact that there are a lot more patients on the education and training programme than on treatment programmes, demonstrates the emphasis on prevention through education

Wellness Statistics



Institutional Capacitation

Key projects were undertaken with the intention of improving service delivery and building strong administrative systems, processes and procedures.

This included:

- Organisation development – developing job grading, job profiling, organisational structure geared towards delivering Council's mandate

- Information technology system development and data integrity
- Recruit, develop and retain appropriately skilled employees
- Marketing and Communications





FINANCIALS 2007

*National
Bargaining Council
for the
Road Freight Industry*



NBCRFI

Report to Independent Auditors

To the members of The National Bargaining Council for the Road Freight Industry

We have audited the annual financial statements of The National Bargaining Council for the Road Freight Industry set out on pages 4 to 13 for the year ended 28 February 2007. These annual financial statements are the responsibility of the funds's Council members. Our responsibility is to express an opinion on these annual financial statements based on our audit.

We were engaged to audit the annual financial statements of The National Bargaining Council for the Road Freight Industry set out on pages 4 to 13 for the year ended 28 February 2007. These annual financial statements are the responsibility of the funds's Council members.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, except for the adjustment that might have been found necessary due to the matter listed below, the annual financial statements present fairly, in all material respects, the financial position of

the fund at 28 February 2007 and the results of its operations and cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by Section 53(2)b of the Labour Relations Act of 1995.

Emphasis

Without qualifying our opinion above, we draw your attention to the note on contingencies in the notes to the annual financial statements. This condition indicates the existence of an uncertainty due to the unavailability of an actuarial valuation for the defined benefit plan.

Supplementary information

Without qualifying our opinion, we draw your attention to the fact that with the supplementary information set out on page 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion on it.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo

Pretoria
08 June 2007

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The Council members are required, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund 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 entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the fund 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 fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimise it by ensuring that appropri-

ate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

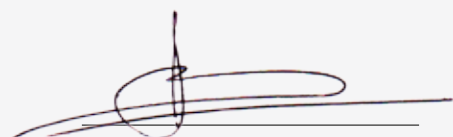
The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The Council members have reviewed the fund's cash flow forecast for the year to 29 February 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

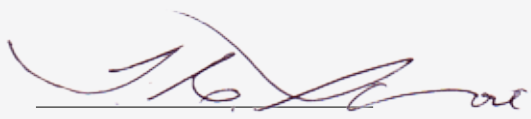
Although the Council members is primarily responsible for the financial affairs of the fund, they are supported by the fund's external auditors.

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 14, which have been prepared on the going concern basis, were approved by the Council members on 31 May 2007 and were signed on its behalf by:



Mr J Letswalo



Mr T Short

Pretoria
31 May 2007

Financials - Main Council



BALANCE SHEET

	Note(s)	2007 R	2006 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	10,825,922	11,125,525
Other financial assets	3	22,431,058	26,981,058
		33,256,980	38,106,583
CURRENT ASSETS			
Trade and other receivables	4	1,022,342	932,887
Cash and cash equivalents	5	50,219,408	61,897,864
		51,241,750	62,830,751
Total Assets		84,498,730	100,937,334
EQUITY AND LIABILITIES			
EQUITY			
Surplus funds		44,149,268	29,648,883
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities	6	25,054,779	48,961,998
Trade and other payables	7	15,294,683	22,326,453
		40,349,462	71,288,451
Total Equity and Liabilities		84,498,730	100,937,334

INCOME STATEMENT

	Note(s)	2007 R	2006 R
Income		58,089,868	44,096,657
Other income		693,568	4,719,078
Operating expenses		(44,283,051)	(42,061,073)
Operating surplus		14,500,385	6,754,662
Surplus for the period		14,500,385	6,754,662

Financials - Main Council

CHANGES IN FUNDS

	Surplus funds R	Total funds R
Balance at 01 March 2005	22,894,221	22,894,221
Changes		
Surplus for the year	6,754,662	6,754,662
Total changes	6,754,662	6,754,662
Balance at 01 March 2006	29,648,883	29,648,883
Changes		
Surplus for the year	14,500,385	14,500,385
Total changes	14,500,385	14,500,385
Balance at February 28, 2007	44,149,268	44,149,268

CASH FLOW STATEMENT

	Note(s)	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	9,909,446	8,832,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(2,445,253)	(3,464,681)
Sale of property, plant and equipment	2	214,570	820,856
Purchase of financial assets		-	(11,006,000)
Sale of financial assets		4,550,000	-
Net cash from investing activities		2,319,317	(13,649,825)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		-	52,323,554
Repayment of loans		(23,907,219)	-
Net cash from financing activities		(23,907,219)	52,323,554
Total cash movement for the period		(11,678,456)	47,505,770
Cash at the beginning of the period		61,897,864	14,392,094
Total cash at end of the period	5	50,219,408	61,897,864

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with entity specific accounting policies adopted by the Council. The annual financial statements have been prepared on the historical cost basis using the accounting policies set out below.

These accounting policies are consistent with the previous year.

1.1 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the fund; and
- The cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Land and buildings are carried at cost less impairment and are not depreciated.

Depreciation is provided on all property, plant and equipment other than land and buildings, to write down the cost, less residual value, on a straight line basis over their useful lives as follows:

ITEM AVERAGE USEFUL LIFE

Furniture and fixtures 5 years

Motor vehicles 5 years

Office equipment 5 years

IT equipment 3 years

1.2 FINANCIAL INSTRUMENTS

INITIAL RECOGNITION

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

LOANS TO (FROM) FUNDS

These included loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and 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 at initial recognition 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 between 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 comprise 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 at fair value plus direct transaction costs.

1.3 EMPLOYEE BENEFITS DEFINED BENEFIT PLANS

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for the plan. The amount recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

1.4 OUTSTANDING LEVIES

In accordance with past practices, levies due but unpaid at the end of the financial period have not been brought into account.

Financials - Main Council



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENT

	2007			2006		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	4,100,000	-	4,100,000	4,100,000	-	4,100,000
Furniture and fixtures	1,617,155	(849,073)	768,082	1,325,197	(575,856)	749,341
Motor vehicles	6,949,127	(3,510,230)	3,438,897	7,294,386	(2,415,655)	4,878,731
Office equipment	2,038,993	(1,106,348)	932,645	1,868,526	(726,153)	1,142,373
IT equipment	1,017,785	(265,254)	752,531	92,119	-	92,119
Computer software	1,013,954	(180,187)	833,767	162,961	-	162,961
Total	16,737,014	(5,911,092)	10,825,922	14,843,189	(3,717,664)	11,125,525

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2007

	Opening Balance	Additions	Disposals	Depreciation	Total
Buildings	4,100,000	-	-	-	4,100,000
Furniture and fixtures	749,341	443,319	-	(424,578)	768,082
Motor vehicles	4,878,731	176,995	(212,710)	(1,404,119)	3,438,897
Office equipment	1,142,373	48,280	-	(258,008)	932,645
IT equipment	92,119	925,666	-	(265,254)	752,531
Computer software	162,961	850,993	-	(180,187)	833,767
	11,125,525	2,445,253	(212,710)	(2,532,146)	10,825,922

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2005

	Opening Balance	Additions	Disposals	Depreciation	Impairment Loss	Total
Buildings	4,947,149	80	-	-	(847,229)	4,100,000
Furniture and fixtures	820,459	88,105	-	(159,223)	-	749,341
Motor vehicles	4,319,178	2,603,732	(831,654)	(1,212,525)	-	4,878,731
Office equipment	1,196,086	517,684	(283)	(369,733)	(201,381)	1,142,373
IT equipment	-	92,119	-	-	-	92,119
Computer software	-	162,961	-	-	-	162,961
	11,282,872	3,464,681	(831,937)	(1,741,481)	(1,048,610)	11,125,525

Financials - Main Council

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
2. Property, plant and equipment (continued)		
OTHER INFORMATION		
DETAILS OF PROPERTIES		
ERF 2915		
Erf 2915 Johannesburg, measuring 496 square meters with office buildings erected thereon.		
- Purchase price	1,658,444	1,658,444
- Additions since aquisition: 1992 - 1997	114,811	114,811
- Additions since aquisition: 2004	4,179	4,179
	1,777,434	1,777,434
ERF 2914		
Erf 2914 Johannesbur. Portion 2		
- Purchase price	1,514,211	1,514,211
- Additions since aquisition: 2004	1,655,584	1,655,584
- Impairment loss	(847,229)	(847,229)
	2,322,566	2,322,566
3. OTHER FINANCIAL ASSETS		
HELD TO MATURITY		
Fixed deposit and money market funds	21,981,058	26,981,058
The investments are held at a variety of financial institutions. These investments bear interest at between 6.75% and 7.8% per annum.		
LOANS AND RECEIVABLES		
Aids fund	450,000	-
Total other financial assets	22,431,058	26,981,058
NON-CURRENT ASSETS		
Held to maturity	21,981,058	26,981,058
Loans and receivables	450,000	-
4. TRADE AND OTHER RECEIVABLES		
Sundry debtors	49,144	932,887
Deposits	61,391	-
Accrued interest	80,000	-
Aids Sida Fund	63,793	-
Aids Fund	768,014	-
	1,022,342	932,887

Financials - Main Council

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	50,219,408	61,897,864
6. OTHER FINANCIAL LIABILITIES		
HELD AT AMORTISED COST		
Holiday pay bonus fund	(989,162)	10,648,925
Leave pay fund	(3,454,891)	4,889,649
Sick fund	2,719,487	7,747,103
Provident fund	5,761,936	20,132,741
Unallocated funds received	21,017,409	5,543,580
	25,054,779	48,961,998
CURRENT LIABILITIES		
At amortised cost	25,054,779	48,961,998
7. TRADE AND OTHER PAYABLES		
Trade payables	2,064,020	2,035,841
Outstanding cheques	8,147,039	18,503,068
VAT	339,064	-
Trust account	1,527,600	1,056,088
Refunds due	3,216,966	731,456
	15,294,689	22,326,453
TAXATION		
No provision has been made for taxation as the council currently exempt from paying taxation in terms of Section 10(1)(cA)(i) of the Income Tax Act.		
8. CASH GENERATED FROM (USED IN) OPERATIONS		
Surplus before taxation	14,500,385	6,754,662
ADJUSTMENTS FOR:		
Depreciation and amortisation	2,532,146	1,741,481
(Profit) loss on sale of assets	(1,860)	11,081
Impairment losses	-	1,048,610
CHANGES IN WORKING CAPITAL:		
Trade and other receivables	(89,455)	(768,932)
Trade and other payables	(7,031,770)	45,139
	9,909,446	8,832,041

Financials - Main Council

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. CONTINGENCIES

Employees of the council are members of the NBCRFI Pension Fund which is a defined benefit fund. The pension fund is administered by Liberty Life. The last approved annual financial statements were as of 28 February 2005 which indicate total plan assets amounting to R 6 122 424 and total plan liabilities amounting to R 6 122 424.

It was not possible to establish if there are unrecognised actuarial losses as the most recent formal valuation performed on the fund by the actuaries was at 1 March 2002. The draft surplus apportionment is due to be finalised before the actuary can proceed with the 1 March 2005 valuation.

The pension fund has been disclosed as a defined contribution plan in the past. The effect and disclosure of this is not possible due to the facts stated above.

In the event of an obligation existing to the Council at balance sheet date, it is not reflected in the financial statements and the adjustment would need to be made.

11. RECLASSIFICATION OF COMPARATIVE FIGURES

Comparative figures have been reclassified in certain instances.

	Note(s)	2007 R	2006 R
Revenue			
Levies received		25,726,877	22,771,948
Interest received		4,536,885	3,741,676
Admin fees received		27,826,106	17,583,033
		58,089,868	44,096,657
Other income			
Forfeitures		-	4,156,302
Gains on disposal of assets		1,860	-
Rental income		193,112	250,659
Sundry income		498,596	312,117
		693,568	4,719,078

Financials - Main Council

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2007 R	2006 R
Operating expenses			
Accounting fees		(214,714)	(76,520)
Administration and management fees		-	(8,626,906)
Advertising		(119,800)	(411,119)
Arbitration expenses		(1,675,043)	(1,854,224)
Attendance fees		(1,166,162)	(1,449,506)
Bank charges		(711,309)	(828,687)
Bursary expenses		(177,520)	(839,893)
Consulting and professional fees		(2,334,785)	(993,393)
Councilor's fees		(300,000)	(300,037)
Depreciation, amortisation and impairments		(2,532,146)	(2,790,091)
Employee costs		(20,391,901)	(12,927,191)
Equipment hire		(343,332)	(237,995)
Extension expenses		(4,657,908)	(3,337,515)
Forfeitures refund		(55,231)	-
Insurance		(689,930)	(836,498)
Lease rentals on operating lease		(804,551)	(711,729)
Levies		(49,739)	-
Loss on disposal of assets		-	(11,081)
Motor vehicle expenses		(1,574,909)	(6,334)
Postage		(335,028)	(198,149)
Printing and stationery		(997,636)	(540,600)
Recruitment fees		(29,231)	(244,579)
Repairs and maintenance		(1,635,367)	(947,574)
Security		(310,554)	(257,831)
Staff welfare		(414,262)	-
Security		(118,487)	(89,452)
Telephone and fax		(1,365,568)	(789,707)
Training		(351,143)	(393,336)
Travel - local		(567,390)	(2,354,105)
Utilities		(359,405)	(7,021)
		(44,283,051)	(42,061,073)
Operating surplus		14,500,385	6,754,662
Surplus for the period		14,500,385	6,754,662

Report to Independent Auditors

To the members of Holiday Pay Bonus Fund of The National Bargaining Council for The Road Freight Industry. We have audited the annual financial statements of Holiday Pay Bonus Fund of The National Bargaining Council for The Road Freight Industry set out on pages 4 to 10 for the year ended February 28, 2007. These annual financial statements are the responsibility of the fund's Council members. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the fund at February 28, 2007 and the results of its operations and cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.

Supplementary information

Without qualifying our opinion, we draw your attention to the fact that with the supplementary information set out on page 11 does not

form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion on it.



Sizwe Ntsaluba ES Inc.
Registered Accountants and Auditors

Per: GTM Prinsloo

Pretoria
June 8, 2007

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The Council members are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund 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 entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the directors 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 fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council members have reviewed the fund's cash flow forecast for the year to February 29, 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 11, which have been prepared on the



Mr J Letswalo



Mr T Short

Pretoria
31 May 2007

Financials - Holiday Pay Bonus

BALANCE SHEET

		2007	2006
	Note(s)		
ASSETS			
NON-CURRENT ASSETS			
Investments	2	99 430 064	74 977 508
CURRENT ASSETS			
NBCRFI loan		-	10 648 925
Accrued Interest	3	267 036	3 387 399
Cash and cash equivalents	4	18 094 635	455 340
		18 361 671	14 491 664
Total Assets		117 791 735	89 469 172
CAPITAL AND LIABILITIES			
EQUITY			
Reserves		1 324 581	-
Retained income		2 086	(193)
		1 326 667	(193)
LIABILITIES			
NON-CURRENT LIABILITIES			
Industry Employees Trust Account	5	115 373 154	89 469 365
CURRENT LIABILITIES			
NBCRFI loan		989 162	-
Trade and other payables		102 752	-
		1 091 914	-
Total Liabilities		116 465 068	89 469 365
Total Equity and Liabilities		117 791 735	89 469 172

INCOME STATEMENT

		2007	2006
	Note(s)		
INCOME STATEMENT			
Other income		8 688 445	6 503 349
Operating expenses		(8 686 166)	(6 503 542)
Operating surplus (deficit)		2 279	(193)
Surplus/ (deficit) for the period		2 279	(193)

Financials - Holiday Pay Bonus

CHANGES IN FUNDS

	Forfeitures reserve R	Surplus funds R	Total funds R
Balance at March 1, 2005	-	-	-
Changes			
Deficit for the year		(193)	(193)
Total changes	-	(193)	(193)
Balance at March 1, 2006		(193)	(193)
Changes			
Transfer of funds	1 324 581		1 324 581
Net income (expenses) recognised directly in equity	1 324 581	-	1 324 581
Surplus for the year		2 279	2 279
Total recognised income and expenses for the period	1 324 581	2 279	1 326 860
Total changes	1 324 581	2 279	1 326 860
Balance at February 28, 2007	1 324 581	2 086	1 326 667
Note(s)	1.4		

CASH FLOW STATEMENT

	Note(s)	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	3 225 394	(3 387 592)
Transfer to forfeitures reserve		1 324 581	-
Net cash from operating activities		4 549 975	(3 387 592)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to NBCRFI repaid		11 638 087	-
Loans advanced to NBCRFI		-	(10 648 925)
Investments made		(24 452 556)	(74 977 508)
Net cash from investing activities		(12 814 469)	(85 626 433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in industry employees trust account		25 903 789	89 469 365
Total cash movement for the period		17 639 295	455 340
Cash at the beginning of the period		455 340	-
Total cash at end of the period	4	18 094 635	455 340

Financials - Holiday Pay Bonus

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
2. INVESTMENTS		
HELD TO MATURITY		
Fixed deposits and money market investments	99 430 064	74 977 508
The investments is held with a variety of financial institutions. These investments bears interest at between 6.75% and 7.80% per annum.		
NON-CURRENT ASSETS		
Held to maturity	99 430 064	74 977 508
3. ACCRUED INTEREST		
Interest on investments	267 036	3 387 399
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	18 094 635	455 340
5. INDUSTRY EMPLOYEES TRUST ACCOUNT		
Accumulated funds - Beginning of year	88 800 367	69 677 882
Contributions received	221 098 149	193 200 780
Payments	(193 200 781)	(171 134 111)
Contribution forfeit during year	(1 324 581)	(2 944 184)
	115 373 154	88 800 367
7. TAXATION		
The income tax rate of -% in 2006 was reduced to -% in 2007.		
No provision has been made for taxation as the fund is currently exempt from income tax.		
8. CASH GENERATED FROM (USED IN) OPERATIONS		
Profit (loss) before taxation	2 279	(193)
ADJUSTMENTS FOR:		
CHANGES IN WORKING CAPITAL:		
Accrued Interest	3 120 363	(3 387 399)
Trade and other payables	102 752	-
	3 225 394	(3 387 592)

Financials - Holiday Pay Bonus



DETAILED INCOME STATEMENT

	2007 R	2006 R
Note(s)		
Other income		
Interest received	8 688 445	6 503 349
Operating expenses		
Administration and management fees	(7 749 447)	(5 704 254)
Bank charges	(1 395)	(500)
Non refundable VAT	(935 324)	(798 788)
	(8 686 166)	(6 503 542)
Operating profit (loss)	2 279	(193)
Profit (loss) for the period	2 279	(193)

Report to Independent Auditors

To the council members of Leave Pay Fund of the National Bargaining Council for the Road Freight Industry

We have audited the annual financial statements of Leave Pay Fund of the National Bargaining Council for the Road Freight Industry set out on pages 4 to 10 for the year ended February 28, 2007. These annual financial statements are the responsibility of the fund's Council members. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the fund at February 28, 2007 and the results of its operations and cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.

Supplementary information

Without qualifying our opinion, we draw your attention to the fact

that with the supplementary information set out on page 11 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion on it.



SizweNtsaluba ES Inc. Registered Accountants and Auditors

Per: GTM Prinsloo

Pretoria
June 8, 2007

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The Council members are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund 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 entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the annual financial statements.

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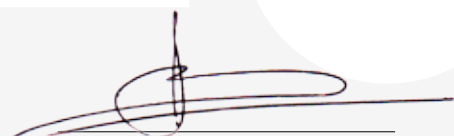
The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The Council members have reviewed the company's cash flow forecast for the year to February 29, 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 11, which have been prepared on the going concern basis, were approved by the Council members on May 31, 2007 and were signed on its behalf by:



Mr J Letswalo



Mr T Short

Pretoria
31 May 2007

Financials - Leave Pay Fund



BALANCE SHEET

	Note(s)	2007 R	2006 R
ASSETS			
NON-CURRENT ASSETS			
Investments	2	48 699 189	28 188 410
CURRENT ASSETS			
NBCRFI loan			
		-	4 889 649
Accrued Interest	3	486 766	1 666 124
Cash and cash equivalents	4	35 949	888 798
		522 715	7 444 571
Total Assets		49 221 904	35 632 981
EQUITY AND LIABILITIES			
EQUITY			
Reserves		542 971	-
Surplus funds		169	(180)
		543 140	(180)
LIABILITIES			
NON-CURRENT LIABILITIES			
Industry Employees Trust Account	5	45 211 721	35 633 161
CURRENT LIABILITIES			
Trade and other payables		12 152	-
NBCRFI loan		3 454 891	-
		3 467 043	-
Total Liabilities		48 678 764	35 633 161
Total Equity and Liabilities		49 221 904	35 632 981

INCOME STATEMENT

	Note(s)	2007 R	2006 R
Other Income		4 169 155	2 640 936
Operating expenses		(4 168 806)	(2 641 116)
Operating surplus (deficit)		349	(180)
Surplus (deficit) for the period		349	(180)

Financials - Leave Pay Fund

CHANGES IN FUNDS

	Forfeitures reserve R	Surplus funds R	Total funds R
Balance at March 1, 2005	-	-	-
Changes			
Deficit for the year		(180)	(180)
Total changes	-	(180)	(180)
Balance at March 1, 2006	-	(180)	(180)
Changes			
Transfer of funds	542 971		542 971
Net income (expenses) recognised directly in equity	542 971	-	542 971
Surplus for the year		349	349
Total recognised income and expenses for the period	542 971	349	543 320
Total changes	542 971	349	543 320
Balance at February 28, 2007	542 971	349	543 140
Note(s)			

CASH FLOW STATEMENT

	Note(s)	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from (used in) operations	7	4 646 750	(1 666 304)
Movement in forfeitures reserve		542 971	-
Net cash from operating activities		5 189 721	(1 666 304)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments made		(20 510 779)	(28 188 410)
Net cash from investing activities		(20 510 779)	(28 188 410)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in industry employees trust account		9 578 560	35 633 161
Proceeds from NBCRFI loan		4 889 649	-
Repayment of NBCRFI loan		-	(4 889 649)
Net cash from financing activities		14 468 209	30 743 512
Total cash movement for the period		(852 849)	888 798
Cash at the beginning of the period		888 798	-
Total cash at end of the period	4	35 949	888 798

Financials - Leave Pay Fund



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
2. INVESTMENTS		
HELD TO MATURITY		
Fixed deposits and money market investments	48 699 189	28 188 410
The investments is held with a variety of financial institutions. These investments bears interest at between 6.25% and 7.74% per annum.		
NON-CURRENT ASSETS		
Held to maturity	48 699 189	28 188 410
3. ACCRUED INTEREST		
Investments	486 766	1 666 124
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	35 949	888 798
5. INDUSTRY EMPLOYEES TRUST ACCOUNT		
Accumulated funds - Beginning of year	35 633 161	32 416 043
Contributions received	74 756 804	67 589 501
Payments	(49 856 101)	(63 204 276)
Contributions forfeited during the year	(542 971)	(1 191 493)
Contributions forfeited refunded	-	23 386
	59 990 893	35 633 161
7. TAXATION		
The income tax rate of -% in 2006 was reduced to -% in 2007.		
No provision has been made for taxation as the fund is currently exempt from income tax.		
8. CASH GENERATED FROM (USED IN) OPERATIONS		
Profit (loss) before taxation	349	(180)
ADJUSTMENTS FOR:		
CHANGES IN WORKING CAPITAL:		
Accrued Interest	1 179 358	(1 666 124)
Trade and other payables	12 152	-
NBCRFI loan	3 454 891	-
	4 646 750	(1 666 304)

Financials - Leave Pay Fund



DETAILED INCOME STATEMENT

Note(s)	2007 R	2006 R
Other income		
Interest received	4 169 155	2 640 936
Operating expenses		
Administration and management fees	(3 722 382)	(2 316 180)
Bank charges	(1 039)	(491)
Non refundable VAT	(445 385)	(324 445)
	(4 168 806)	(2 641 116)
Operating surplus (deficit)	349	(180)
Surplus (deficit) for the period	349	(180)

Report to Independent Auditors

To the members of The Sick Fund of the National Bargaining Council for the Road Freight Industry

We have audited the annual financial statements of The Sick Fund of the National Bargaining Council for the Road Freight Industry set out on pages 4 to 11 for the year ended February 28, 2007. These annual financial statements are the responsibility of the fund's Council members. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the fund at February 28, 2007 and the results of its operations and cash flows for the year then ended in accordance with specific accounting policies adopted, and in the manner required by the Labour Relations Act.

Supplementary information

Without qualifying our opinion, we draw your attention to the fact

that with the supplementary information set out on page 12 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion on it.



Sizwe Ntsaluba ES Inc. Registered Auditors

Per: GTM Prinsloo

Pretoria
June 8, 2007

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The Council members are required, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund 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 annual financial statements.

The 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 Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the directors 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 fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimise it by ensuring that appropriate infrastructure,

controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

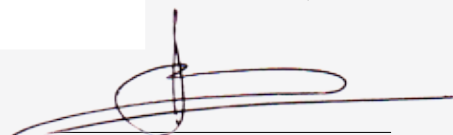
The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The Council members have reviewed the company's cash flow forecast for the year to February 29, 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the Council members on May 31, 2007 and were signed on its behalf by:



Mr J Letswalo



Mr T Short

Pretoria
31 May 2007

Financials - Sick Fund

BALANCE SHEET

	Note(s)	2007 R	2006 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1	264 914
Investments	3	72 296 545	64 955 009
		72 296 546	65 219 923
CURRENT ASSETS			
NBCRFI loan			
		2 719 487	7 747 104
Accrued Interest	4	68	258 711
Cash and cash equivalents	5	6 201 971	657 579
		8 921 526	8 663 394
Total Assets		81 218 072	73 883 317
FUNDS AND LIABILITIES			
FUNDS			
Reserves		522 816	-
Surplus funds		1 975 157	1 993 077
		2 497 973	1 993 077
LIABILITIES			
NON-CURRENT LIABILITIES			
Industry Employees Trust Account	6	78 662 073	67 611 240
CURRENT LIABILITIES			
Trade and other payables	7	58 026	4 279 000
Total Liabilities		78 720 099	71 890 240
Total Equity and Liabilities		81 218 072	73 883 317

INCOME STATEMENT

	Note(s)	2007 R	2006 R
Other Income		5 911 649	6 245 432
Operating expenses		(5 929 569)	(4 962 537)
Operating surplus		(17 920)	1 282 895
Surplus for the period		(17 920)	1 282 895

Financials - Sick Fund

CHANGES IN FUNDS

	Forfeitures reserve R	Surplus funds R	Total funds R
Balance at March 1, 2005	-	710 182	710 182
Changes			
Deficit for the year		1 282 895	1 282 895
Total changes	-	1 282 895	1 282 895
Balance at March 1, 2006	-	1 993 077	1 993 077
Changes			
Surplus for the year		(17 920)	(17 920)
Transfer of funds	522 816		522 816
Total changes	522 816	(17 920)	504 896
Balance at February 28, 2007	522 816	1 975 157	2 497 973
Note(s)	1.5		

CASH FLOW STATEMENT

	Note(s)	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	9	(3 715 338)	5 469 814
Transfer of forfeitures funds		522 816	-
Net cash from operating activities		(3 192 522)	5 469 814
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments made		(7 341 536)	(64 955 009)
Net cash from investing activities		(7 341 536)	(64 955 009)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in industry employees trust account		11 050 833	67 611 240
Movement in NBCRFI loan		5 027 617	(7 929 912)
Net cash from financing activities		16 078 450	59 681 328
Total cash movement for the period		5 544 392	196 133
Cash at the beginning of the period		657 579	461 446
Total cash at end of the period	5	6 201 971	657 579

Financials - Sick Fund



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
3. INVESTMENTS		
HELD TO MATURITY		
Fixed deposits and money market investments	72 296 545	64 955 009
The investments is held with a variety of financial institutions. These investments bears interest at between 6.25% and 7.74% per annum.		
NON-CURRENT ASSETS		
Held to maturity	72 296 545	64 955 009
4. ACCRUED INTEREST		
Investments	68	258 711
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	6 201 971	657 579
6. INDUSTRY EMPLOYEES TRUST ACCOUNT		
Accumulated funds - Beginning of year	67 611 240	57 843 252
Contributions received	58 555 513	53 051 770
Payments	(44 410 540)	(38 527 562)
Sick benefits	(2 571 324)	(3 326 138)
Contribution forfeit during year	(522 816)	(1 488 109)
Forfeitures refunded	-	58 027
	78 662 073	67 611 240
7. TRADE AND OTHER PAYABLES		
Trade payables		
8. TAXATION		
No provision has been made for taxaion as the fund is currently exempt from income tax.		
9. CASH GENERATED FROM (USED IN) OPERATIONS		
Profit (loss) before taxation	(17 920)	1 282 895
ADJUSTMENTS FOR:		
Depreciation and amortisation	166 630	166 630
Impairment losses / reversals	98 283	-
CHANGES IN WORKING CAPITAL:		
Accrued Interest	258 643	(258 711)
Trade and other payables	(4 220 974)	4 279 000
	(3 715 338)	5 469 814

Financials - Sick Fund



DETAILED INCOME STATEMENT

	Note(s)	2007 R	2006 R
Other income			
Rental income		-	89 538
Interest received		5 911 649	4 667 785
Unclaimed contributions forfeited		-	1 488 109
		5 911 649	6 245 432
Operating expenses			
Administration and management fees		(4 782 996)	(4 093 854)
Bank charges		(1 108)	(791)
Depreciation, amortisation and impairments		(264 913)	(166 630)
Non refundable VAT		(790 106)	(573 313)
Maternity grants		(90 446)	(105 613)
Forfeitures refunded		-	(22 336)
		(5 929 569)	(4 962 537)
Operating surplus		(17 920)	1 282 895
Surplus for the year		(17 920)	1 282 895

Report to Independent Auditors

To the members of Aids Projects of The National Bargaining Council for The Road Freight Industry

We have audited the annual financial statements of Aids Projects of The National Bargaining Council for The Road Freight Industry set out on pages 4 to 10 for the year ended February 28, 2007. These annual financial statements are the responsibility of the fund's Council members. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the fund at February 28, 2007 and the results of its operations and cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.

Supplementary information

Without qualifying our opinion, we draw your attention to the fact

that with the supplementary information set out on page 11 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion on it.



Sizwe Ntsaluba ES Inc.
Registered Accountants and Auditors

Per: GTM Prinsloo

Pretoria
June 8, 2007

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The Council members are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund 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 entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the Council members 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 fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimise it by ensuring that appropri-

ate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

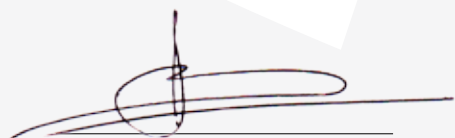
The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The Council members have reviewed the fund's cash flow forecast for the year to February 29, 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 11, which have been prepared on the going concern basis, were approved by the Council members on May 31, 2007 and were signed on its behalf by:



Mr J Letswalo



Mr T Short

Pretoria
31 May 2007

Financials - Wellness Fund

BALANCE SHEET

		2007	2006
	Note(s)		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1	38 447
CURRENT ASSETS			
Inventories		-	12 480
Trade and other receivables	3	5 684	-
Cash and cash equivalents	4	153 414	200 264
		159 098	212 744
Total Assets		159 099	251 191
FUNDS AND LIABILITIES			
FUNDS			
Accumulated deficit		(1 133 593)	(310 267)
LIABILITIES			
CURRENT LIABILITIES			
NBCRFI loan		450 000	-
Trade and other payables	5	842 692	561 458
		1 292 692	561 458
Total Funds and Liabilities		159 099	251 191

INCOME STATEMENT

		2007	2006
	Note(s)		
INCOME STATEMENT			
Revenue		617 777	498 408
Other income		312 616	316 766
Operating expenses		(1 753 719)	(1 286 572)
Operating deficit		(823 326)	(471 398)
Deficit for the year		(823 326)	(471 398)

Financials - Wellness Fund

CHANGES IN FUNDS

CHANGES IN FUNDS

	Accumulated deficit	Total funds
Balance at March 1, 2005	161 131	161 131
Changes		
Deficit for the year	(471 398)	(471 398)
Total changes	(471 398)	(471 398)
Balance at March 1, 2006	(310 267)	(310 267)
Changes		
Deficit for the year	(823 326)	(823 326)
Total changes	(823 326)	(823 326)
Balance at February 28, 2007	(1 133 593)	(1 133 593)

CASH FLOW STATEMENT

CASH FLOW STATEMENT

		2007	2006
	Note(s)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	(496 851)	77 580
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from NBCRFI loan		450 000	-
Net cash from financing activities		450 000	-
Total cash movement for the period		(46 851)	77 580
Cash at the beginning of the period		200 264	122 684
Total cash at end of the period	4	153 413	200 264

Financials - Wellness Fund

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2007			2006		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Containers	120 654	(120 653)	1	120 654	(82 207)	38 447

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2007

	Opening Balance	Depreciation	Total
Containers	38 447	(38 446)	1

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2006

	Opening Balance	Total
Containers	38 447	38 447

3. TRADE AND OTHER RECEIVABLES

VAT	5 684	-
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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	153 414	200 264
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5. TRADE AND OTHER PAYABLES

Trade payables	69 497	-
NBCRFI salary accruals	773 195	561 458
	842 692	561 458

6. TAXATION

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

7. CASH GENERATED FROM (USED IN) OPERATIONS

Profit (loss) before taxation	(823 326)	(471 398)
ADJUSTMENTS FOR:		
Depreciation and amortisation	38 445	-
CHANGES IN WORKING CAPITAL:		
Inventories	12 480	(12 480)
Trade and other receivables	(5 684)	-
Trade and other payables	281 234	561 458
	(496 851)	77 580

Financials - Wellness Fund

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
Revenue		
Sponsorship	617 777	498 408
Other income		
Grants received	300 000	300 000
Interest received	12 616	15 986
Sale of flipcharts	-	780
	312 616	316 766
Operating expenses		
Administration and management fees	(737 941)	(516 985)
Advertising	(22 850)	-
Bank charges	(421)	(535)
Depreciation, amortisation and impairments	(38 445)	-
Employee costs	(930 351)	(754 293)
Sundry expenses	(11 132)	(1 452)
Travel - local	(12 579)	(13 307)
	(1 753 719)	(1 286 572)
Operating deficit	(823 326)	(471 398)
Deficit for the period	(823 326)	(471 398)

Contact Details - NBCRFI Offices

Western Cape Regional CAPE TOWN

Physical Address:
Ground Floor, McIntyre Place
10 Picton Street, Parow
7500

Tel: 021 930 7720

MADELEIN VAN DER WATT

KZN Regional DURBAN

Physical Address:
6th Floor, Suit 601
Old Mutual Building
300 Smith Street
4001

Tel: 031 307 6070

SANEL BERGER

PORT ELIZABETH

Physical Address:
4th Floor, Russel Square
Parliament Street
Central Port Elizabeth
600

Tel: 041 582 5104

DEON KOEN

EAST LONDON

Physical Address:
2 Floor, Room 202
N B S Building
15 Terminus Street
5201

Tel: 043 743 6111

SIYABONGA MIZA

BLOEMFONTEIN

Physical Address:
2 Floor, Room 208
2 President Brand Street
9301

Tel: 051 448 9422

PITSO NTSIU

GEORGE

Physical Address:
Ground Floor, Liberty Building
98 Meade Street
6529

Tel: 044 874 3098

WISEMAN MDEYIDE

KIMBERLEY

Physical Address:
M-Floor, M. B. A. Building
20 Currey Street
Kimberley
8301

Tel: 053 831 6352

SOPHIA PRINS

KLERKSDORP

Physical Address:
2nd Floor, Room 207, Jade Square
Cnr Magret Street &
Oliver Tambo Avenue
2571

Tel: 018 462 8311

JOEY GROBBELAAR

NELSPRUIT

Physical Address:
1st Floor
Suit 101 Permanent Building
27 Brown Street
1201

Tel: 013 752 7420

CORAY DE BRUYN

NEW CASTLE

Physical Address:
4th Floor, Room 402
Old Mutual Building
Cnr Scott & Voortrekker Street
2940

Tel: 034 315 1207

MARIUS VAN DER WESTHUIZEN

PIETERMARITZBURG

Physical Address:
184 Loop Street
Pietermaritzburg
3201

Tel: 033 342 1761

BEN DU PLESSIS

POLOKWANE

Physical Address:
Suit 106
Forum Three
23B Thabo Mbeki Street
0699

Tel: 015 291 1533

ELIZABETH RAMARA

PRETORIA

Physical Address:
401 Provisus Building
523 Church Street Arcadia
0083

Tel: 012 440 8454

FRANCIS MATSEPE

RICHARDS BAY

Physical Address:
2nd Floor
Old Mutual Building
1st Krugerrand Street
3900

Tel: 035 789 3847

THULANI MDLULI

WITBANK

Physical Address:
Ground Floor
B. F. Boshelo House
10 Hofmeyer Street
1034

Tel: 013 656 1503

JOHN RAHLAGANE

RUSTENBURG

Physical Address:
1st Floor, Room 103
Biblio Plaza Building
Corner Nelson Mandela & President
Mbeki Roads
0299

Tel: 014 597 1320

EUGENE WESSELS



Head Office- Physical Address:
31 De korte Street
Braamfontein
Johannesburg
2017

Postal Address:
Private Bag X 69
Braamfontein
2017

Tel: +27 11 403 9990
Fax: +27 11 403 1555
www.nbcrfi.org.za

ANNUAL REPORT
2007

*National
Bargaining Council
for the
Road Freight Industry*



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