

annual report
2009



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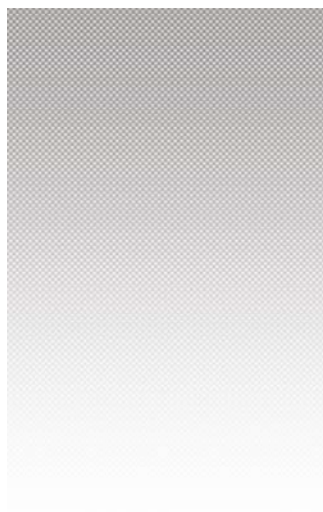
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LR2/6/55

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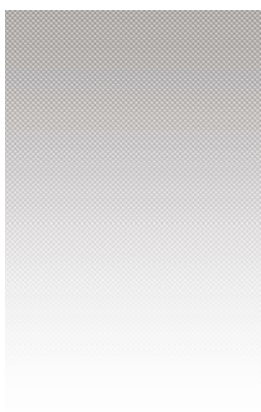
Executive Summary



Council's 2009 Annual Report is intended to provide a full and detailed description of the organisation's work, structures, ethos and partners for the 2008/2009 financial year. It lists the organisation's achievements - as well as its challenges - experienced during this period. The report is also an organisational scan, providing a high-level overview of amongst others structures, processes, people and financial issues - broadly, some of the more recent developments in an ongoing transformation process that began nearly four years ago.

Along with a brief profile of the organisation describing the business of Council, the report illustrates the business highlights, incorporating some of the high level achievements for the period under review.

In his message, the Chairperson pinpoints some of the advances from the board's perspective. The National Secretary, in turn, reflects in greater detail, not just on the growth areas, but also on the challenges as well as the functioning of the various organisational structures and how they all fit together to make a complete whole. Thereby reaffirming the relevance of bargaining councils as part of the structures critical to the make up of the economic environment within which we operate.



Organisational Profile

With its head office in Braamfontein, Johannesburg, and regional offices around the country, the National Bargaining Council for the Road Freight Industry (NBCRFI), or 'Council', plays an essential role in keeping the wheels of South Africa's economy growing and rendering an effective service to road freight industry stakeholders.

The Council facilitates collective bargaining and administers the conditions of employment as determined in the Collective Agreements negotiated under the auspices of the industry trade unions and employers. This administration function inter alia includes collecting and managing financial contributions received from the industry, enforcing the stipulations of the Collective Agreements and resolving employment related disputes.

The establishment of bargaining councils is a function of the Labour Relations Act of 1995 (Act) wherein employer and employee organisations are empowered to negotiate on matters that are of mutual interest to their specific industry or sector. The strength of this approach lies in that it leads to better regulation of matters that affect the sector as a whole, allowing for minimum standards and conditions of employment within said sector as well as provide for greater labour stability. The Council's mandate includes the administration of benefits for the road freight industry's leave, sick and holiday pay bonus, wellness and provident funds.

The organisation is comprised of a Council (Board) made up of employer and employee parties. The Administration is headed up by the National Secretary who oversees the day-to-day operations. Council's mission is to deliver effective and efficient service to stakeholders and customers.

To this end, the Council has formulated relationships with several government, private and civil society organisations. Since 2005, the NBCRFI has embarked on a major organisational transformation exercise which is beginning to show real benefits for clients, stakeholders and employees alike. The negotiations as undertaken by the employer and employee parties are premised on a needs-based philosophy which promotes inclusivity and dialogue.



Chairman's Report

The period under review has proved to be most constructive for the NBCRFI.

History was made when the Department of Labour (DoL) issued the Council with it's first-ever Certificate of Representativeness of Parties to a Collective Agreement in August of 2008. This has been a long sought-after achievement, and the parties to the Council will strive to repeat this success on the expiry of the certificate on 31 July 2009 and in the future.

The most recent round of wage and substantive negotiations began in August of 2008 and at the time of going to press the parties had agreed upon a period of two years (i.e. the new Agreement will endure until 28 February 2011). The minimum wage levels were increased significantly in the Grades 1, 4 and 5 categories, thereby increasing the attractiveness of the industry as a career opportunity - especially in the heavy duty and extra heavy duty driver categories. An 'Across the Board' increase of 11% commenced on promulgation, and a further increase of 9.5% will take effect on 01 March 2010. Other agreed upon amendments are to be promulgated at a later date.

January 2009 saw the commencement of the road freight industry's Wellness Fund. Following a lengthy selection and due diligence process, CareWorks HIV Management was appointed to rollout and implement the industry's HIV treatment campaign. The Council's wellness clinic network in South Africa is managed by the Corridor Empowerment Project and now comprises of 15 centres, covering $\pm 88\%$ of our national routes. During the period under review, the number of mobile centres was increased to four. These units go on location to various companies and provide services onsite.

These projects, managed by the two service providers, are collectively known as Trucking Wellness. It is worthy of mention that since the start of the first leg (primary healthcare and voluntary testing and counselling) of the project 305,000 employees have been educated and/or trained in HIV awareness as well as other sexually transmitted diseases, along with a further 110,000 have received treatment primarily for sexually transmitted diseases. These statistics bear testament to the wonderful contribution this project makes to addressing the worldwide scourge of HIV/AIDS which has had such a significant impact on our industry.

The Disputes Committee and the Independent Exemptions Body were well utilised during the period under review. The Disputes Department addressed 3,930 conciliations and 2,052 arbitrations. One hundred and thirty six exemption applications were received, of which 71 were approved. The Council once again received accreditation from the Commission for Conciliation Mediation and Arbitration (CCMA) for dispute resolution. Both divisions performed with distinction in these demanding areas.



Trevor Short

During the 2008/2009 financial year the Provident Fund was registered with the Financial Services Board (FSB) under the provisions of the Pension Funds Act 24 of 1956 (as amended). Initially, after this registration, the body acted independently from Council, but on the advice of the DoL, it is envisaged that Council will once again assume responsibility, with the National Secretary becoming the Principal Officer.

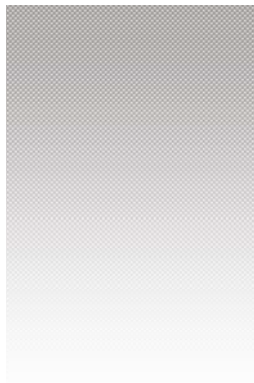
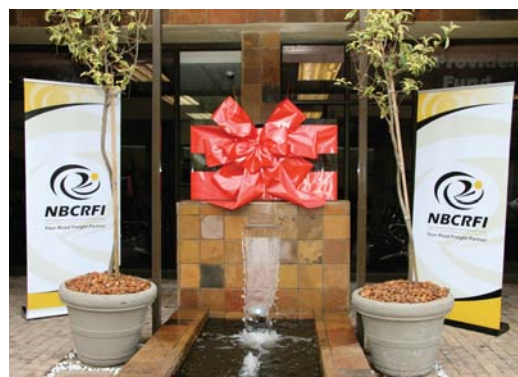
Stakeholder Forums were established in the Kwa-Zulu Natal (late 2008) and Western Cape (early 2009) regions, with the objective of making the functions of the Council more democratic and transparent. This also aimed to give regional member parties a greater voice in Council affairs. Both Forums are being well supported by the member parties and have established a meaningful role in their respective regions.

Extensive renovations of the Head and Regional Offices were undertaken to ensure greater operating efficiency and staff comfort. The renovated Head Office building was officially opened in November 2008 and invited guests - including senior officials from the Department of Labour, stakeholders and other bodies - were in attendance.

Funds Administration was again well managed and a significant improvement was achieved in the area of annual payouts, this is due to the introduction of e-business strategies, most notably the Electronic Funds Transfer (EFT) system. This facility has improved the payout system enormously in terms of efficiency and security.

Throughout the period under review the Councillors have received exceptional support from the National Secretary, Joe Letswalo, and his staff. I extend my grateful thanks to my fellow Councillors, the National Secretary, members of the Secretariat and all those who served on the various committees and panels of the Council, for their unstinting efforts during the year.

Finally, I thank all stakeholders for their support and give the assurance that through its quest for service excellence and good governance, this Council will continue to meet and overcome all future challenges to the ultimate good of all stakeholders and indeed the entire industry.



National Secretary's Report

2008/2009

Business Highlights

- Awarded a Certificate of Representativeness by the Department of Labour
- Modernisation of structures, processes and ethos
- Nurtured excellent working relations with stakeholders
- Negotiation Protocol implemented
- Dispute Resolution re-accredited by CCMA
- Fund assets under new management grown to almost R1,6 billion
- Smooth implementation of e-business solution
- Extensive renovations and office space improvements completed
- Corporate communications strengthened
- Funds Administration fully decentralised to operational areas
- Shift in position from enforcing agent to compliance persuader
- Five-year Agency Shop Agreement promulgated
- Simplification exercise of the Main Collective Agreement in progress
- Scope of Trucking Wellness expanded with anti-retroviral treatment rollout
- Introduction of Regional Stakeholder Forums

A question that continuously arises across various forums relates to the status of bargaining councils in general and their relevance within the South African economic environment. What, if any, positive contributions are they making towards the betterment of working conditions? Who do they benefit, employers or employees? What about small and medium enterprises?

The short and simple answer is this - bargaining councils are thriving in South Africa. While the number of bargaining councils in existence decreased between 1992 and 2004, the number of workers covered grew from just over 700,000 to close to 2,5 million. The decrease in the number, by the way, can be attributed to some councils taking the strategic step to merge.

Having said that, it does not preclude us from interrogating the way in which these entities operate; their efficiency. Given the varying levels of success across the bargaining council spectrum, there can be no doubt that there is ample room for improvement. There are those who set trends and achieve high benchmarks for the rest to follow, while others barely manage to keep up with the pace. The system of bargaining councils is not what it was 10 or even 15 years ago and it remains in a state of flux. This is in keeping with various other areas of our social environment, many of which are contributing factors to that very system.

The practice of collective bargaining remains critical to South Africa's industrial relations environment in that it goes a long way towards maintaining labour peace. It is precisely the consistency attained through standardised conditions of service across the board that allows for the relative stability we enjoy.

Ours is one such council that has enjoyed a vast degree of change in recent years, for the better. In this, our 2009 Annual Report, we have highlighted the outcomes of this transformation across the various sections of our organisation. These include successes and challenges alike. What we attempt to show, in keeping with our socio-economic environment and the very state of bargaining councils in general, is that the NBCRFI is itself on a long and often arduous journey of change. This journey is embarked upon with the long term vision of firmly entrenching our relevance to the customers we serve, ultimately optimising the level of our service delivery in fulfilling our mandate.

Agreement Administration

Collective Agreements

Council's Main Collective Agreement was promulgated for a period of two years and 2008 saw the advent of its second year of operation. The effective period was further extended in February 2009 due to the wage negotiations which were still underway at the time when the second term was to have come to an end. It was the first time that an agreement was effective for more than one year and the implementation thereof, from a Council perspective, proved to be highly beneficial. Similarly with

the Exemptions & Dispute Resolution Collective Agreement, which came into effect at the start of the year under review and is to run for five years, until 2013.

One of the more significant accomplishments in the 2008/2009 financial year was the promulgation of the Agency Shop Agreement by the Minister of Labour. The importance of this legislation is in that it allows for those members of the road freight industry, who fall within Council's jurisdiction but are not registered members of the parties to Council, also make a contribution to Council. In this way the financial burden associated with collective bargaining is more evenly spread across the sector that also, jointly, reaps the benefits.

Operations Decentralisation

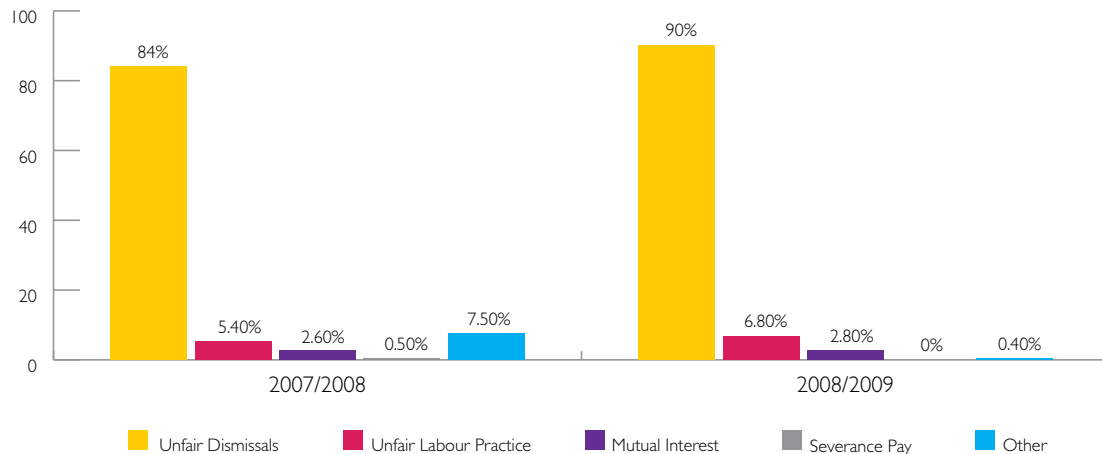
Decentralisation was a seemingly overwhelming and near impossible process to implement when the idea was first introduced at Council. The process refers to the redistribution of all the major operational areas of Council, relating to core functions and the necessary supporting structures, so that they are managed and directed at a regional (Gauteng, Western Cape and Kwa-Zulu Natal) level. Yet by the end of the 2008/2009 financial year this process was fully and successfully implemented. Except for litigation and exemptions, all processes falling under the Agreement Administration department were decentralised – a large part of this success is due to Council's modernised systems. These are dealt with in greater detail in the upcoming Support Services section.

The accomplishment of the decentralisation process was aptly manifested in the 2008 yearend payouts, the most successful to date. Along with processes streamlined as a result of modernisation, other measures and controls were put in place - these included the proactive vetting of employer records prior to payouts to corroborate the accuracy of all records received. In fact, nearly all our 70,000 industry employees saw payment processed by 12 December 2008 with Council able to close its doors for the holidays the following week - a staggering R540-million worth of payments, a 60% increase from 2004s numbers.

Dispute Resolution

During the year under review, the Council's services to settle disputes continued to increase steadily. CCMA Case Management System continues to be a great success, proving to be highly effective and efficient.

Referrals by Issue



Unfair dismissal disputes continued to account for the largest percentage of issues of dispute. In the year under review, these disputes amounted to 90% of the total caseload – an increase of 6% from the previous year.

Enforcement of Arbitration Awards

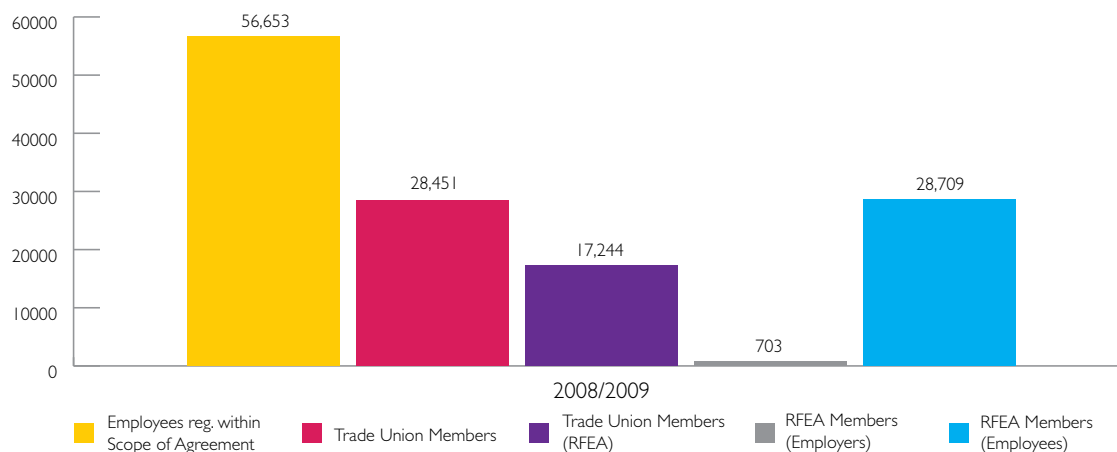
The number of Section 143 applications decreased in the year 2008/2009 to 1,540, compared to 1,694 in 2007/2008. We can safely assume that the decrease is as a result of the introduction of processes whereby companies were given an opportunity to pay off the arrear returns, rather than taking legal action, which could result in the demise of a company.

CCMA Subsidies

The Council continues to receive a subsidy of R450 for every closed case as a result of settlement agreements, re-instatement and re-employment rulings, as well as compensation awards. The subsidy, which is claimed on a monthly basis, amounted to R421,200 from the CCMA, compared to R180,000 the previous year.

Party Trade Unions & Employer's Organisation

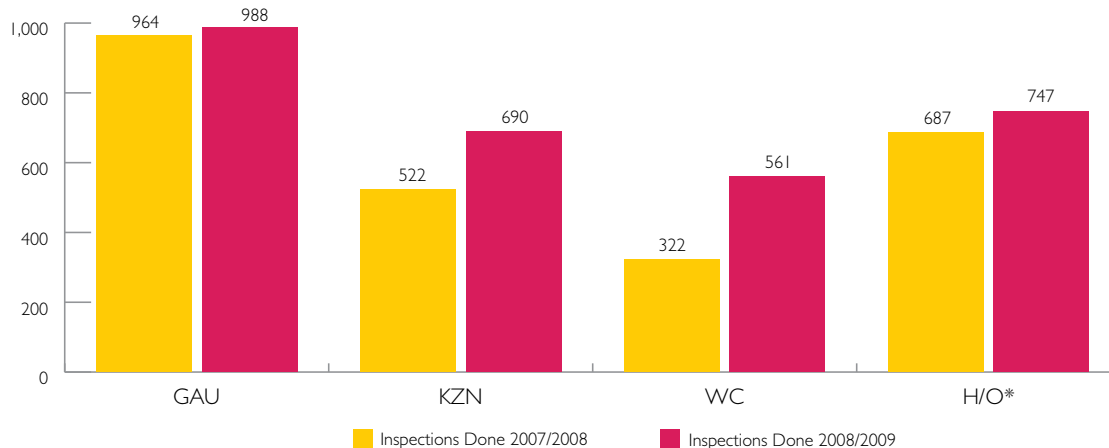
This section administratively supports trade unions as well as employer organisations monitoring and maintaining representivity levels of more than 50%+1. Monthly meetings were held with trade unions where statistical information and data on non-organised companies are provided to the unions for recruitment purposes. In this way Council continues to provide ongoing support to the parties, thus enabling them to maintain the necessary representivity levels. As a result Council remains confident that the Certificate of Representativeness will be re-issued by the Department of Labour in the future.



Agreement Compliance

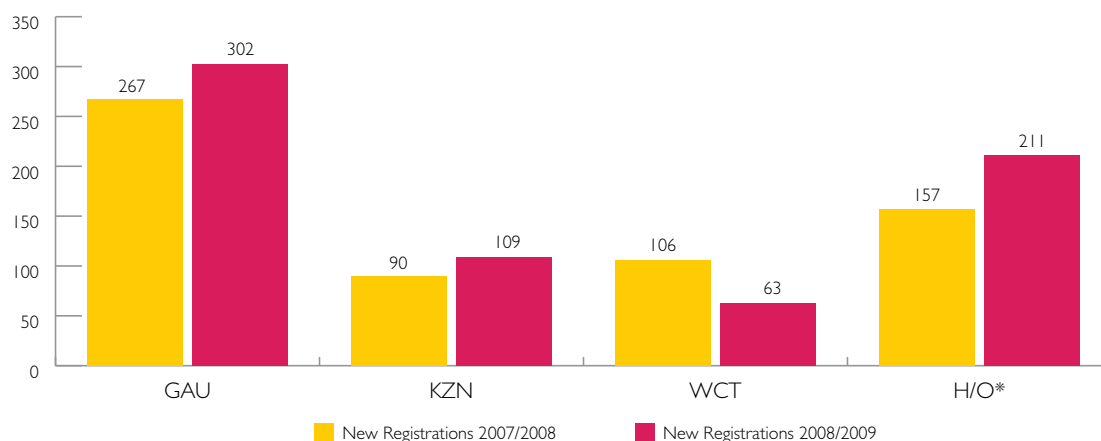
The organisational profile states that one of Council's core responsibilities is enforcement. Briefly, this refers to ensuring that companies operating within the road freight industry are indeed adhering to the stipulations of the various Collective Agreements. This is done primarily by conducting individual company inspections by Council's agents, as well as ensuring that all new operators are registered with Council as is legislatively mandated.

Inspections Done Comparison – 2007/2008 & 2008/2009



*H/O (Head Office) – refers to all other regions not specified in the above graph. See Council Offices (page 26) for an indication of the areas covered.

New Registration Comparison – 2007/2008 & 2008/2009



*H/O (Head Office) – refers to all other regions not specified in the above graph. See Council Offices (page 26) for an indication of the areas covered.

Strategic Partnerships

The NBCRFI continued to improve strategic relationships with stakeholders who have direct influence or a vested interest in our business in the period under review. Relations exist between Council and the national and provincial Departments of Health, Labour and Transport; with the afore-mentioned CCMA, as well as with the National Association of Bargaining Councils (NABC). Interactions extended beyond this industry body to include individual bargaining councils, the Metal & Engineering Industries Bargaining Council chief among them.

In the period under review, Council also liaised regularly with the Department of Transport on its new Administrative Adjudication of Road Traffic Offences (AARTO) programme, with the view to looking at agreements to regulate driver fatigue, a source of grave concern to Council and the industry.

Industry Wellness



By far the highlight of the period in relation to industry wellness was the expansion of Trucking Wellness to incorporate the rollout of anti-retroviral (ARV) treatment. This is the culmination of a strategy long identified by Council wherein the magnitude of the impact of HIV/Aids on the road freight industry was identified and the Wellness Fund was put in place as a means to address the problem. It is that Fund, consisting of contributions from industry employers and employees, which is financing the necessary ARV treatment to members of our industry.

The ARV rollout works in perfect synergy with another component of Trucking Wellness that has been in place for a number of years. With an increased number of Wellness Centres and mobile units, the programme is able to channel prospective patients towards enrolling for the ARV treatment. This is where members of the industry not only access primary healthcare, but also receive voluntary counselling and testing (VCT).

A Council delegation attended the XVII International AIDS Conference in Mexico City in August 2008 where the Trucking Wellness project was presented at an international forum to great acclaim.

In order to access ARV treatment or find out more please call
0800 212 768 during office hours

Road Freight Industry Wage Negotiations

Although this issue is mentioned in the Chairperson's report, I'd like to address it in further detail here. The parties to Council were engaged in wage negotiations over a period of several months. A settlement, one that was mutually beneficial to both road freight industry employers and employees, was finally signed on 16 April 2009. The new Agreement will be in operation for two years and some of the more salient issues which were finally settled on include:

- minimum wages – there will be an incremental increase across all levels over a period of 2 years, setting new minimum wages for the industry.
- an across the board increase – also incremental over two years, at 11% and 9.5% respectively.
- maternity leave – a payment of 33% of the normal basic wage during maternity leave and full compliance with the provisions of the Basic Conditions of Employment Act.
- an increase in subsistence, cross-border, night shift and sugar cane allowances
- parties also agreed to investigate and consider an industry medical aid option.
- the extension of the bargaining unit - this is to be extended to include all employees employed in operations, warehousing, fleet maintenance and administration, excluding management that may make decisions to recruit or discipline employees. However, this does exclude supervisors and controllers, regardless of whether or not they may make decisions to recruit or discipline.

As the facilitating body, the NBCRFI was greatly encouraged that the parties were able to reach an amicable solution to a potentially difficult situation.

Industry Perceptions Survey

It is not surprising, then, that a customer survey completed in the period under review showed that over 60% of Council's clients reported that they were satisfied with the organisation's service levels. This is due in part to the Council having established clear and regular communication tools, including an updated website and our industry quarterly newsletter, Tseleng, filled with interesting articles and sector information. An additional contributory factor here is the modernisation efforts which have assisted in fast-tracking many of our processes.

Strategic Focus Areas

Of the 10 focus areas identified back in 2007, those listed below were still outstanding and were carried over in to the 2008/2009 financial year.

Strategic Focus Areas	Achievements & Developments
1. Representivity	Certificate of Representativeness issued by Department of Labour, recognition that the parties to Council do constitute more than 50%+1 of the industry.
2. Complex Agreement Framework	Simplification of the Main Collective Agreement for greater accessibility within the industry. This process is still underway.
3. Negotiation Paradigm	Negotiation Protocol was, for the first time, used to streamline the wage negotiation process which started in mid 2008.
4. Industry Recruitment & Retention	Council participated in the annual SABC Career Fair which took place in various centres around the country to create awareness of employment opportunities within the sector.
5. Dispute Resolution	Re-accreditation by the CCMA resulting in an increased dispute settlement rate of 90%.
6. Theft in the Industry	Comprehensive survey was conducted to help determine how the issue is to be addressed.
7. Council Administration	• Regional and branch offices capacitated for improved service delivery. • Agents equipped and trained for effective inspectorate delivery. • Full decentralisation rollout.

Finance & Support Services

Briefly, the role of the department lies in overseeing the management of organisational resources - infrastructural, financial and human capital.

Financial Review

Council has achieved solid financial performance with the surplus for this financial year at a record R34m, a 23% improvement from the year prior. This was achieved on the backdrop of high interest rates and despite the legislated outsourcing of the administration of the industry's provident fund. The surplus was used to fund capital expenditure projects and for additional investments on financial assets.

Council's expenditure showed a marked increase of 31% to R72m. As a service oriented organisation, employee costs remain a major contributor to overall expenses. Other major areas of costs were and remain infrastructure, dispute resolution, and depreciation of assets, professional fees and administrative expenses.

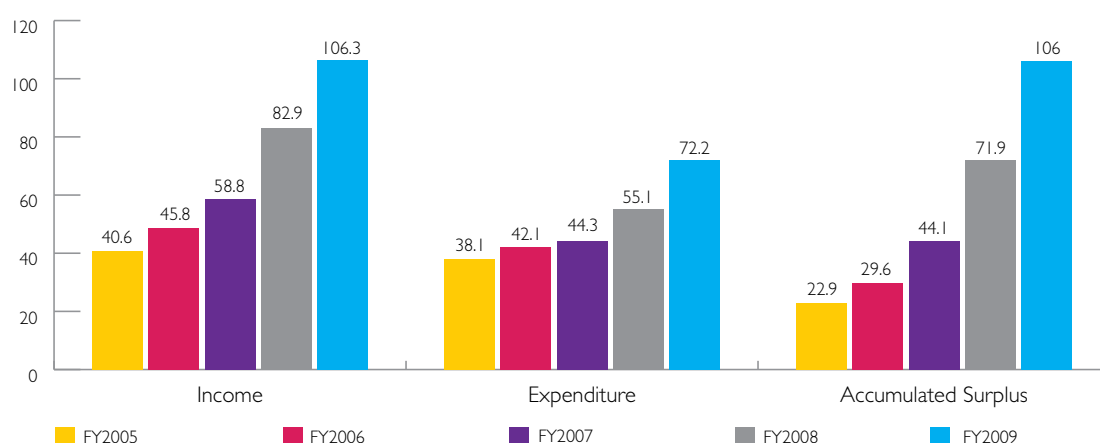
Twelve million rand was spent on improving facilities and general infrastructure. Building renovations undertaken during the year under review made up R5m of this cost. A further R4m went to other capital expenditure projects such as furniture and fixtures as well as R2m for information technology equipment. Both head office buildings have since been valued to be worth R17m.

Investments and interest earnings provided a stable base for our administration fees. The growth in investments is attributable mainly to the completion of the phasing in of Sick Fund contributions from the "B Area"¹. This has also seen a corresponding increase in the industry employee trust account.

Expenditure on the Trucking Wellness programme, specifically the primary healthcare and voluntary counselling and testing component which has been funded by SIDA, no longer features as part of Council's financials. Reason being that this is now directly allocated to the project manager, Corridor Empowerment, who oversees the implementation on behalf of Council. The blanket exemption of the Wellness Fund levy was lifted, adding another component to the industry's contributions to Council. With the rollout of the associated ARV treatment programme further developments are expected in this area which will impact on the financials of the next year.

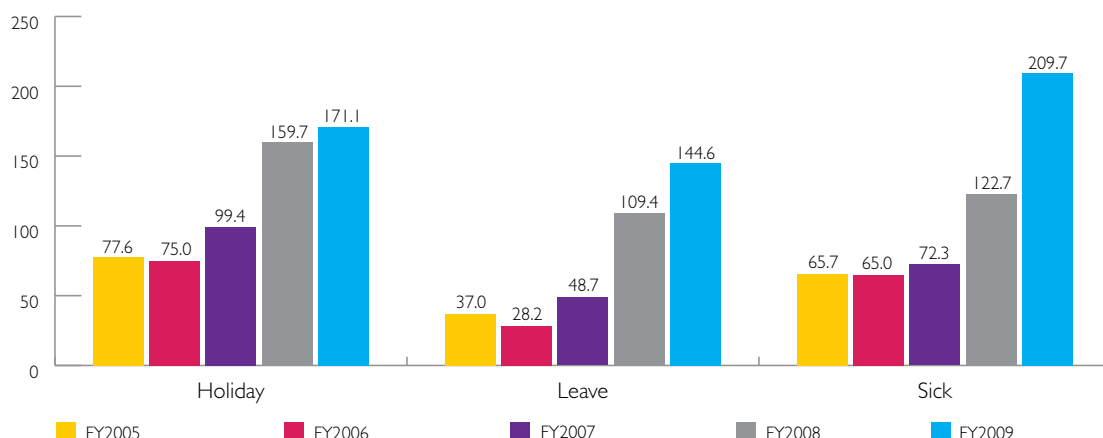
Council remains on solid footing financially, despite the negative economic climate that persisted late in 2008 and continuing into 2009. There is, therefore no pressure to burden the road freight industry as the organisation is able to sustain itself through the recession period.

Five Year Performance Indicators (in million rands)

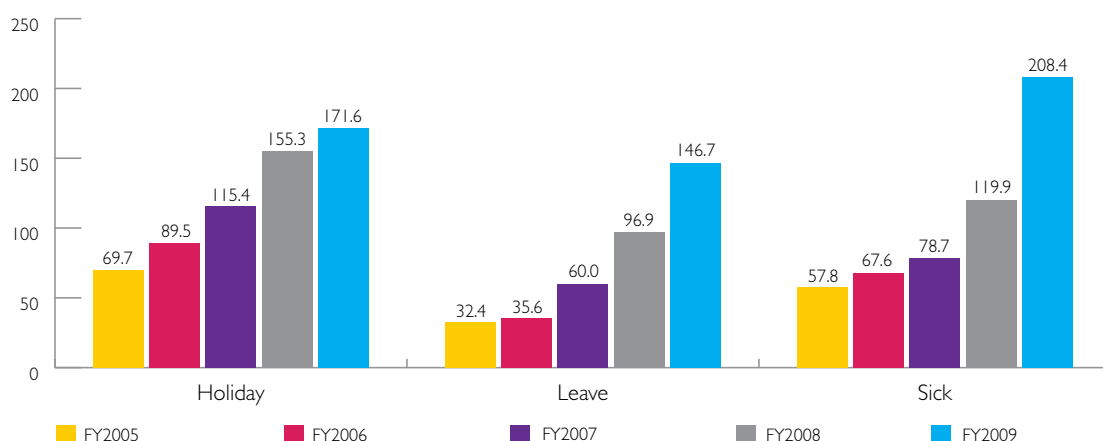


¹ B Area - This refers to areas outside Gauteng which were incorporated into the bargaining council when it became national.

Trust Funds Investments (in million rands)



Trust Funds Liabilities – Funds due to industry employees (in million rands)



Business Processes & Technological Infrastructure

Part of Council's plan to improve service levels to the industry includes modernising its technological infrastructure and business processes. Further strides have been made in this area for the year under review.

In March 2008 the e-business solution went live with an initial 126 registered employers. The aim was to have a dramatic increase in registration by the start of the 2008 yearend payouts. By February 2009 this number had increased to 1,413. As of June 2008 a short message service (SMS) feature was also incorporated as a reminder system for disputes and arbitrations. A project to introduce self-help touch-screen kiosks in various Council offices was also underway in 2008.

When it comes to modernising our systems, one of the biggest benefits relating directly to the e-business solution lies in fast tracking the returns process where human error is significantly reduced. This goes a long way towards expediting our internal processes..

Developments in other business processes includes the full implementation of Employee Self-Service system for Council's staff, modifications in Funds Administration processes to accommodate legislative changes as well as the decentralisation and embedding of accounting and procurement processes.

An audit of the Information Technology infrastructure was undertaken, focusing specifically on capacity. Infrastructure was also expanded to accommodate the process of decentralising Funds Administration capabilities to the regions. A fibre link line was installed to accommodate the functioning of a new fax/e-mail system, RightFax, which is instrumental in maintaining regular communication

to the industry. Moving forward, an overall review of all the systems will be conducted to ensure optimum integration of the various components.

Challenges in this area remain the total modernising of all operations, ultimately creating a completely paperless environment.

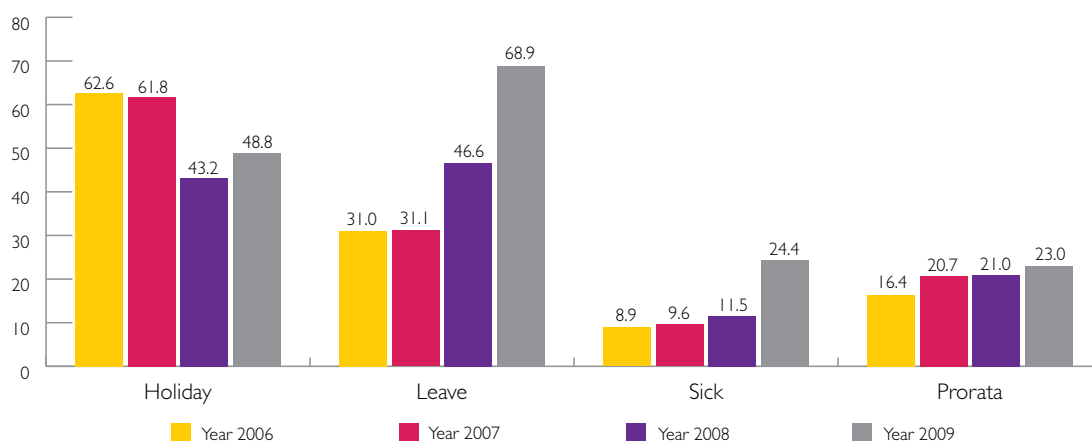
Funds Administration

Funds Administration is ultimately responsible for the collection and disbursement of all funds received by Council. Online applications (e-business) were introduced for the first time. While positive feedback was received from users, the number of employers using the system is still expected to increase dramatically as the awareness within the industry grows. With full decentralisation, all regions operated independently and the process for the yearend payouts proved to be highly successful with 93% of stakeholders having received payment by 12 December 2008 and the balance by 19 December 2008.

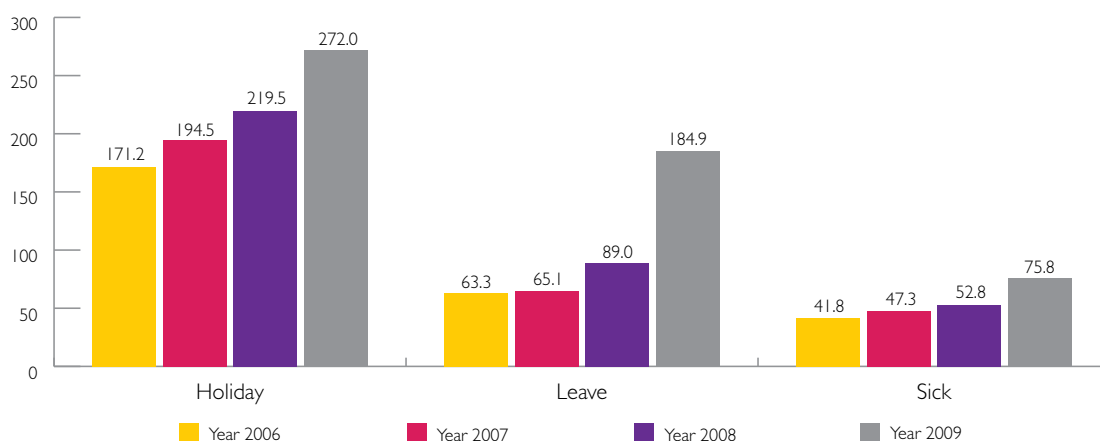
During 2008 a decision was taken to be proactive by tracing employees who have left the industry but have funds due to them at Council. Service providers were appointed to conduct this exercise, tracing the relevant individuals and acquiring the necessary documentation in order for payment to be effected. Going forward this will be done on an annual basis.

We continue to look for ways to improve on service delivery to all stakeholders. The continued improvement of our systems remains a primary focus area to the overall development and improvement plan. The graphs below are an illustration of the cumulative effect, over a number of years, of some of the improvements made thus far.

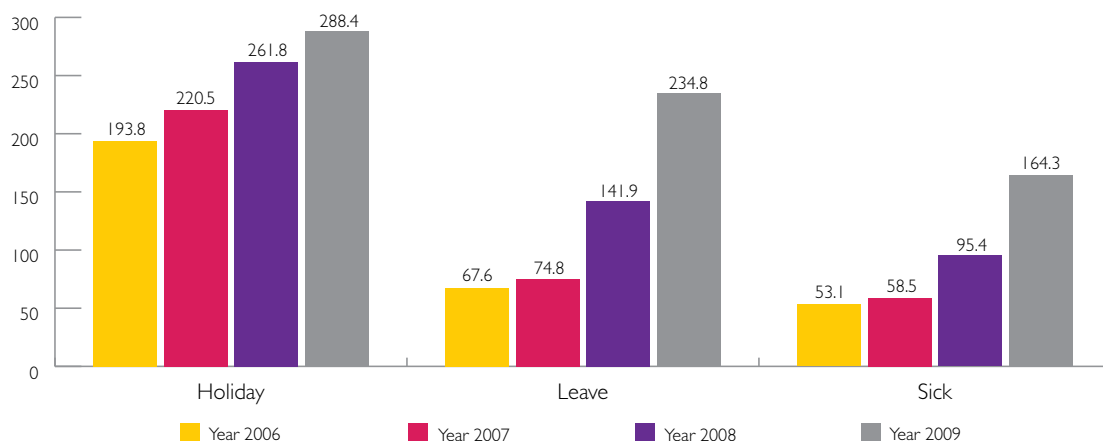
Applications Processed Comparison 2006 – 2009 (in thousand rands)



Funds Disbursed Comparison 2006 – 2009 (in million rands)



Funds Collected Comparison 2006 – 2009 (in million rands)

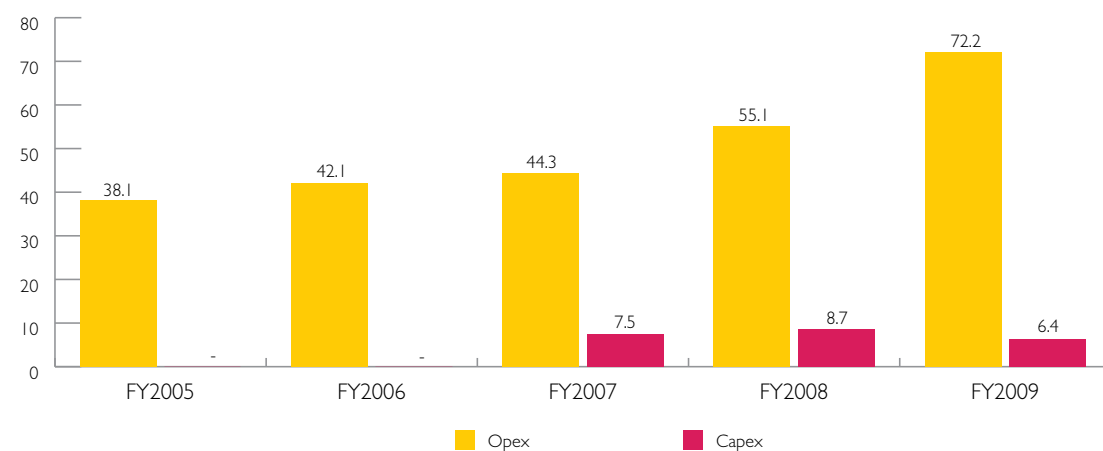


Procurement Policy & Spend

The objective of the section is to support the organisation in the acquisition of quality goods and services to meet organisational goals at competitive prices and in line with the financial strategic objectives. This is done through the establishment of the relevant framework as governed by policies and procedures and establishment of service level agreements with our suppliers and service providers. Further, the section also aims to ensure compliance with Broad Based Black Economic Empowerment and other requirements objectives related to procurement.

The graph below indicates the levels of Capex (Capital expenditure) & Opex (Operational expenditure):

Expenditure by Class



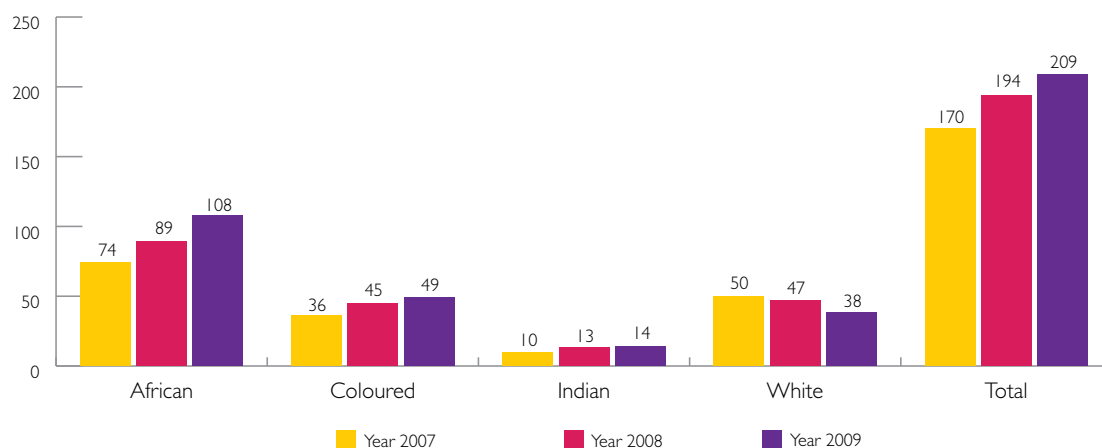
People at Council

The main areas of focus here include organisational development, recruitment strategies and competency frameworks. A three-year job grading exercise, with phased in remuneration packages, was completed in the year under review. The remuneration package for Council's agents was also restructured as part of a long-term retention strategy. Job scales were aligned to industry standards and the Paterson grading system was fully embedded.

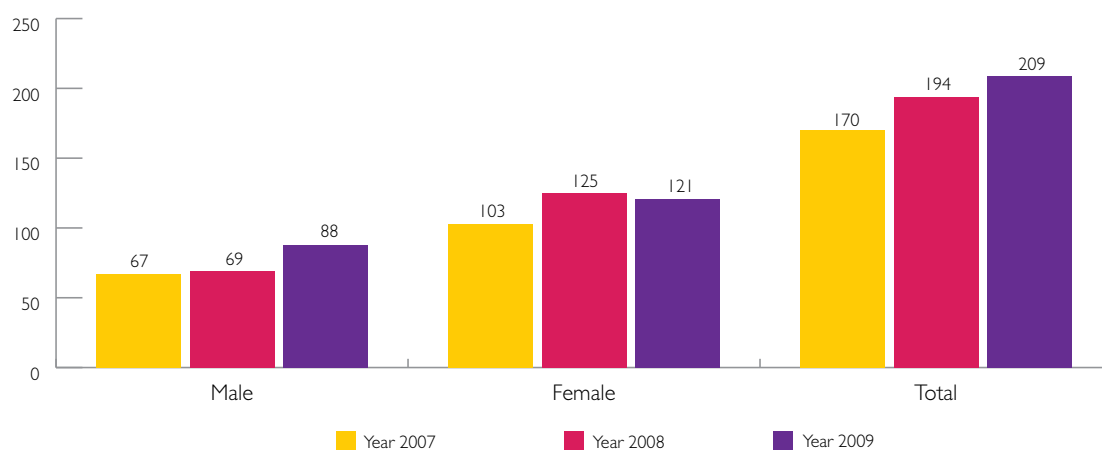
Focus on people at Council remains a key priority area. Skills development initiatives, such as training needs analysis, the launch of a performance management system as well as a concerted effort towards on-the-job training has ensured an increase in training and employee developments. Council also continues to evaluate the staff morale to ensure the successful achievement of organisational values and objectives. A work skills plan was also submitted to Services SETA and a comprehensive training programme was implemented on that basis.

In terms of Employment Equity, Council is well represented as can be seen in the Employment Equity Reports submitted annually to the Department of Labour.

Employees by Race



Employees by Gender



Office Support & Facilities Management

Although the renovations project proved to be quite a challenge, its conclusion was finally and successfully celebrated with the official grand opening on the 26 November 2008. Some of the resulting enhancements included improvements in safety & security for our staff and stakeholders who visit us daily. The access control system has enabled monitoring of staff movements and, in addition, the installation of camera surveillance has assisted us in close circuit monitoring of all activity within our premises.

The Western Cape regional office was relocated to new premises during December 2008. The aim was to accommodate additional staff, but also to create a more comfortable environment for Council staff and allowing for easier access for stakeholders and other visitors. Moving forward, plans are underway to either relocate or refurbish a number of the smaller branch offices.



Acknowledgments

I would first like to thank our primary stakeholders - industry employers and employees - for entrusting the Council with this important work and for providing constant feedback in shaping the institution.

I also would like to acknowledge all the Councillors who continued to provide invaluable guidance and wisdom over the period under review.

I would be remiss to not express thanks to the Department of Labour, in particular the Executive Management. They have maintained stringent standards while simultaneously providing all the needed assistance for us as Council to attain our goals.

Council continues to learn best practice and good governance by complying with King II report and the Public Finance Management Act. We also continue to share knowledge learnt 'on the job' with the National Association of Bargaining Councils – and I am grateful for the continued support of this mentoring body.

As reported above, the Council was re-accredited by the CCMA in the period under review and settled many cases in the area of Dispute Resolution. We wish to thank the CCMA for placing their trust in us and for providing the NBCRFI with the case management system and other support.

Finally, I would like to extend my heartfelt gratitude to the men and women who continue to put their collective shoulder to the grind. The concerted efforts of Council's staff along with the positive results thereof are well documented in this report. In the year under review, NBCRFI employees showed that they are more than capable of learning and adopting new systems and ways of doing things, while maintaining the Council's high standards of professionalism and service delivery. None of this would have been possible without the individual contributions of each and every employee at Council.

And, as to the question of the relevance of bargaining councils such as ours? I believe that those who were in doubt can be assured of our secure status within the South African economic landscape. There are challenges and obstacles, to be sure, but these are only to be expected, especially where change is deliberate and is ultimately for the greater good.

Council Organisational Performance

Finance

Key Results Area	Objectives	Measurement & Target	Actual Performance
Cash Management	Improvement in collection from returns Timeous payment of invoices	Number of months outstanding Age Analysis	G+ G+
Financial Reporting	To report financial information to stakeholders To report financial information to management for decision making	Stakeholder Index Stakeholder Index	G+ G+
Stock Management	To monitor the use of consumables	Stock loss	G+
Return on Investment	Effective use of council's fixed assets Maximise return on investment	Fixed assets losses - depreciation rate Percentage return on investment	G G+
Payroll	To process payroll effectively & efficiently	Payroll administration matrix	G+
Office Support Services	Provision of accommodation conducive to pleasant working environment	Completion of renovations at head office and regions	G+

Organisation & Learning

Key Results Area	Objectives	Measurement & Target	Actual Performance
Culture	Exceptional performance; adherence to code of conduct; promote sharing of knowledge	Percentage improvement on culture index	G+
Employee Assistance Programme	To have safe & healthy working environment To enhance employee wellness	Percentage improvement on safety audits Percentage absenteeism due to work related illnesses	G+ G+
Knowledge Sharing & Learning	To ensure knowledge and skills transfer & leverage organisational know-how	Number of employees being mentored	Y
Staff Benefits	To have a comprehensive and balanced benefits cover for staff	Percentage participation on the benefit matrix	G
Managing Performance	To ensure that performance management principles are in place	Percentage high and exceptional performers	G
Competent Workforce	Right people; right place; right practice; right time	Number of resignations: actual vs. required competencies; workplace skills plans; percentage adherence to successful plans	G+

KEY

G - Target Achieved

G+ - Target Exceeded

R – Target Not Achieved

Y – Positive Progress

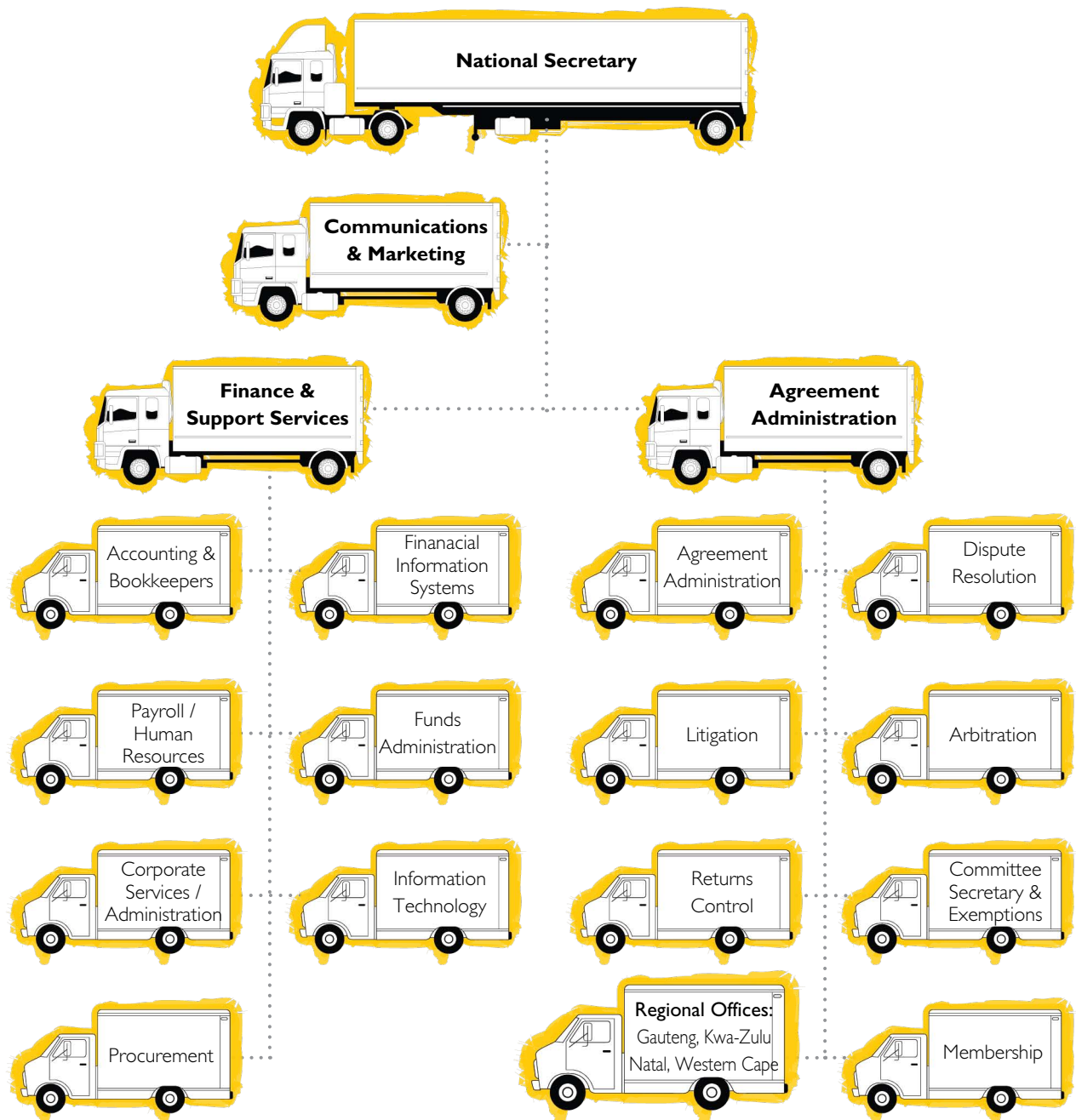
Internal Business Processes

Key Results Area	Objectives	Measurement & Target	Actual Performance
Strategic Focus	To provide efficient service	Percentage compliance with the SLA	G+
		Number of unsolicited complaints	G+
Information management	To provide timeous, accurate and relevant information to facilitate business decisions	Percentage adherence to set standards, number of errors, adherence to deadlines	Y
Industry HIV/AIDS	To manage the impact & prevalence of HIV/Aids in the industry	Percentage compliance with SLA/KPI	G
Collective Agreement	To ensure that industry fully implement Collective Agreements	Percentage non compliance with Collective Agreements	G
	To ensure annual wage negotiations are conducted as per protocol	Successful settlement rate	Y
	To ensure effective dispute resolution machinery	Percentage settlement and resolution rate	G+
Funds Administration	To effectively administer industry funds	Percentage improvement on admin matrix	G
Information Technology	To be innovative in providing service & asset utilisation	Number of technologies reviewed and developed	G
Good Governance	To demonstrate and drive the practice of good governance	Percentage compliance against governance matrix	G
	To comply with South African laws	Percentage compliance against legislative matrix	G
Council Best Practice	To set appropriate competitive standards	Number of new standards introduced & percentage on standard matrix	G

Customer & Stakeholder

Key Results Area	Objectives	Measurement & Target	Actual Performance
Council of Choice	To service efficiency and enhance professionalism & credibility	Percentage compliance with the SLA -	G+
		Number of unsolicited complaints	G+
		Percentage of voluntary compliance with Agreements	G+
Integral Business Partner	Facilitate optimal business decisions	Number of decisions taken and implemented	G+
Exco & Council appetite	To create Exco and Council appetite for administration	Acceptance of advice given by administration and decision influence levels	G+
Communications	To share information and knowledge with customers and stakeholders	Feedback matrix	G+
	To promote our image to customers and stakeholders	Customer satisfaction index	G+
Procurement	To have a fully functional procurement system in place	Operators satisfaction index	G
	To optimise on best procurement practice	Number of new suppliers sought	Y

Organisational Structure



C o u n c i l C o m m i t t e e s

Council

RFEA	SATAWU	MTWU	TAWUSA & PTWU
Heather Badenhorst	Pakkies De Villiers	Emily Fourie	Stephen Motingoa
Nico Badenhorst	June Dube	Mdumseni Mabaso	Daniel Zondani
Rudy Bosch	Johnson Gamede		
Kobus Britz	Michael Gwedashe		
Magretia Brown	David Mahlanza		
Tony D'Almeida	Dennis Michavi		
Hennie De Villiers	Andrew Mothudi		
Louis Hollander	Tabudi Ramakgolo		
Craig Matthee	Juanitha Sebolai		
Fred Meier	Excellent Shabangu		
Trevor Short			
Dave Behrens			
Penwell Lunga			

Executive Committee

RFEA	SATAWU	MTWU
Nico Badenhorst	June Dube	Emily Fourie
Magretia Brown	Johnson Gamede	
Fred Meier	Tabudi Ramakgolo	
Trevor Short		

Wellness Committees

RFEA	SATAWU	MTWU
Louis Hollander	Dennis Michavi	Solomon Mothibedi
Magretia Brown	Tabudi Ramakgolo	
Natasha Nielson	Excellent Shabangu	
Trevor Short		

Disputes & Exemptions Committees

RFEA	SATAWU	MTWU	TAWUSA & PTWU
Nico Badenhorst	June Dube	Solomon Mothibedi	Thulani Zulu
Rudy Bosch	Johnson Gamede	(Disputes)	Daniel Zondani
Magretia Brown	Chris Nkosi	Emily Fourie	
Hennie De Villiers	Tabudi Ramakgolo	(Exemptions)	
Fred Meier			
Trevor Short			

Audit & Risk Committee

RFEA	TAWUSA	Independent Exemptions Body	Independent Appeals Body
Magretia Brown	Stephen Motingoa	Rehana Rawat	Mark Antrobus
		Yusuf Nagdee	Tshepo Sibeko
		Peter Nkaiseng	Mohsina Chenia

Council Members



Heather Badenhorst



Nico Badenhorst



Rudy Bosch



Kobus Britz



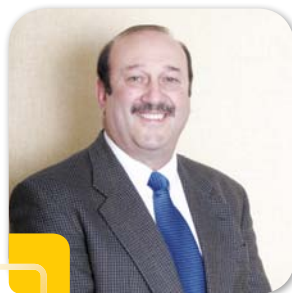
Magretia Brown



Tony D'Almeida



Hennie De Villiers



Louis Hollander



Craig Matthee



Fred Meier



Trevor Short



Dave Behrens



Penwell Lunga

SATAWU



Pakkies De Villiers



June Dube



Johnson Gamede



Michael Gwedashe



David Mahlanza



Dennis Michavi



Andrew Mothudi



Tabudi Ramakgolo



Juanitha Sebolai



Excellent Shabangu

MTWU



Emily Fourie



Mdumiseni Mabaso

**TAWUSA
& PTWU**



Stephen Motingoa



Daniel Zondani

Council Office Contact Details

Branch/Office		Head	Physical Address	Postal Address	Tel	Fax
Head Office & Outside Areas						
Head Office & Gauteng Regional Office	Regan Oock		29 & 31 de Korte Street Braamfontein 2001	Private Bag X69 Braamfontein 2017	011 703 7000	011 403 1555/1726
Pretoria	Francis Matsepe		401 Provisus Building 523 Church Street Arcadia Pretoria 0083	P O Box 55625 Arcadia 0007	012 440 8454	012 440 8453
Bloemfontein	Pitso Ntsiu		2nd Floor Room 208 2 President Brand Street Bloemfontein 9301	P O Box 4485 Bloemfontein 9300	051 448 9422	051 448 9480
East London	Lulama Ndlangalavu		2nd Floor Room 202 NBS Building 15 Terminus Street East London 5201	P O Box 5365 Greenfields 5208	043 743 6111	043 722 2210
Kimberley	Sophia Prins		M Floor MBA Building 20 Currey Street Kimberley 8301	P O Box 3000 Kimberley 8300	053 831 6352	053 832 1081
Klerksdorp	Jan Motsamai		2nd Floor Room 207 Jade Square Corner Margret Street & Oliver Thambo Avenue Klerksdorp 2571	P O Box 10053 Klerksdorp 2570	018 462 8311	018 462 8909
Nelspruit	Coray de Bruyn		1st Floor Suite 101 Permanent Building 27 Brown Street Nelspruit	P O Box 1561 Nelspruit 1200	013 752 7420	013 753 2386
Polokwane	Elizabeth Ramara		Suite 106 Forum 3 23B Thabo Mbeki Street Polokwane 0699	P O Box 3602 Polokwane 0700	015 291 1533	015 291 2531
Port Elizabeth	Deon Koen		1st Floor Fiveways Centre 62/64 Cape Road Port Elizabeth 6001	P O Box 20119 Humewood 6013	041 374 1786/1859	041 374 1748

	Branch/Office Head	Physical Address	Postal Address	Tel	Fax
Rustenburg	Eugene Wessels	1st Floor Room 103 Biblio Plaza Building Corner Nelson Mandela & President Mbeki Roads Rustenburg 0299	P O Box 5010 Rustenburg 0300	014 597 1320	014 597 1547
Witbank	Israel Madonsela	Ground Floor BF Boshielo House 10 Hofmeyer Street Witbank 1034	P O Box 1731 Witbank 1035	013 656 1503	013 656 1509
Western Cape Region					
WC Regional Office	Harold Booysen	ABSA Building 141 Voortrekker Rd Parow 7500	Private Bag X22 Parow 7499	021 930 7720/36/37	021 930 6032
George	Nomapha Fihla	Ground Floor Liberty Building 98 Meade Street George 6529	P O Box 9753 George 6530	044 874 3098	044 874 4839
Kwa-Zulu Natal Region					
KZN Regional Office	Sanel Berger	5th Floor Old Mutual Building 300 Smith Street Durban 4001	Private Bag X54378 Durban 4000	031 307 6070	031 307 6071
Newcastle	Sipho Nkosi	4th Floor Room 402 Old Mutual Building Corner Scott & Voortrekker Street Newcastle 2940	P O Box 2604 Newcastle 2940	034 315 1207	034 312 9470
Pietermaritzburg	Ben du Plessis	184 Loop Street Pietermaritzburg 3201	P O Box 3653 Pietermaritzburg 3200	033 342 1761	033 342 4257
Richards Bay	Mbatha Goodman	2nd Floor Old Mutual Building 1st Krugerrand Street Richards Bay 3900	P O Box 61 Richards Bay 3900	035 789 3847	035 789 3849

Report of the Independent Auditors

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

We have audited the consolidated annual financial statements of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 28 February 2009, income statement, changes in funds and cash flow statement for the period then ended, and a summary of principal accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these consolidated financial statements in accordance with the accounting policies adopted and in the manner required by the Labour Relation Act of 1995. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

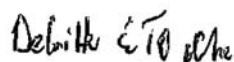
In our opinion, the consolidated financial statements of the National Bargaining Council for the Road Freight Industry for the period ended 28 February 2009 are prepared, in all material respects, in accordance with the accounting policies adopted and in the manner required by the Labour Relation Act of 1995.

Emphasis of matter

Without qualifying our opinion above, we draw your attention to note 10 of the notes to the financial statements regarding contingencies, the note indicates that there is uncertainty regarding the possible unrecognised actuarial gains and losses due to unavailability of a recent actuarial valuation for the Council's staff defined benefit pension Fund.

Restriction on use

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



Deloitte & Touche

Per: S Dube

Partner

Johannesburg

Council Members' Responsibilities & Approval

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

The consolidated 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.

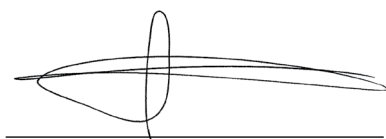
The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the fund sets standards 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 appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Council members have reviewed the fund's cash flow forecast for the year to 28 February 2010 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.

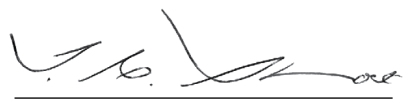
Although the Council members is primarily responsible for the financial affairs of the fund, they are supported by the fund's external auditors.

The external auditors are responsible for independently reviewing and reporting on the fund's consolidated annual financial statements. The consolidated annual financial statements have been examined by the fund's external auditors and their report is presented on page 28.

The consolidated annual financial statements set out on pages 30 to 39, which have been prepared on the going concern basis, were approved by the Council members on 27 May 2009 and were signed on its behalf by:



Mr J Letswalo



Mr T Short

Consolidated Annual Financial Statements

For the year ended 28 February 2009

		GROUP		MAIN COUNCIL	
	Note(s)	2009 R	2008 R	2009 R	2008 R
Balance Sheet					
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	2	27,876,074	17,401,016	27,876,074	17,401,016
Other financial assets	3	613,106,207	484,836,368	92,501,046	96,210,792
		640,982,281	502,237,384	120,377,120	113,611,808
CURRENT ASSETS					
Inventories		140,852	93,938	140,852	93,938
Trade and other receivables	4	5,188,391	1,482,104	2,236,955	729,429
Cash and cash equivalents	5	87,431,832	38,820,995	35,198,144	16,856,465
		92,761,075	40,397,037	37,575,951	17,679,832
Total Assets		733,743,356	542,634,421	157,953,071	131,291,640
EQUITY AND LIABILITIES					
EQUITY					
Reserves		10,706,678	7,174,285	3,532,393	-
Surplus funds		156,003,317	94,214,340	105,980,533	71,935,180
		166,709,995	101,388,625	109,512,926	71,935,180
LIABILITIES					
NON-CURRENT LIABILITIES					
Industry employees trust account		526,797,407	372,092,049		
CURRENT LIABILITIES					
Other financial liabilities	6	8,374,981	31,292,432	18,639,872	22,053,880
Trade and other payables	7	31,860,973	37,861,315	29,800,273	37,302,580
		40,235,954	69,153,747	48,440,145	59,356,460
Total Liabilities		567,033,361	441,245,796	48,440,145	59,356,460
Total Equity and Liabilities		733,743,356	542,634,421	157,953,071	131,291,640

Income Statement

Income					
Other income		60,843,047	64,366,379	87,775,099	69,690,682
Operating expenses		81,845,812	47,174,951	18,495,190	13,230,500
Operating surplus		61,788,977	49,221,260	34,045,353	27,785,914
Surplus for the period		61,788,977	49,221,260	34,045,353	27,785,914

	Revaluation Reserve R	Forfeitures Reserve R	Total Reserves R	Surplus Funds R	Total Funds R
--	-----------------------------	-----------------------------	------------------------	-----------------------	---------------------

Changes in Funds

Group					
Balance at 01 March 2007	-	2,390,368	2,390,368	44,993,080	47,383,448
Changes					
Transfer of funds		4,783,917	4,783,917		4,783,917
Net income (expenses) recognised directly in equity	-	4,783,917	4,783,917	-	4,783,917
Profit for the year			-	49,221,260	49,221,260
Total recognised income and expenses for the period	-	4,783,917	4,783,917	49,221,260	54,005,177
Total changes	-	4,783,917	4,783,917	49,221,260	54,005,177
Balance at 01 March 2008	-	7,174,285	7,174,285	94,214,340	101,388,625
Changes					
Fair value gains, net of tax: Land and buildings	3,532,393		3,532,393		3,532,393
Net income (expenses) recognised directly in equity	3,532,393	-	3,532,393	-	3,532,393
Profit for the year				61,788,977	61,788,977
Total recognised income and expenses for the period	3,532,393	-	3,532,393	61,788,977	65,321,370
Total changes	3,532,393	-	3,532,393	61,788,977	65,321,370
Balance at 28 February 2009	3,532,393	7,174,285	10,706,678	156,003,317	166,709,995
Main Council					
Balance at 01 March 2007	-	-	-	44,149,266	44,149,266
Changes					
Surplus for the year			-	27,785,914	27,785,914
Total changes	-	-	-	27,785,914	27,785,914
Balance at 01 March 2008	-	-	-	71,935,180	71,935,180
Changes					
Fair value gains, net of tax: Land and buildings	3,532,393		3,532,393		3,532,393
Net income (expenses) recognised directly in equity	3,532,393	-	3,532,393	-	3,532,393
Surplus for the year				34,045,353	34,045,353
Total recognised income and expenses for the period	3,532,393	-	3,532,393	34,045,353	37,577,746
Total changes	3,532,393	-	3,532,393	34,045,353	37,577,746
Balance at 28 February 2009	3,532,393	-	3,532,393	105,980,533	109,512,926

		GROUP		MAIN COUNCIL	
	Note(s)	2009 R	2008 R	2009 R	2008 R
Cash Flow Statement					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	9	55,001,724	74,380,664	27,954,896	52,627,316
Transfer of forfeitures		-	4,783,918	-	-
Net cash from operating activities		55,001,724	79,164,582	27,954,896	52,627,316
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	2	(11,937,760)	(10,548,120)	(11,937,760)	(10,548,120)
Sale of property, plant and equipment	2	2,028,805	570,480	2,028,805	570,480
Purchase of investments		(128,269,839)	(247,814,844)	3,709,746	(78,397,052)
Net cash from investing activities		(138,178,794)	(257,792,484)	(6,199,209)	(88,374,692)
CASH FLOWS FROM FINANCING ACTIVITIES					
Movement in NBCRFI current accounts with funds		(22,917,451)	9,898,419	(3,414,008)	2,384,433
Movement in employees trust account		154,705,358	132,845,101	-	-
Net cash from financing activities		131,787,907	142,743,520	(3,414,008)	2,384,433
Total cash movement for the period		48,610,837	(35,884,382)	18,341,679	(33,362,943)
Cash at the beginning of the period		38,820,995	74,705,377	16,856,465	50,219,408
Total cash at end of the period	5	87,431,832	38,820,995	35,198,144	16,856,465

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with entity specific accounting policies adopted by the Council. The consolidated annual financial statements, except for buildings and investments at fair value, 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 & 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 revalued amount, being the fair value at the date of revaluation less any subsequent impairment losses and are not depreciated.

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

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

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

Depreciation is 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
Computer software	3 years

1.2 Financial Instruments

Initial Recognition

The group 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 group's balance sheet when the group 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 Contribution Plans

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

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

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.



2. Property, Plant and Equipment

	2008			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Group	R	R	R	R	R	R
Buildings	17,300,000	-	17,300,000	8,020,189	-	8,020,189
Furniture and fixtures	7,289,350	(2,225,141)	5,064,209	3,730,612	(1,156,370)	2,574,242
Motor vehicles	1,140,421	(586,557)	553,864	7,134,162	(3,932,913)	3,201,249
Office equipment	1,406,110	(299,878)	1,106,232	694,149	(93,277)	600,872
IT equipment	4,442,622	(1,886,275)	2,556,347	2,404,703	(767,281)	1,637,422
Computer software	2,733,675	(1,438,253)	1,295,422	2,093,788	(726,746)	1,367,042
Containers	120,654	(120,654)	-	120,654	(120,654)	-
Total	34,432,832	(6,556,758)	27,876,074	24,198,257	(6,797,241)	17,401,016
Main Council	R	R	R	R	R	R
Buildings	17,300,000	-	17,300,000	8,020,189	-	8,020,189
Furniture and fixtures	7,289,350	(2,225,141)	5,064,209	3,730,612	(1,156,370)	2,574,242
Motor vehicles	1,140,421	(586,557)	553,864	7,134,162	(3,932,913)	3,201,249
Office equipment	1,406,110	(299,878)	1,106,232	694,149	(93,277)	600,872
IT equipment	4,442,622	(1,886,275)	2,556,347	2,404,703	(767,281)	1,637,422
Computer software	2,733,675	(1,438,253)	1,295,422	2,093,788	(726,746)	1,367,042
Total	34,312,178	(6,436,104)	27,876,074	24,077,603	(6,676,587)	17,401,016

	Opening Balance	Additions	Disposals	Revaluations	Depreciation	Impairment reversal	Total
	R	R	R	R	R	R	R
Reconciliation of Property, Plant and Equipment - Group - 2009							
Buildings	8,020,189	4,900,269	-	3,532,393	-	847,149	17,300,000
Furniture and fixtures	2,574,242	3,558,738	-	-	(1,068,771)	-	5,064,209
Motor vehicles	3,201,249	30,000	(2,053,604)	-	(623,781)	-	553,864
Office equipment	600,872	711,961	-	-	(206,601)	-	1,106,232
IT equipment	1,637,422	2,095,374	(2,295)	-	(1,174,154)	-	2,556,347
Computer software	1,367,042	641,418	-	-	(713,038)	-	1,295,422
	17,401,016	11,937,760	(2,055,899)	3,532,393	(3,786,345)	847,149	27,876,074

	Opening Balance	Additions	Disposals	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R
Reconciliation of Property, Plant and Equipment - Group - 2008						
Buildings	4,100,000	3,920,189	-	-	-	8,020,189
Furniture and fixtures	768,082	2,125,053	-	(318,893)	-	2,574,242
Motor vehicles	3,438,897	1,493,433	(361,510)	(1,369,571)	-	3,201,249
Office equipment	932,645	542,694	-	(368,094)	(506,373)	600,872
IT equipment	752,532	1,386,917	-	(502,027)	-	1,637,422
Computer software	833,767	1,079,834	-	(546,559)	-	1,367,042
Containers	1	-	-	(1)	-	-
	10,825,924	10,548,120	(361,510)	(3,105,145)	(506,373)	17,401,016

	Opening Balance	Additions	Disposals	Revaluations	Depreciation	Impairment reversal	Total
	R	R	R	R	R	R	R
Reconciliation of Property, Plant and Equipment - Main Council - 2009							
Buildings	8,020,189	4,900,269	-	3,532,393	-	847,149	17,300,000
Furniture and fixtures	2,574,242	3,558,738	-	-	(1,068,771)	-	5,064,209
Motor vehicles	3,201,249	30,000	(2,053,604)	-	(623,781)	-	553,864
Office equipment	600,872	711,961	-	-	(206,601)	-	1,106,232
IT equipment	1,637,422	2,095,374	(2,295)	-	(1,174,154)	-	2,556,347
Computer software	1,367,042	641,418	-	-	(713,038)	-	1,295,422
	17,401,016	11,937,760	(2,055,899)	3,532,393	(3,786,345)	847,149	27,876,074

	Opening Balance	Additions	Disposals	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R
Reconciliation of Property, Plant and Equipment - Main Council - 2008						
Buildings	4,100,000	3,920,189	-	-	-	8,020,189
Furniture and fixtures	768,082	2,125,053	-	(318,893)	-	2,574,242
Motor vehicles	3,438,897	1,493,433	(361,510)	(1,369,571)	-	3,201,249
Office equipment	932,645	542,694	-	(368,094)	(506,373)	600,872
IT equipment	752,531	1,386,917	-	(502,026)	-	1,637,422
Computer software	833,767	1,079,834	-	(546,559)	-	1,367,042
	10,825,922	10,548,120	(361,510)	(3,105,143)	(506,373)	17,401,016

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

OTHER INFORMATION

Details of Properties

Buildings on 31 and 29 De Korte Street

Erf 2914 Johannesburg, Portion 2 as well as Erf 2915 Johannesburg, measuring 496 square meters with office buildings erected thereon

- Balance before revaluation	12,920,458	12,920,458	12,920,458	12,920,458
- Reversal of previous impairment	847,149	-	847,14	-
- Revaluation Surplus (B/S)	3,532,393	-	3,532,393	-
	17,300,000	12,920,458	17,300,000	12,920,458

3. Other Financial Assets

HELD TO MATURITY

Fixed deposit and money market funds	611,358,188	436,176,499	85,975,058	44,381,058
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The investments are held at a variety of financial institutions.

These investments bear interest at between 8.45% and

12.3% (2008:9.25% and 11.5%) per annum.

LOANS AND RECEIVABLES

Aids fund	-	-	4,777,969	3,169,865
Provident fund	1,748,019	48,659,869	1,748,019	48,659,869

The current account is represented by contributions received by the NBCRFI on behalf of the fund which is unallocated due to pending reconciliation processes.

	1,748,019	48,659,869	6,525,988	51,829,734
Total other financial assets	613,106,207	484,836,368	92,501,046	96,210,792

NON-CURRENT ASSETS

Held to maturity	611,358,188	436,176,499	85,975,058	44,381,058
Loans and receivables	1,748,019	48,659,869	6,525,988	51,829,734

4. Trade and Other Receivables

Sundry debtors	3,257,786	1,150,826	887,857	403,840
Deposits	63,026	66,776	63,026	66,776
VAT	10,667	5,689	-	-
Accrued interest	674,128	80,000	103,288	80,000
Aids Sida Fund	1,182,784	178,813	1,182,784	178,813
	5,188,391	1,482,104	2,236,955	729,429

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	87,431,832	38,820,995	35,198,144	16,856,465
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6. Other Financial Liabilities

HELD AT AMORTISED COST

Other financial liability 1	(898,812)	-	-	-
Terms and conditions				
Holiday pay bonus fund	-	-	3,923,692	(855,063)
Leave pay fund	-	-	3,142,081	(11,487,785)
Sick fund	-	-	1,990,755	577,924
Provident fund	904,811	689,424	904,811	689,424
Unallocated funds received	8,368,982	30,603,008	8,368,982	30,603,008
Wellness fund	-	-	309,551	2,526,372

The current accounts are represented by contributions received by the NBCRFI on behalf of the funds which is unallocated due to pending reconciliation processes.

	8,374,981	31,292,432	18,639,872	22,053,880
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CURRENT LIABILITIES

At amortised cost	8,374,981	31,292,432	18,639,872	22,053,880
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7. Trade and Other Payables

Trade payables	9,645,948	3,697,839	7,607,126	3,160,982
Outstanding cheques	8,082,926	14,091,549	8,082,926	14,091,549
VAT	284,920	900,790	284,920	900,790
Other payables	21,878	21,878	-	-
Trust account	1,825,542	1,618,007	1,825,542	1,618,007
Refunds due	11,999,765	17,531,252	11,999,765	17,531,252
	31,860,979	37,861,315	29,800,279	37,302,580

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

8. 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.

9. Cash Generated from (used in) Operations

Surplus before taxation	61,788,977	49,221,260	34,045,353	27,785,914
ADJUSTMENTS FOR:				
Depreciation and amortisation	3,786,345	3,105,143	3,786,345	3,105,143
(Profit) loss on sale of assets	27,094	(208,970)	27,094	(208,970)
Impairment losses	(847,149)	506,374	(847,149)	506,374
CHANGES IN WORKING CAPITAL:				
Inventories	(46,914)	(93,938)	(46,914)	(93,938)
Trade and other receivables	(3,706,287)	(468,222)	(1,507,526)	(475,101)
Trade and other payables	(6,000,342)	22,319,017	(7,502,307)	22,007,894
	55,001,724	74,380,664	27,954,896	52,627,316

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.

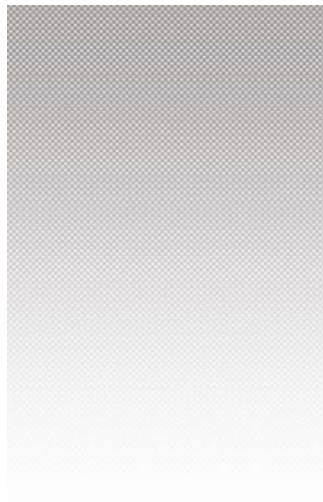
Detailed Income Statement

	GROUP		MAIN COUNCIL	
	2009 R	2008 R	2009 R	2008 R
Revenue				
Levies received	32,650,366	26,315,890	32,650,366	26,315,890
Wellness fund contributions	24,353,706	23,982,692	-	-
Interest received	90,351	-	90,351	-
Admin fees received	3,748,624	14,067,797	55,034,382	43,374,792
	60,843,047	64,366,379	87,775,099	69,690,682
Other income				
Gains on disposal of assets	-	208,970	-	208,970
Interest received	76,540,498	45,948,727	16,618,909	12,454,276
Rental income	-	1,930	-	1,930
Sponsorship fees received	690,000	450,000	-	-
Sundry income	4,615,314	565,324	1,876,281	565,324
	81,845,812	47,174,951	18,495,190	13,230,500
Operating expenses				
Administration and management fees	(348,032)	(1,094,463)	-	-
Advertising	(1,913,604)	(402,032)	(1,913,604)	(402,032)
Arbitration expenses	(7,244,476)	(4,109,491)	(7,244,476)	(3,850,347)
Attendance fees	(1,771,106)	(718,897)	(1,771,106)	(718,897)
Auditors remuneration	(317,597)	(184,230)	(317,597)	(184,230)
Auditors remuneration	(39,786)	-	-	-
Bank charges	(538,171)	(612,930)	(532,668)	(609,070)
Bursary expenses	(329,110)	(198,955)	(329,110)	(198,955)
Complex agreement	(200,281)	(147,460)	(200,281)	(147,460)
Consulting and professional fees	(3,544,844)	(2,448,575)	(2,926,376)	(1,967,865)
Depreciation, amortisation and impairments	(2,939,196)	(3,611,517)	(2,939,196)	(3,611,517)
Employee costs	(36,976,893)	(25,705,910)	(37,173,536)	(24,459,240)
Equipment hire	(842,916)	(617,257)	(842,916)	(617,257)
Extension expenses	(533,603)	(6,050,129)	(533,603)	(6,050,129)
Insurance	(816,789)	(890,951)	(816,789)	(890,951)
Lease rentals on operating lease	(1,618,867)	(1,080,959)	(1,618,867)	(1,080,959)
Legal expenses	(198,472)	-	-	-
Loss on disposal of assets	(27,094)	-	(27,094)	-
Maternity payments	(21,862)	(10,244)	-	-
Medical expenses	(12,193)	-	-	-
Motor vehicle expenses	(1,149,758)	(1,256,968)	(1,149,758)	(1,256,968)
Non - reclaimable VAT	(7,180,576)	(4,089,711)	-	-

This statement does not form part of the consolidated annual financial statements and is unaudited

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R
Operating expenses continued...				
Postage	(428,713)	(470,553)	(415,467)	(470,553)
Printing and stationery	(1,313,288)	(1,417,923)	(1,313,288)	(1,417,923)
Recruitment fees	(203,140)	(87,768)	(203,140)	(87,768)
Repairs and maintenance	(4,677,423)	(2,264,416)	(4,677,423)	(2,264,416)
Security	(466,390)	(356,072)	(466,390)	(356,072)
Seminars	(801,708)	(314,388)	(801,708)	(314,388)
Staff welfare	(556,075)	(417,139)	(556,075)	(417,139)
Telephone and fax	(1,727,404)	(1,562,498)	(1,727,404)	(1,562,498)
Training	(386,107)	(822,872)	(386,107)	(822,872)
Travel - local	(1,402,852)	(783,951)	(969,401)	(783,951)
Utilities	(371,556)	(591,811)	(371,556)	(591,811)
	(80,899,882)	(62,320,070)	(72,224,936)	(55,135,268)
Operating surplus	61,788,977	49,221,260	34,045,353	27,785,914
Surplus for the period	61,788,977	49,221,260	34,045,353	27,785,914

This statement does not form part of the consolidated annual financial statements and is unaudited



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