

2012 ANNUAL REPORT

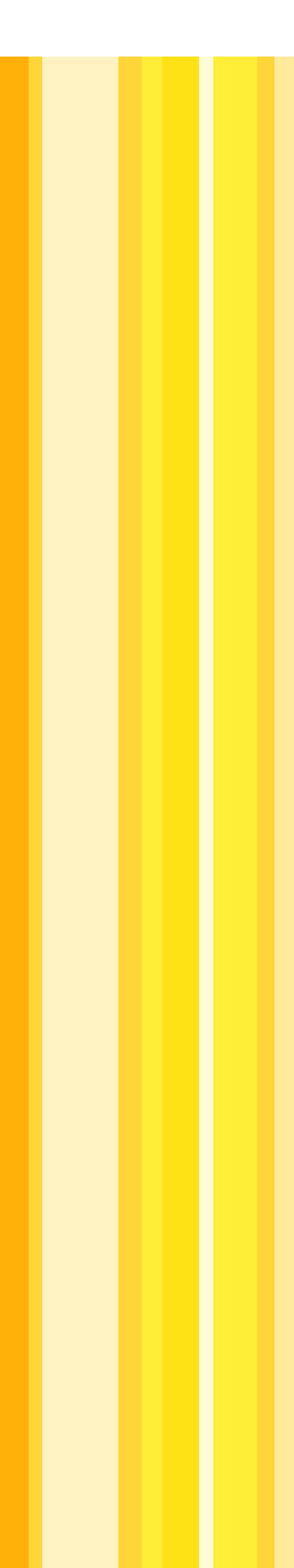


NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.





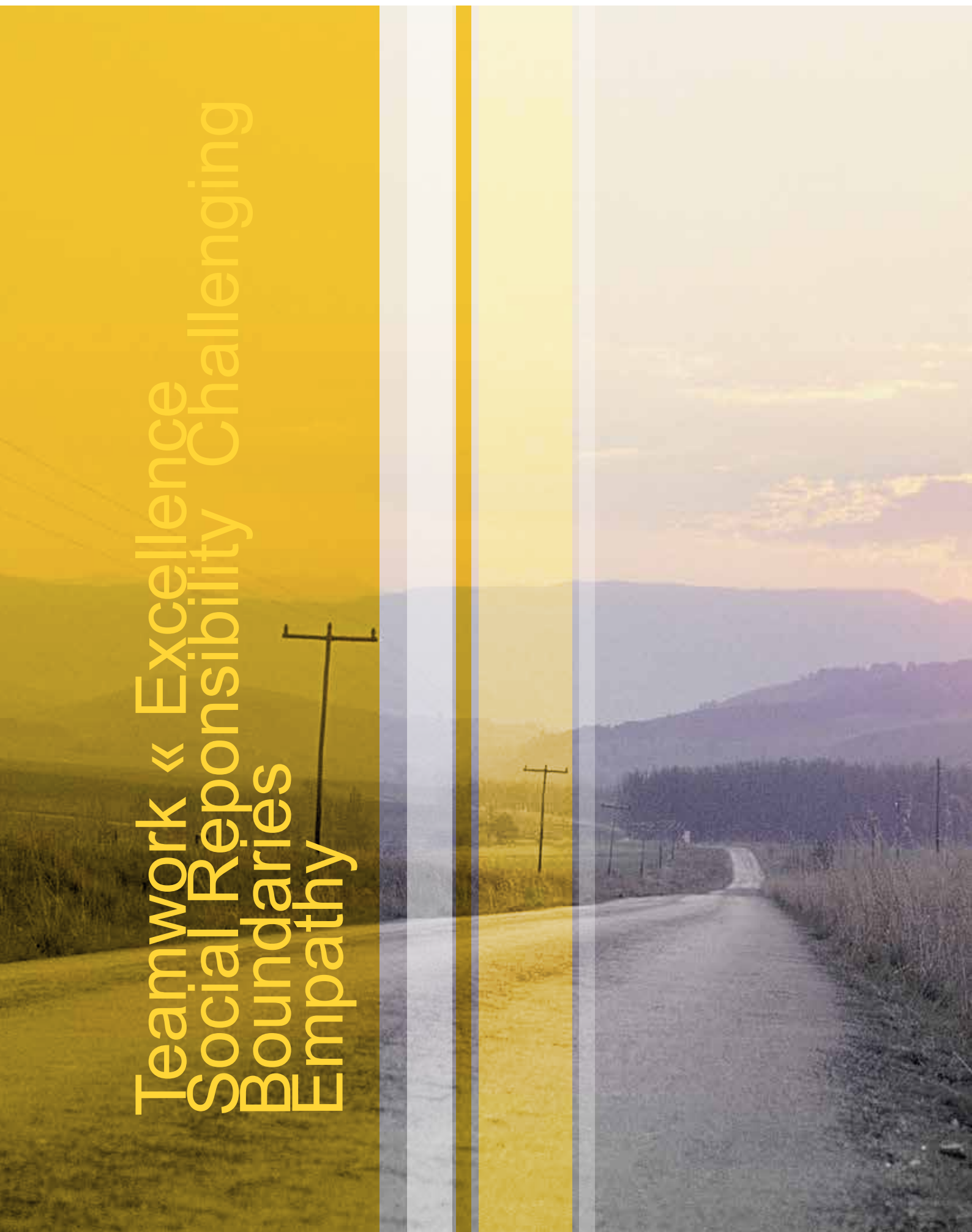
Our Values

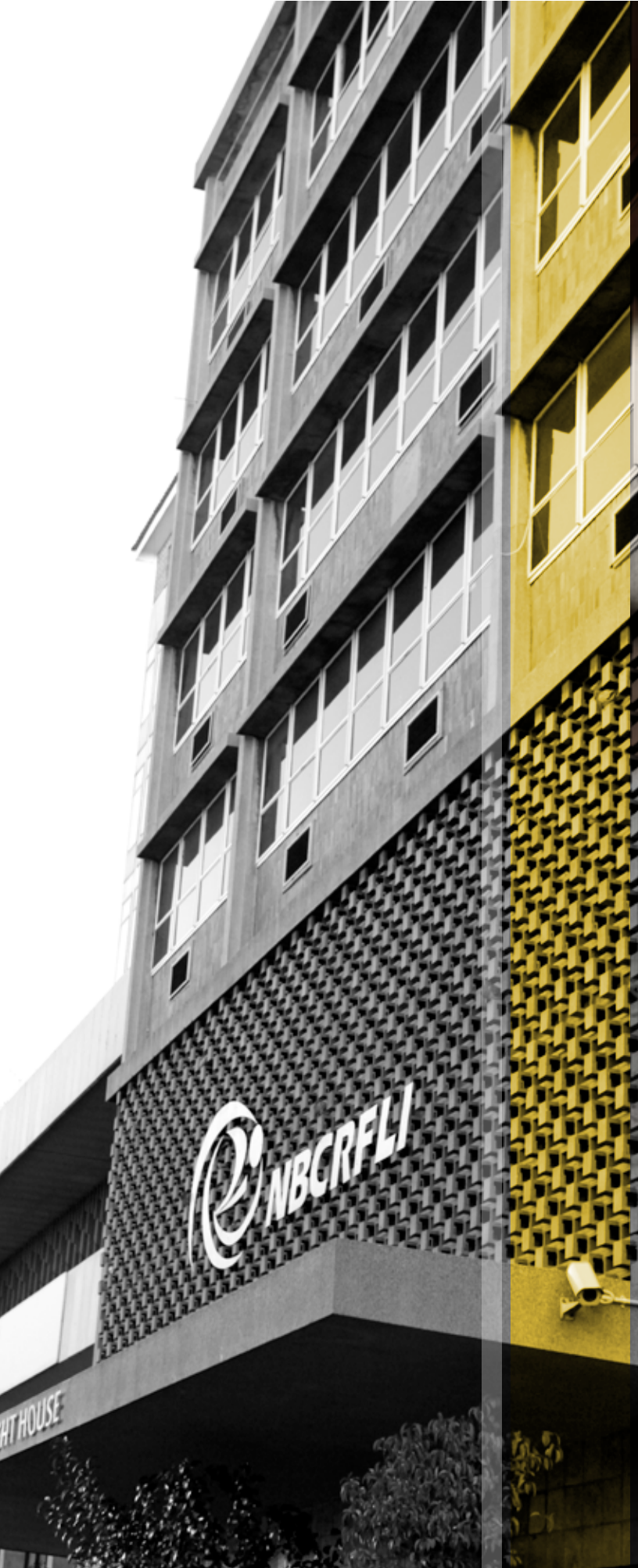
Trust « Mutual Respect
Openness & Honesty
Integrity « Valuing Diversity
Principled Leadership

Honouring the Value brought
to the Council



Teamwork « Excellence
Social Responsibility Challenging
Boundaries
Empathy

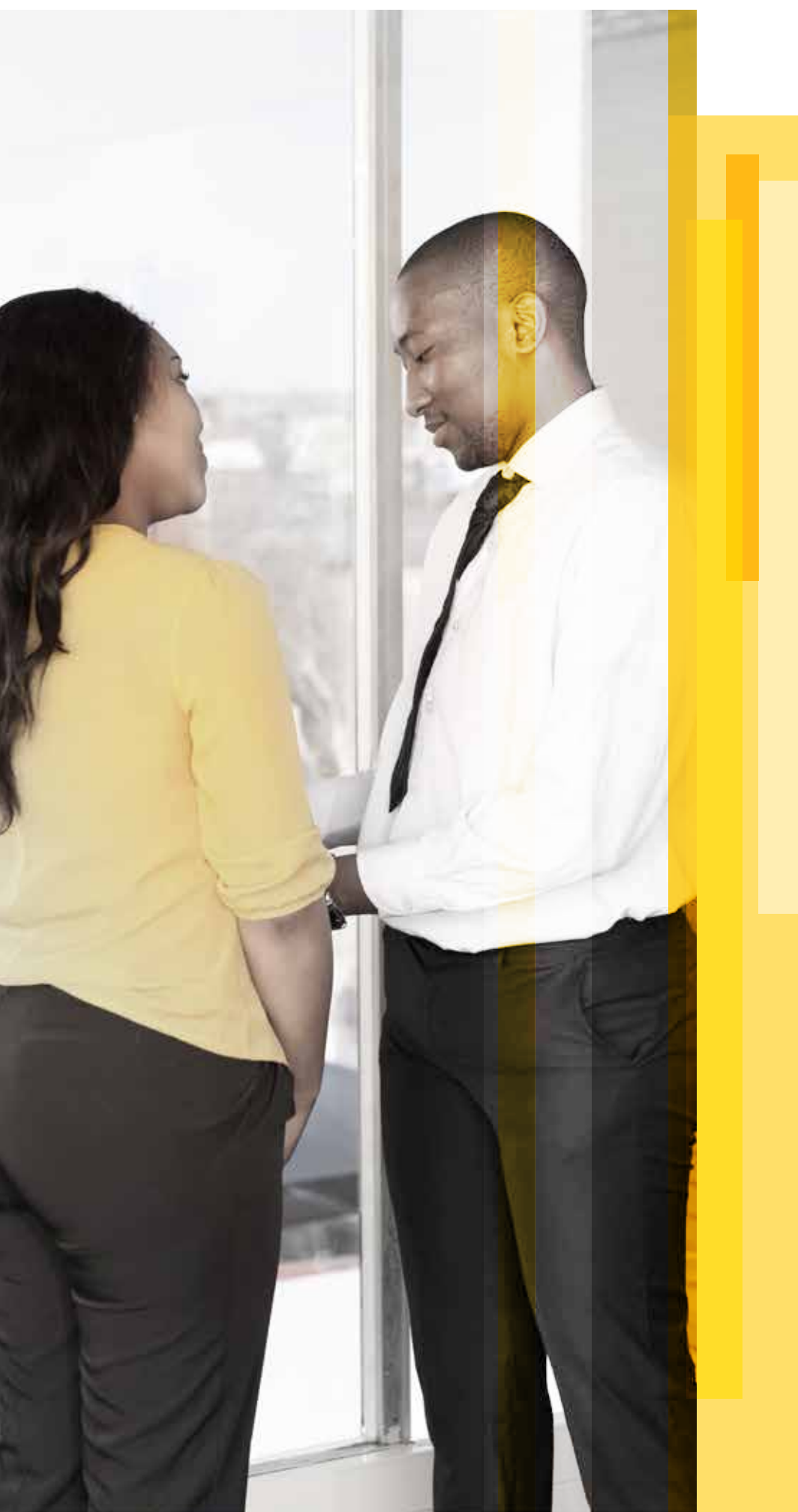




Driving prosperity. Delivering value.

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Organisational Profile

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), more commonly referred to as 'the Council', is a service-centred organisation whose basic core function is to manage conditions of employment between road freight and logistics industry employers and employees in order to provide cohesion amongst industry members and to promote stability within the industry.

The Council achieves this through setting minimum standards and conditions of employment as well as the provision of dispute resolution services between employers and employees within the road freight and logistics industry. It also provides benefits to industry employees through managing the industry's annual, sick leave and holiday bonus funds, providing Wellness services in the form of Trucking Wellness, and the Health Plan, as well as managing the industry employees' provident fund.

The Council's main focus is to improve the quality of service delivered to its stakeholders, namely industry employers and employees, thereby creating value and ultimately driving prosperity within the industry.

The organisation is comprised of a Council governing body made up of employer and employee parties. The administration has a national footprint with 18 offices based countrywide and is headed by the National Secretary/CEO who oversees the day-to-day operations.

The Council administration 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 employer association. This approach results in improved regulation of employment relations, thereby allowing for the setting of minimum standards and conditions of employment which ultimately results in improved employment relations.

The Council is headed by the Chairperson as well as the National Secretary, better known as the Chief Executive Officer (CEO). The Chairperson presides and enforces order at all meetings at which he is present and aims to utilise the interests, release the potential energies of all the Councillors, and to see that the governing body develops a common view of its purposes and shared responsibility for leadership.

The National Secretary is responsible for leading the **NBCRFLI**, developing strategies for ensuring its financial viability and sustainability in the long term and, more importantly, ensuring that the Council delivers on its mandate in terms of workplace and social justice in line with the Constitution and the Labour Relations Act (LRA).

This will embrace developing operating plans that support the strategic direction set by the Council Board; preparation of agreements for promulgation; providing objectives and performance targets for the Council; establishing strategic relations with stakeholders; making recommendations to the Council Board on corporate policy and operations; organisational transformation and re-alignment; financial management; ensuring compliance with the International Financial Reporting Standards (IFRS) and all appropriate accounting procedures, as well as employee development training.

NBCRFLI Governing Body

The main purpose of the governing body is to effectively manage the Council so that it provides an excellent service to the Industry.

It achieves this through the adoption of strategic plans, and determining policies and processes to ensure the integrity of the company's risk management profile and internal controls. The Councillors meet regularly to orchestrate these tasks and to consider reports from the executive.

Councillors are nominated by parties to the Council and are then appointed at the Council's AGM. This process, as stipulated by the Constitution of the Council, occurs every year. New Councillors are inducted by the Committee Secretary for training from time to time.

The Board ensures awareness of and compliance with laws, rules, codes and standards throughout the Council by calling all Council employees to adhere to a compliance matrix which resides with the Committee Secretary.

The Board of Councillors consists of 24 members from the Road Freight Employers' Association (RFEA), South African Transport and Allied Workers' Union (SATAWU), Motor Transport Workers' Union (MTWU), Transport and Allied Workers' Union of South Africa (TAWU) and the Professional Transport and Allied Workers' Union (PTAWU). Their names can be viewed below on pages 54 to 56.

During the previous financial year, four Council meetings were held – including the AGM and a strategy meeting – as well as seven EXCO meetings. The Audit and Risk Committee met thrice. All meetings quorated.





Chairman's Report

Michael Gwedashe | Chairman



I am proud to report that the Council achieved yet another good year during which new milestones were reached and value-add service offerings were enhanced. Industry employers and employees also continued to voluntarily comply with the collective agreements in a consistent manner, contributing to sustained labour peace for the period.

I am further pleased to report that the Council's financial performance exceeded expectations yet again, despite continuing economic turmoil. The favourable performance is largely due to the Council's continued focus on tighter financial controls and cost saving. Another contributor to the Council's successful performance was the improvement of levy collections due to better enforcement. It also received a better return on investments made, despite static interest rates.

During the year, the Council placed a lot of effort into redefining its service delivery model in order to enhance its current service offering. As a result, Council began to use some of the capital expenditure it budgeted for in order to place itself

in a position of being able to deliver a high quality service to its stakeholders. This expenditure was made primarily on information technology (IT) in order to automate processes. For example, the Council's new online membership system was implemented in October 2011. Reducing manual intervention provides the Council with better control over its systems, making reliable data quickly available as well as helping to reduce fraud.

As part of the strategy to increase accessibility to the Council's services, a new branch was opened in Clanwilliam, Western Cape. The Council developed another value-add service offering when it opened accounts with the four major banking institutions in South Africa in order to overcome the challenge of delayed transfers across banks as well as to ensure that all income received is easily allocated. This new process has been extremely beneficial for the Council and its members as it has reduced unallocated income which ultimately reduces unnecessary enforcement. It has also helped to eliminate incorrect allocation and invalid refunds. The quick allocation of income ensures that employee funds are allocated correctly and are available for

payouts. This enabled the Council to successfully process and finalise all submitted year-end applications by 23 December 2011.

The Council played a key role in the development of the Simplified Main Collective Agreement, which was promulgated by the Minister of Labour, Ms Mildred Oliphant, on 6 January 2012.

The new Agreement depicts a new approach to writing Collective Agreements. It simplifies language, rectifies contradictions and groups issues of a similar nature together in order to allow for better flow and subsequent improved understanding. The Agreement became effective as of 16 January 2012.

The Council achieved an industry first when it launched the **NBCRFU** Wellness Fund Health Plan on 1 July 2011. The Plan entitles eligible contributors to the Health Plan, together with one eligible spouse, to primary healthcare benefits, 24-hour emergency assistance and a Hospital Cash Back Plan. I am particularly proud of the Health Plan as it complements Trucking Wellness and the Council's ARV work to complete the Council's overall wellness offering.

Trucking Wellness, the longest standing component of the Council's wellness programme, continued to provide effective antiretroviral treatment, education and training to road freight and logistics industry employees who fall within the Council's registered scope. During the year, Trucking Wellness's footprint grew to 22 Roadside Wellness Clinics complemented by five Mobile Wellness Centres situated along all the South African major routes. The Epping Roadside Wellness Centre was opened on 11 May 2011 by the South African Minister of Health, Dr Aaron Motsoaledi, while the 22nd Roadside Wellness Centre in Roodekop, Germiston, was formally launched on Tuesday 29 November 2011. The Wellness Centres are staffed by registered nurses and counsellors who provide holistic medical and emotional support to drivers, their partners and commercial sex-workers.

Since its inception in 1999, Trucking Wellness' awareness education programmes, have reached some 503 000 individuals. Approximately 186 000 patients have visited the clinics of whom 64 000 have been treated for sexually transmitted infections (STIs). An estimated 16 000 individuals have received voluntary counselling and testing (VCT), an increase of almost 10 000 tests since the previous year, and more than 13 million condoms have been distributed. This could not have been achieved without donor funding from the Swedish International Development Agency (SIDA), the South African government and the road freight and logistics industry.

Good governance continues to be the driving force in Council administration. With the introduction of the new Companies Act and as well as the King III Corporate Governance Report, the Council is ensuring alignment and compliance. This is further evident through this Annual Report, which is structured according to integrated reporting guidelines. Funds Administration, Disputes Resolution, the Independent Exemptions Body and the Independent Exemption Appeals Body continued to function well during the period under review.

The success of any organisation rests largely upon the calibre of people steering it. I therefore want to sincerely thank our CEO, Mr Joe Letswalo, for his leadership over the past financial year. My thanks also goes to the Councillors, employees, panellists and those who provided professional assistance for their constant support and hard work.

As always, our industry partners have played an instrumental role in assisting us to effectively serve the road freight and logistics industry. I offer a sincere thank you to them all – the Departments of Labour, Health and Transport, the Commission for Conciliation, Mediation and Arbitration (CCMA), The Registrar of the Labour Court, the National Association of Bargaining Councils and the representatives of the labour and employers organisations, for their valued contributions during another successful year.

National Secretary's report



Joe Letswalo | *National Secretary's Report*

I am extremely proud of all that we have achieved during the year under review. We worked hard as a team which enabled us to reach our goals and provide an excellent level of service to all our stakeholders.

For the second year in a row, we achieved solid financial results, despite persistently challenging economic circumstances. Our income increased by 15.62% from R102.1m to R118.1m, however our surplus decreased from R17.8m to R12.7m due to the investment in IT infrastructure. Property, plant and equipment value increased from R38.9m to R40.1m while cash and cash equivalents decreased from R35.6m to R25.8m.

Looking back on the 2011/2012 financial year, I am proud of the goals we have achieved in terms of securing new registrations, conducting pro-active inspections and settling arbitrations.

In our continuing effort to ensure that all employers who fall under our jurisdiction are registered, we managed to secure 785 new registrations, bringing the total number of employers registered

with the Council at the financial year end to 4 518. The Returns Control department maintained strict control over non-compliance of monthly levy contributions, enabling it to maintain a stable compliance rate of 86%. The Council continued to place emphasis on pro-active educational inspections and managed to complete a total of 2 061 inspections during the year in review. Further to this, we were able to conduct roadshows in the industry to spread awareness about the Council's services and new agreements. The total number of arbitration hearings conducted during the year in review was 3 541. Requests for postponement have been minimised which is good news for the Council as this means that cases are being resolved successfully and timeously.

We also conducted an impressive number of conciliation hearings, totalling 2 491 during the year in review, more than double the amount of hearings as compared to the previous financial period's total of 713. The settlement rate at conciliation hearings came to 71% for the year in review, a good performance compared to the industry settlement rate. Attendance at conciliation is still a concern and the Council aims to address this with the relevant parties during the

next financial period as it may affect the Council's efficiencies in terms of CCMA accreditation requirements.

One of the highlights of the 2011/2012 financial year was the launch of the Council's new membership online system which was implemented in October 2011. The new system, to which both employers and unions have access, is extremely user friendly, simplifies administration as well as paves the way for quicker audits.

As of 16 January 2012, it became mandatory for all employers to submit their D-forms (returns) through the Council's e-business online service. The number of registered online employers totalled 2 775 as of 29 February 2012, or 61% of Council employer members. The increasing usage of e-business services enabled the Council to successfully process and finalise all submitted year-end annual/sick leave and holiday bonus applications by 23 December 2011. System changes in the Council Administration also enabled employers to easily import the Council returns from their payroll system and process provident funds online. The benefits of online applications are many, including quicker turn-around-times, increased accuracy and thereby reduced error resulting in less queries, and ultimately greater value-add and more satisfied customers.

In the interest of the well-being of the road freight and logistics workforce, the **National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI)** launched the **NBCRFLI Wellness Fund Health Plan** on 1 July 2011. The Wellness Fund Health Plan, which has revolutionised the Industry's benefits landscape, has been welcomed by Council members and stakeholders. As knowledge about the Plan has spread, usage of the Plan has been steadily increasing. During the year ahead, the Council plans to ensure that the mechanisms and benefits of the new Health Plan are continually explained to Council members for higher consumption.

Our Trucking Wellness service also helps to ensure the good health of road freight and logistics industry employees who fall within the Council's registered scope by providing them with HIV counselling and testing, antiretroviral treatment, education and training. The Trucking Wellness programme has been recognised by the Departments of Transport and Health as playing a vital role in creating awareness of HIV and Aids, as well as sexually transmitted infections.

In November 2011, a pilot project was launched which has enabled Trucking Wellness to provide CD4 counts to HIV+ industry personnel in six provinces. The uptake has been extremely positive. This has also enabled Trucking Wellness to speed up the process of enrolling individuals on the ART programme without the delay of waiting for laboratory results. These 6 programmes are currently running at the Epping, Warden, Komatipoort, Zeerust, Gauteng and Marianhill Wellness Centres.

I am further pleased to report that according to a Client Services Survey completed during 2011/2012, the Council's client facing centres are providing a professional and effective service to its members. Delivering a high level of service to our members is one of our key goals as this ensures a high level of customer satisfaction and ultimately drives prosperity within the industry.

Furthermore, the **NBCRFLI** is committed to creating an environment that permits equal opportunity for all employees joining the Council, and for further advancement within the Council. We therefore employ suitably qualified persons at all levels to ensure that there is appropriate representation of all employees – in terms of race, gender and skills across the organisation.

The Council is further committed to developing its staff members through education and training, both for career development as well as to meet employees' personal aspirations. This commitment is also in line with the Council's endeavours to provide equal opportunities for all employees, including those from previously disadvantaged backgrounds. Thus bursaries were awarded to staff members during the 2011/2012 financial year. In addition, staff members were sent on a number of training courses. The qualifications obtained (or currently being obtained) and training attended contributes to the level of skill that exists in the organisation.

Lastly, the Internal Audit function is an essential support service which works closely with the Council's external auditors to ensure effective and efficient coordination of controls. Thus the Council is assisted in accomplishing its objectives through independent, impartial assurance and consulting services. We look forward to a successful year ahead as we work together to create a better trucking and logistics industry for all.

Operational Review

FUNDS ADMINISTRATION

The main role of the Funds Administration section is to efficiently and effectively administer all industry funds as stipulated in the Collective Agreement.



One of the highlights of the 2011/2012 financial year was the launch of the Council's new membership system which was implemented in October 2011. The new system, to which both the RFEA and unions have access, is extremely user friendly, simplifies administration as well as paves the way for quicker audits.

As of 16 January 2012, it became mandatory for all employers to submit their D-forms via the Council's e-business online service. The number of registered online employers totalled 2 775 on 29 February 2012, or 61% of Council employer members. The increasing usage of e-business services enabled the Council to successfully process and finalise all submitted year-end annual/sick leave and holiday bonus applications by 23 December 2011.

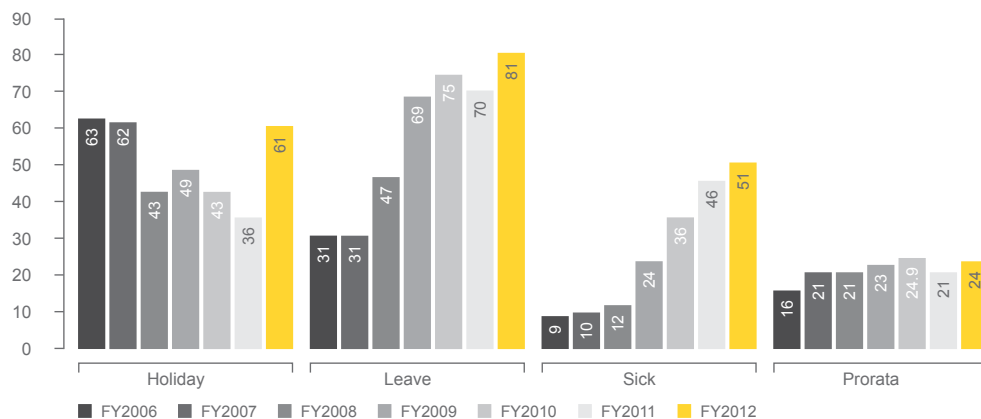
The benefits of online applications are many, including quicker turn-around-times, increased accuracy and thereby reduced error resulting in less queries, and ultimately greater value-add and more satisfied customers.

System changes in the Council Administration also enabled employers to easily import the Council returns from their payroll system and process provident funds online.

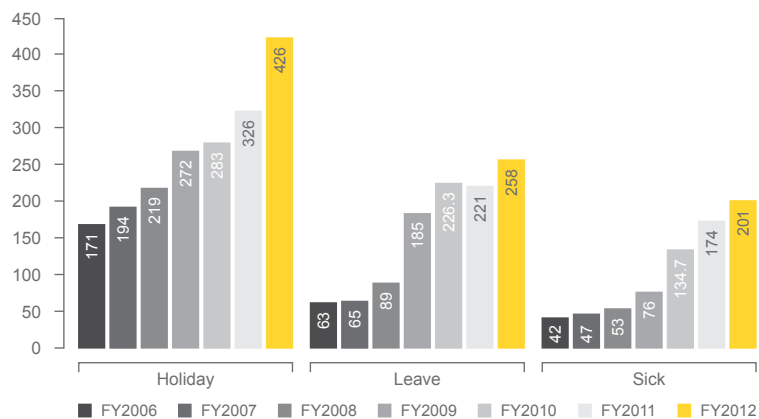
In April 2011, the **NBCRFLI** opened accounts with the four major banking institutions in South Africa in order to overcome the challenge of delayed transfers across banks as well as to ensure that all income received is easily allocated. The new banking process has been extremely beneficial for the Council and its members as it has reduced unallocated income which ultimately reduces unnecessary enforcement. This value-add service has also helped to eliminate incorrect allocation and invalid refunds. The quick allocation of income ensures that employee funds are allocated correctly and are available for payouts.

The main focus for the year ahead includes the development of a new administration system to improve the Council's efficiency, turn-around-time, payouts and reports. The Funds Administration section also plans to make e-business more user-friendly by creating more options for online self-service.

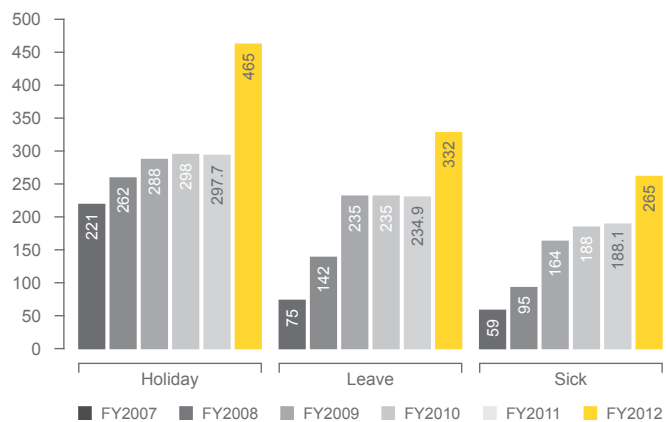
Applications Processed Comparison 2006 – 2012



Funds Disbursed Comparison 2006 – 2012



Funds Collected Comparison 2007 – 2012



AGREEMENT ADMINISTRATION

The Simplified Main Collective Agreement was promulgated by the Minister of Labour, Ms Mildred Oliphant, on 6 January 2012. The new Agreement depicts a new approach to writing Collective Agreements, making it far easier to understand. This Agreement became effective as of 16 January 2012.

The new agreement simplifies language, rectifies contradictions and groups issues of a similar nature together in order to allow for better flow and subsequent improved understanding. Certain concepts have been better defined and provisions are spelt out.

The wage table has been added as a schedule to the agreement, so when the wages are amended, only the specific schedule will be replaced. This will make for easy reference. It is also packaged in such a way so as to ensure no contradiction in the labour laws enacted post its existence.

According to the new Agreement, sick and absence pay contributions will in future no longer be calculated on the number of shifts worked during a specific month or period. (A similar decision was taken regarding holiday pay bonuses [13th cheque] and leave pay in the previous Agreement.) Also, guidelines regarding specific conditions of service of the existing short time clause have also been included for the furniture removal sector. For the first time ever, it is compulsory to submit monthly returns online. These changes contribute to improved relations between employers and employees in the Road Freight and Logistics Industry.

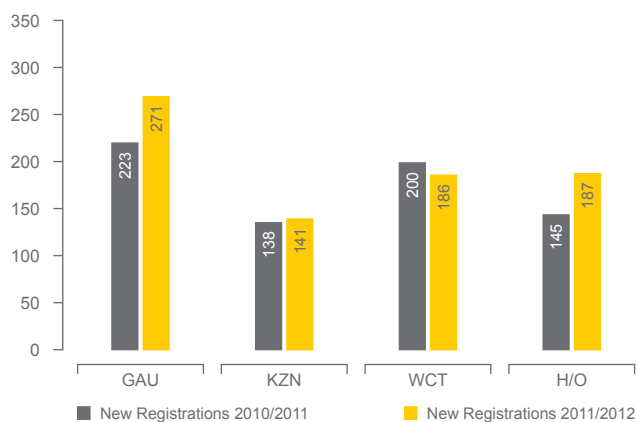
Although the Agreement was favourably received, certain clauses may be further refined in future. For more information about the new Main Simplified Collective Agreement, refer to the Council website at www.nbcrfli.org.za

ENFORCEMENT

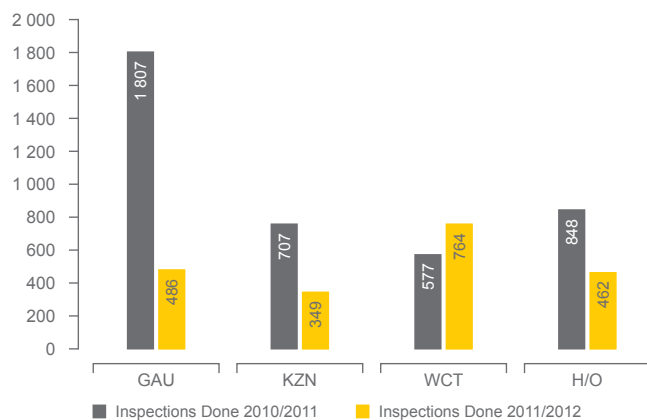
The Council plays a key role in ensuring compliance and enforcement of the Collective Agreements within the road freight and logistics industry.

To this end, the Council makes great efforts to ensure that all who fall under its jurisdiction are registered and therefore conducts pro-active educational inspections on an on-going basis.

During the year in review, the Council secured 785 new registrations, of which 268 were owner drivers, bringing the total number of employers registered with the Council at the financial year end to 4 518.

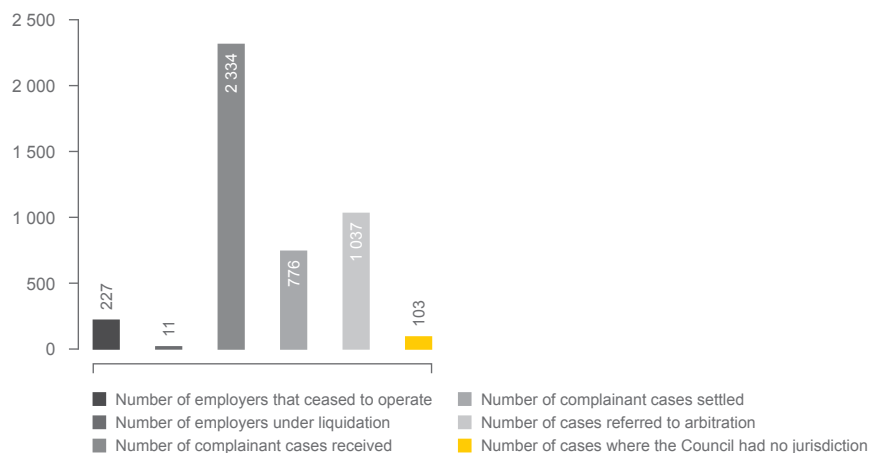


The Council continued to place emphasis on pro-active educational inspections and managed to complete a total of 2 061 inspections during the year in review.



Other key statistics falling under the Council's enforcement role included the following:

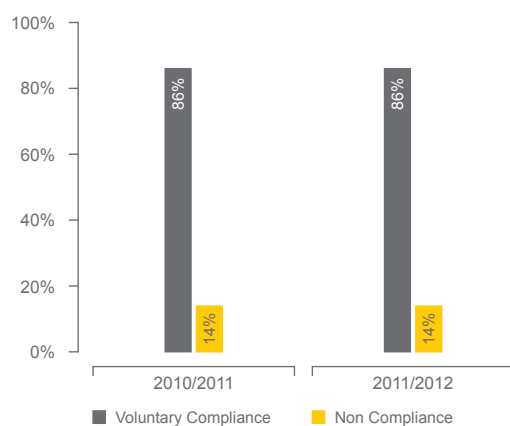
▪ Number of employers that ceased to operate	227
▪ Number of employers under liquidation	11
▪ Number of complainant cases received	2 334
▪ Number of complainant cases settled	776
▪ Number of cases referred to arbitration	1 037
▪ Number of cases where the Council had no jurisdiction	103



RETURNS CONTROL

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

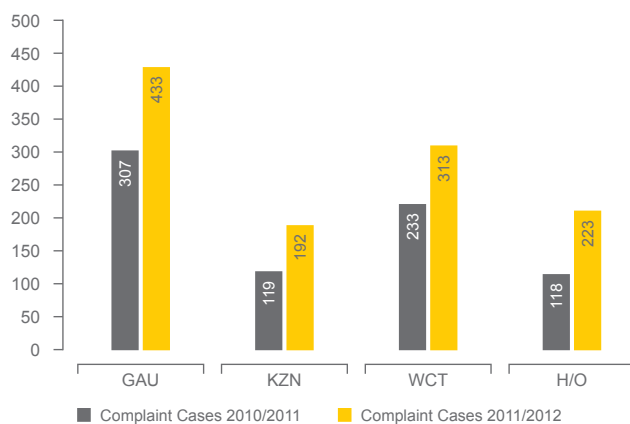
During the year in review, the Council's compliance rate remained stable at 86%.



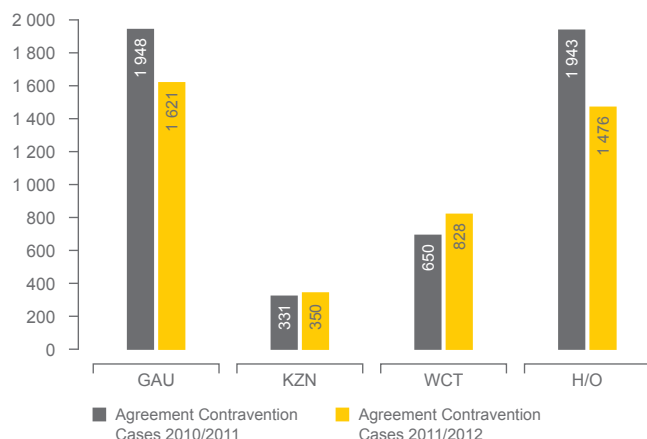
ARBITRATION

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

During the past financial year, the Council dealt with considerably more Complaint Cases, totalling 1 161 as opposed to 775 in the previous year.



The number of Agreement Contravention Cases remained relatively stable at 4 275, compared to 4 882 in the previous year.



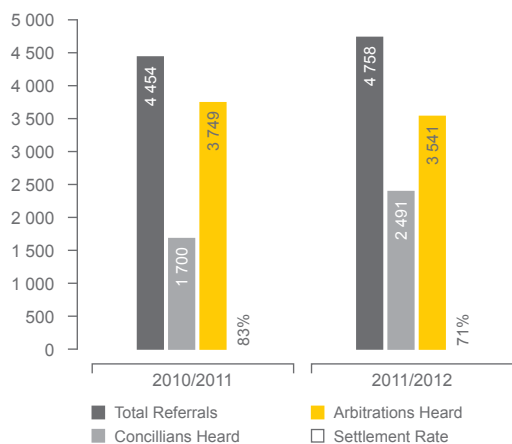
DISPUTE RESOLUTION

The Disputes Resolution section ensures that dispute resolutions are resolved timeously in order to help maintain industrial peace within the industry. The disputes typically involve unfair dismissal and unfair labour practices.

Although the total number of conciliation referrals received were pretty much the same as last year, a substantially larger number of conciliations and arbitrations were heard as opposed to the previous financial year.

The Council dealt with the following matters for resolution during the period under review:

▪ Number of conciliation referrals received	4 758
▪ Number of conciliation hearings conducted	2 491
▪ Number of arbitration hearings conducted	3 541
▪ The settlement rate at conciliation hearings	71%



Subsidies

The Council continues to receive a subsidy of R450 for every closed case from the CCMA. This subsidy is claimed on a monthly basis. The amount received from the Commission for Conciliation, Mediation and Arbitration (CCMA) for the period under review was R470 000, a closer comparison to the R473 850 received during the previous year.

Although proposals have been forwarded to the CCMA for the Governing Body to review the increment of subsidy, it remains uncertain as to whether the subsidy payment per closed case will be increased or not.

CASE MANAGEMENT SYSTEM

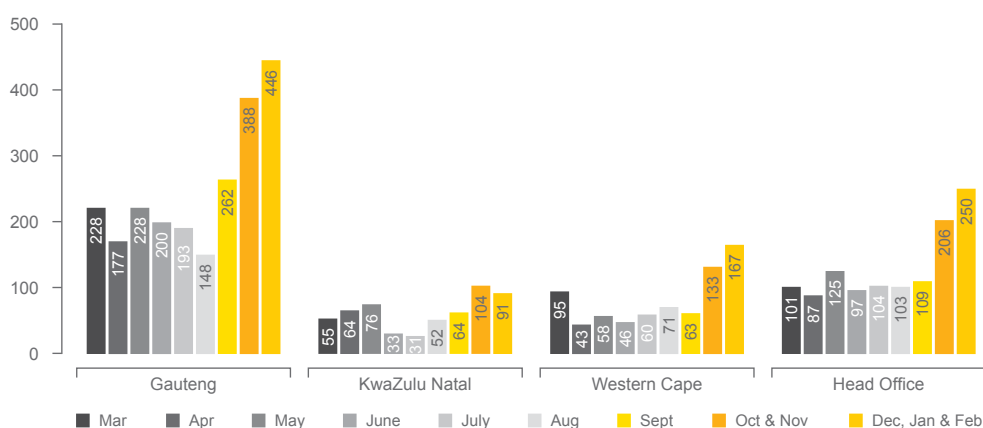
The Case Management System of the Commission for Conciliation, Mediation and Arbitration (CCMA) continues to be highly effective and user-friendly.

It efficiently supplies monthly statistical reports. It is able to quickly provide case numbers and information such as the length of service, monthly earning (i.e. lower, middle and higher group) and age group of the applicant.

As the CCMA has accredited the Council as a conciliation, mediation and arbitration body, they use the Case Management System to measure the Council's efficiency without any subjectivity.

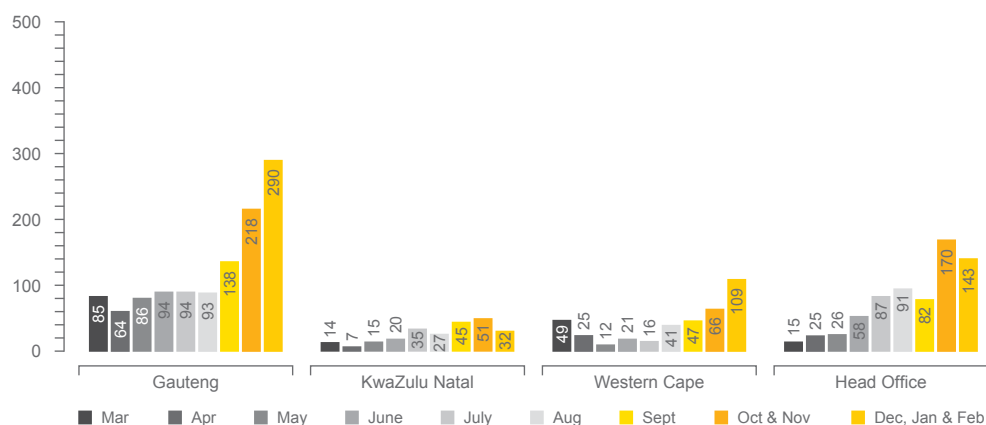
REFERRALS

During the 2011/2012 financial year, the Council received a total number of 4 758 conciliation referrals.



CONCILIATIONS HEARD

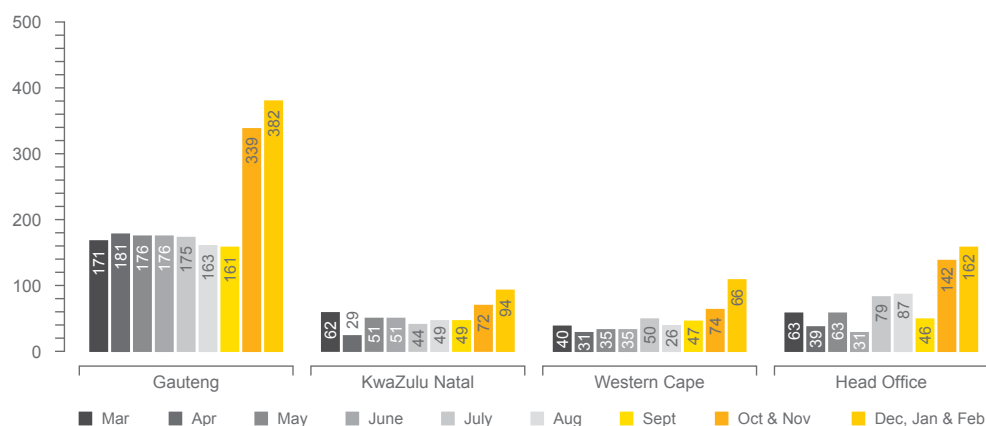
A total of 2 491 conciliation hearings were conducted during the year in review.



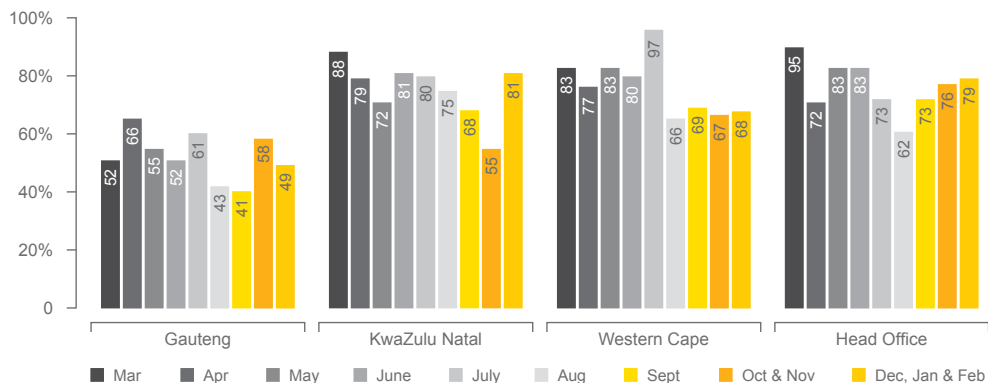
ARBITRATIONS HEARD

The total number of arbitration hearings conducted during the year in review was 3 541.

Requests for postponement have been minimised which is good news for the Council as this means that cases are successfully moving forward and being resolved.



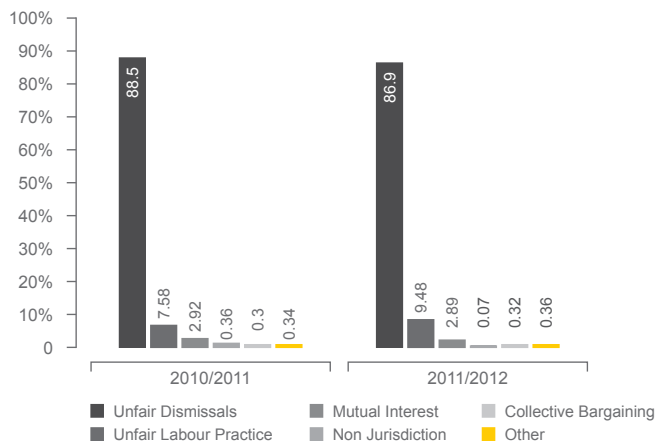
SETTLEMENT RATE



REFERRALS BY ISSUE

Unfair dismissal disputes continue to account for the largest percentage of issues of dispute.

In the year under review, these disputes amounted to 86.9% of the total caseload.



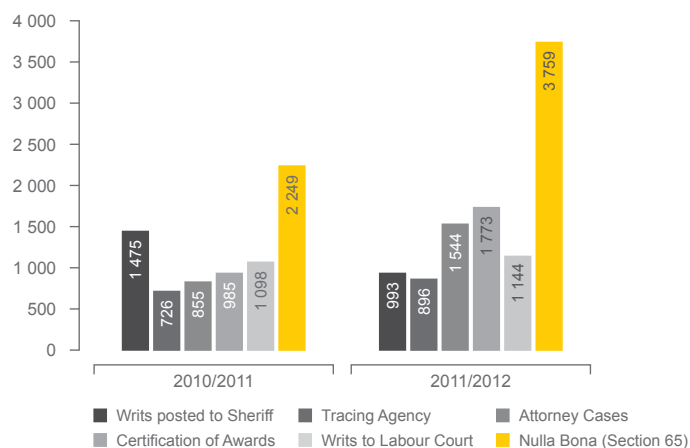
LITIGATION

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

Section 143 Applications

A total of 1 773 Section 143 applications (Enforcement of Arbitration Awards) were sent to the CCMA for certification during the period under review. They are divided as follows:

▪ Number of writs of execution to sheriffs	993
▪ Number of queries to tracing agents	896
▪ Number of writs of execution to Labour Court	1 144
▪ Number of matters referred to the Council's attorneys	1 544
▪ Number of certified writs of execution forwarded to the CCMA	1 773
▪ Number of Nulla Bona (Section 65) matters	3 759

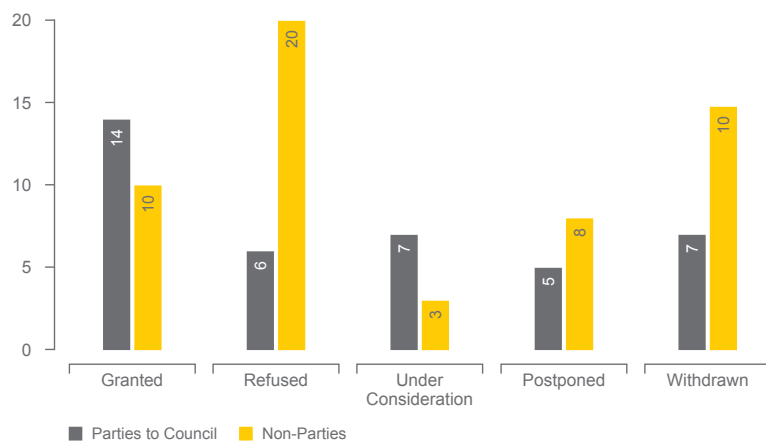


EXEMPTIONS

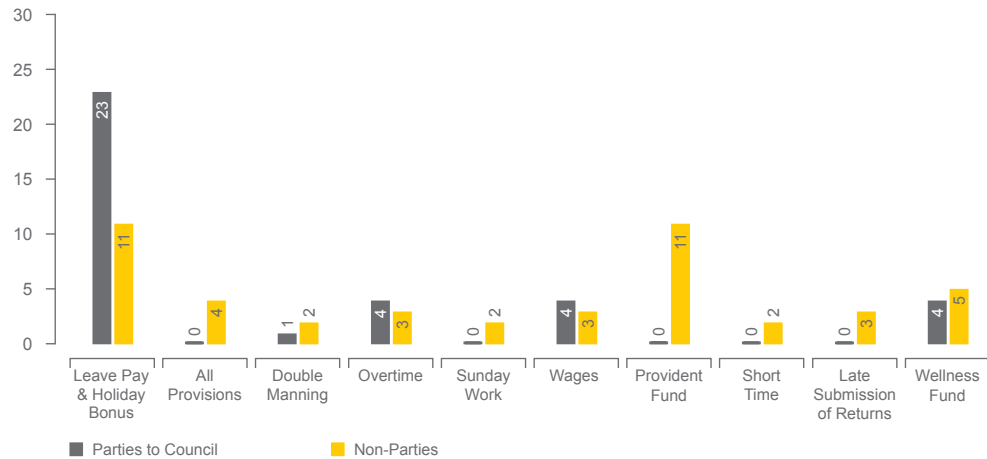
The Independent Exemptions Body received and dealt with 82 applications during the said period. A total of 20% of the applications were withdrawn, 32% refused, 29% approved and 3% placed under consideration. A further 16% of applications were postponed. No exemption licences were revoked.

A total of four appeal applications were received by the Independent Exemptions Body of which three were upheld and one was withdrawn.

Response to applications for exemption by both parties and non-parties to the Council



Types of exemptions applied for by both parties and non-parties to the Council



PARTY TRADE UNION & RFEA MEMBERS

The Council runs a section that administratively supports the trade unions as well as the Road Freight Employer's Association (RFEA). Representativity of trade unions that are parties to the Council still remains a huge challenge. The requirement for representativity is 50+1% for both trade unions and the employers association.

The Council launched its new membership online system in October 2011. The new system, to which both the RFEA and unions have access, is extremely user friendly, simplifies administration as well as paves the way for quicker audits.

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

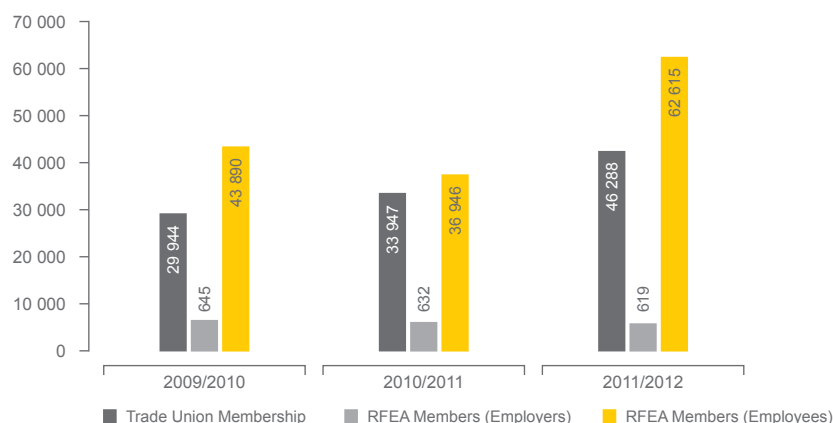
▪ SATAWU	9
▪ MTWU	2
▪ PTAWU and TAWU (acting jointly)	1
▪ The RFEA	12

These numbers are regulated by the Constitution, and the representation by unions is based on their membership. Membership figures of the parties to the Council as at 29 February 2012 were as follows:

▪ SATAWU	31 659
▪ MTWU	9 596
▪ TAWU & PTAWU	5 033

Agency Shop Fees

▪ Number of employees who paid agency shop fees averaged per month over the reporting period	52 618
▪ Number of employers who paid agency shop fees averaged per month over the reporting period	2 403
▪ The number of RFEA employees	62 615
▪ The number of RFEA trade union members	27 369
▪ The number of RFEA members in the Industry	619



CUSTOMER SERVICE MANAGEMENT

During 2011/2012, a Client Services Survey was completed by Council employer and employee stakeholders. The survey forms are completed on a voluntary basis and are available to whomever enters the Council's offices, whether employers or employees, at the reception areas.

The survey results were highly favourable, with 98.9% of answers falling under the Excellent/Good ratings, while the rest came under Fair/Poor. As from August 2011, the Provident Fund service was included in the survey.

The overall survey results indicate that Council service centres and branches are professionally and efficiently run, resulting in great customer satisfaction. This is something the Council can be proud of as it means that it is delivering a valuable service to the road freight and logistics industry, which in turn creates great value and drives prosperity within the industry.

Survey: Client Services 2011/2012

	Excellent	Good	Fair	Poor	Unacceptable
Availability of staff on counter	83.9%	14.2%	1.7%	0%	0.2%
Did you receive professional assistance?	82.1%	15.7%	2%	0%	0.2%
Were you satisfied with information supplied?	84.9%	14.4%	0.5%	0%	0.2%
Assisted within reasonable period of time?	86%	13.6%	0.2%	0%	0.2%
Neatness of waiting area/counter	87.1%	12.7%	0%	0%	0.2%
Friendliness of staff on counter	82.6%	16.6%	0.6%	0%	0.2%

STRATEGIC PARTNERSHIP/STAKEHOLDER RELATIONS MANAGEMENT

The Council continued to maintain good relations with its major stakeholders, including the Departments of Labour, Health and Transport during the period under review.

Its relationships with the CCMA, The Registrar of the Labour Court (Gauteng), the Transport Education & Training Authority (TETA) and the CCMA remain strong which is essential to the success of all concerned parties. The Council continues to hold unconditional accreditation from the CCMA.

Wellness Fund Health Plan



In the interest of the well-being of the road freight and logistics workforce, the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) launched the NBCRFLI Wellness Fund Health Plan on 1 July 2011.

It entitles eligible contributors to the **NBCRFLI** Health Plan, together with one eligible spouse, to the following benefits:

- Primary healthcare benefits such as visits to general practitioners, dentists and optometrists within the Universal Provider Network. Your benefits also include medication, x-rays and blood tests.
- 24-hour emergency assistance through ER24 in the event of accidents and medical emergencies as well as roadside assistance.
- The Hospital Cash Back Plan is the only benefit that also includes cover for child dependants.

The Council is particularly proud of the Health Plan as this health insurance product completes the Wellness Fund offering, adding to Trucking Wellness and the Council's ARV work. Council members can now see doctors and other health professionals for their various medical needs. This provides an important follow-through for the work that the Council is already doing in the Wellness arena.

The Wellness Fund Health Plan, which has revolutionised the Industry's benefits landscape, has been welcomed by the road freight and logistics industry. As knowledge about the Health Plan has spread, usage of the Plan has been steadily increasing. During the year ahead, the Council plans to ensure that the workings and benefits of the new Health Plan are continually explained to the beneficiaries.

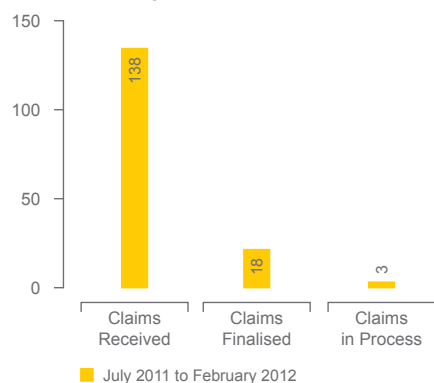
The Council is constantly on the look-out for opportunities to increase the Health Plan benefits. Further research around the needs of industry employees will open those opportunities up for development.

REGISTERED HEALTH PLAN MEMBERS

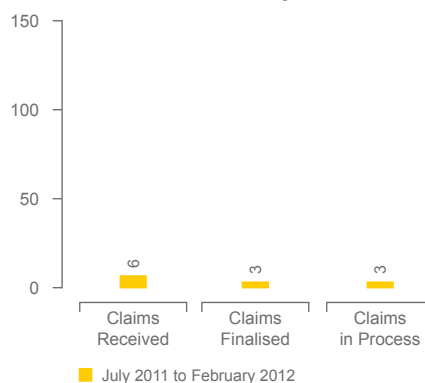
Membership February 2012								
Member join date	Active Members	Suspended from date						Grand Total
		2011/07/01	2011/08/01	2011/09/01	2011/11/01	2011/12/01	2012/02/01	
2011/07/01	62 033	28	1 126	2 653	2 462	954	2 977	72 233
2011/08/01	10 723		934	1 739	1 721	191	962	16 270
2011/09/01	2 818				1 095	82	252	4 247
2011/10/01	1 533				32	30	187	1 782
2011/11/01	3 752				20	121	434	4 327
2011/12/01	6 003						324	6 327
2012/01/01	4 188						90	4 278
2012/02/01	12 038							12 038
Total	103 088	28	2 060	4 392	5 330	1 378	5 226	121 502

HEALTH PLAN USAGE STATISTICS

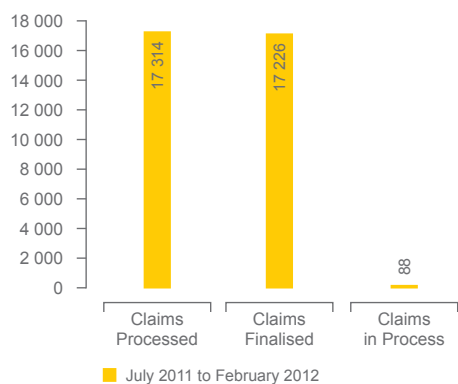
NBCRFLI Hospital Cash Back Claims



NBCRFLI Accident Casualty Claims

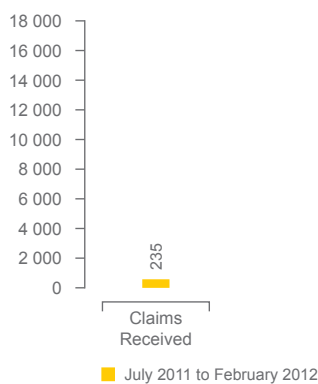


NBCRFLI Primary Care



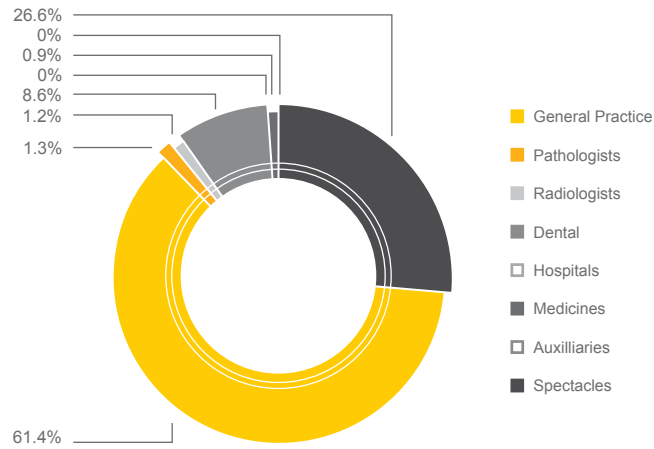
Total value paid out was R4 236 482.10

NBCRFLI ER24 Claims

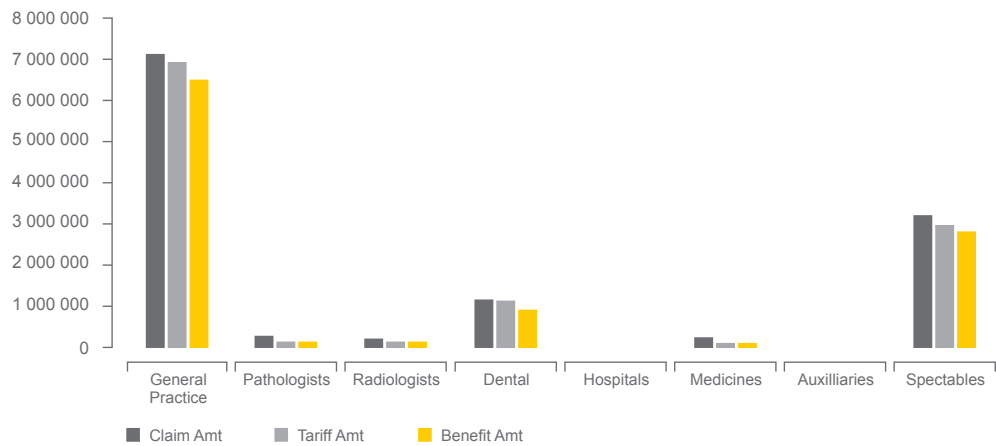


Total claiming value is R467 218.42

PERCENTAGE OF TOTAL CLAIMS



ANALYSIS PER DISCIPLINE





Trucking Wellness

The South African Minister of Health, Dr Aaron Motsoaledi, and Trevor Short, Deputy Chairperson of the Council, at the launch of the Epping Roadside Wellness Centre.



BACKGROUND

Trucking Wellness helps to ensure the good health of road freight and logistics industry employees who fall within the Council's registered scope by providing them with HIV/AIDS services, including education and training.

The Trucking Wellness programme has been recognised by the Departments of Transport and Health as playing a vital role in creating awareness of HIV and Aids, as well as sexually transmitted infections.

WELLNESS CENTRES

At present, Trucking Wellness has 22 Roadside Wellness Clinics complemented by five Mobile Wellness Centres.

These clinics are situated along all the South African major routes and operate mostly at night, which is the most convenient and accessible time

for long-distance truck drivers. The Wellness Centres are staffed by registered nurses and counsellors who provide holistic medical and emotional support to drivers, their partners and commercial sex-workers.

The Epping Roadside Wellness Centre was opened on 11 May 2011 by the South African Minister of Health, Dr Aaron Motsoaledi. 49 VIP delegates, representing all stakeholder groups, participated in this prestigious event together with 100 members from the Epping community and trucking industry.

The 22nd Roadside Wellness Centre in Roodekop, Germiston, was formally launched on Tuesday 29 November 2011. The function, which was well attended by all stakeholders including various media, was followed by various interviews by radio and print media. The success of the project was again celebrated after the formalities at a dinner attended by 50 VIPs.



Driving the well-being of the industry.

HIGHLIGHTS OF THE YEAR UNDER REVIEW

On 15 and 16 September 2011, Trucking Wellness was invited by the Chemical & Allied Industries' Association (CAIA) to present the project initiative at the Responsible Care Transport Workshop in Durban and Johannesburg. The focus of the workshop was on the importance of safety when transporting dangerous goods.

Trucking Wellness partnered with Engen to conduct testing at various truck stops in October and November 2011. Engen supplied handouts and meals to attendees at each event. Various dignitaries also attended the events, including the Gauteng MEC of Transport, which ultimately lead to greater awareness of the project.

On 10 November 2011, Trucking Wellness presented an overview of the Trucking Wellness programme, including details of the services and activities they offer, to the Sasol Transport Forum in Sasolburg. The presentation linked precisely to the theme of the Forum, which was "Driver Wellness".

Also in November 2011, a pilot project was launched which has enabled Trucking Wellness to provide CD4 counts to HIV+ industry personnel in six provinces. The uptake has been extremely positive. This has also enabled Trucking Wellness to speed up the process of enrolling individuals on the ART programme without delays from waiting for results from laboratories. This pilot project is currently running at the Epping, Warden, Komatipoort, Zeerust, Gauteng and Marianhill Wellness Centres.

For World AIDS Day 2011, each Trucking Wellness Roadside Wellness Centre received a small budget to coordinate its own HIV Counselling and Testing (HCT) and outreach programmes which took place on 1 December 2011. The **NBCRFLI** contributed branded t-shirts to be used as incentives for each test conducted. Wellness Centres invited their regional Departments of Health, as well as other partners, to attend. HCT services were made available to long distance truck drivers visiting the Wellness Centres, as well as members of the surrounding communities and commercial sex workers.

A total of 1 452 HIV-infected members are registered with Trucking Wellness. 618 members are on ARV Treatment while 456 members are in the enrolment process awaiting CD4 Counts. The percentage of registered members on ARVs for more than one year is an impressive 86%.

Clinic Network Achievement since inception – December 2011

Location	Year Launched	Awareness Education: Truck Drivers & Women at Risk	Patients: Truck Drivers & Women at Risk	No of STI Treatments: Truck Drivers & Women at Risk
Beaufort West (N1)	2000	81 795	7 041	5 894
Harrismith (N3)	2001	39 256	17 007	3 607
Beit Bridge Border Post (N1)	2001	80 238	24 554	9 161
Ventersburg (N1)	2002	30 994	13 627	5 348
Tugela (N3)	2002	40 800	27 963	15 381
Port Elizabeth (N2)	2002	39 702	16 930	5 734
Hanover (N1)	2003	37 972	10 669	2 576
Mooi River (N3)	2004	37 096	8 989	2 399
Komatipoort (N4)	2003	34 872	21 802	7 907
Zeerust (N4)	2005	23 493	6 078	694
East London (N2)	2005	14 896	6 664	793
Kokstad (N2)	2006	12 670	4 943	1 949
Marrianhill (N3)	2008	6 216	4 809	346
Colesburg (N1)	2009	2 950	2 524	365
Mthatha (N2)	2009	6 519	1 620	111
Villiers (N3)	2010	10 434	2 322	381
Gauteng	2010	151	4 852	971
Cape Town	2010	596	1 009	126
Warden	2011	1 611	1 460	243
Roodekop	2011	1 012	1 062	208
TOTAL		503 273	185 925	64 194

Condom Distribution: 13.128 654 million (estimated)

HIV testing: a comparison between 2010 and 2011

Year	Total	HIV +	Prevalence
2011	16 220	1 429	8.81%
2010	6 204	504	8.12%

There was an increase of almost 10 000 tests between the years 2010 and 2011. This outstanding achievement was largely due to an increase in the number of Wellness Centres as well as trained staff able to perform these tests.





Corporate Services

HUMAN RESOURCES/PEOPLE AT COUNCIL

The human resource department achieved a number of accomplishments during the year under review, including the submission of a skills development plan as well as an employment equity plan, and the introduction of an internship programme in HR, Finance and Internal Audit.

As part of the **NBCRFLI** Remuneration policy and practice, jobs are graded and a salary survey conducted on a 3 yearly basis. In the year under review, the job grading and salary survey was independently conducted by Pricewaterhouse Coopers Inc. This exercise affirmed job grade and salary banding correctness in line with the market trends for the purposes of skill attraction and retention.

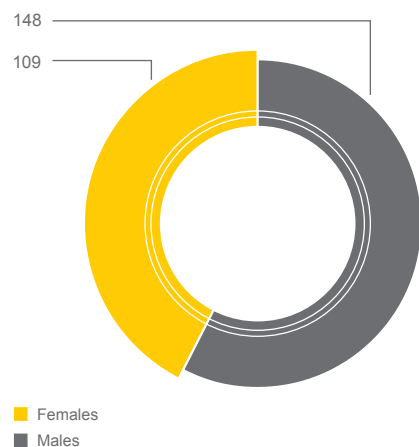
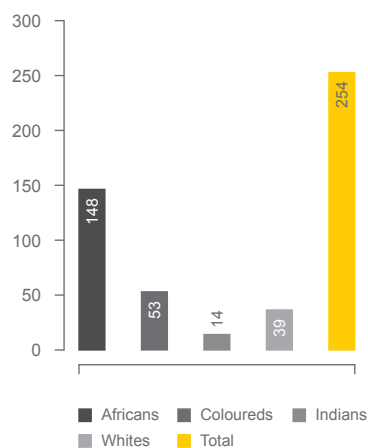
The **NBCRFLI** is committed to creating an environment that permits equal opportunity for all entering the Council, and for further advancement within the Council. The Council is further committed to employ suitably qualified persons at all levels to ensure that there is appropriate representation of all employees – in terms of race, gender and skills – especially at senior levels within the Council. This is clearly demonstrated by the fact that most of Council's executives, including the Chief Executive Officer (CEO), Chief Benefits Officer (CBO) and Chief Financial Officer (CFO) are from previously disadvantaged groups.

Of the 24 vacancies that became available during the year under review, 23 were successfully filled. Seventy nine percent of the males employed were black, 16% were coloured and 5% white while 56% of the females employed were black, 22% coloured and 22% white. Fifty seven percent of the Council's positions were held by females as at February 2011, compared to 56% in February 2011. These figures align with the Council's Employment Equity Plan and transformation goals.

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

Racial Profiles of permanent employees as at February 2012

Africans	Coloureds	Indians	Whites	Total
148	53	14	39	254



Gender Profile of Permanent Employees as at February 2012

Females	Males
148	109

The Council is further committed to developing its staff members through education and training, as it aligns to the organisation's requirements. This commitment is also in line with the Council's endeavours to provide equal opportunities for all employees, including those from previously disadvantaged backgrounds. Thus bursaries to the value of R176.532 were awarded to staff members through the bursary process during the 2011/2012 financial year. In addition, staff members were sent on a number of training courses during the course of the year under review to enhance employee knowledge and skills to necessitate meeting the **NBCRFLI's** organisational goals and ensure alignment with the Skills Development Plan. We are proud to announce that employees have more knowledge and are therefore able to apply their minds and improve their job performance.

The **NBCRFLI** has a Disciplinary Policy and Grievance Procedure in place to which all Council employees adhere in order to ensure harmony and productivity within the Council. According to the Policy, a disciplinary hearing is held when a breach of discipline occurs. The Grievance Procedure empowers employees to raise their grievance in writing, ensuring that the appropriate steps will be taken to settle the grievance.

As part of the Council's commitment to health and safety, a Health & Safety Committee has been appointed, consisting of health and safety representatives. As part of their responsibilities, they are required to submit monthly safety audit reports on the areas in the organisation they are assigned to. Following the issues highlighted in these audits, the Maintenance section is able to resolve minor safety issues and prevent injuries.

The Health & Safety Committee meet on a regular basis to discuss and find resolutions to safety issues. There were two fire drills completed in the year under review.

COMMUNICATION & MARKETING

During the previous financial year, the communication and marketing section focused on sharing information and knowledge with customers and stakeholders, as well as promoting the Council's image to its targeted audience. These goals were achieved through a number of communication initiatives held throughout the year.

Tseleng, the **NBCRFLI's** external newsletter, was published regularly throughout the year and **NBCRFLI** news was published quarterly in industry publications such as Road Ahead, Focus on Trucking and Logistics and Safe Travel. The website content was revamped to reflect relevant, up-to-date information. The wall advert on the outside of the Council's Head Office building in Braamfontein, Johannesburg, was revamped in order to promote recognition of the Council's brand.

The Council was involved in a number of events during the year which helped to create awareness of and promote the Council's image. The Council undertook a communication drive to spread awareness about its profile of services to the road freight and logistics industry. In October 2011, the Council showcased its services at the SATAWU Conference held at Sun City.

At the end of 2011, as part of the Council's CSI initiative it sponsored a part of the Ekurhuleni North Grade 12 District Awards ceremony. Although the award programme is fairly new, the Council believes in its success and is proud to play a supportive role during its foundation phase.

During the year ahead, the communication and marketing section plans to use a number of communication tools to educate its target audience about the relevant role that the Council plays within the road freight and logistics industry. It ultimately aims to reinforce the fact that the **NBCRFLI** is a credible body that creates value and drives prosperity within the industry.



Remuneration

EXCO oversees the Council's remuneration structure and makes decisions regarding councillor and executive remuneration. EXCO is made up of 5 members from the employer party and 5 from the unions. This is inclusive of the Chairperson and Deputy Chairperson of Council. The CEO, COO, CBO and CFO also sit in EXCO. To view the EXCO members, refer to page 56.

Councillors received an allowance of R4 331.25 per month, provided they did not miss a meeting. Those that also serve in EXCO received an allowance of R4 856.25 on the same basis. The Chairman received an allowance of R5 906.25 and his deputy R5 381.25. At the end of the term, at the AGM, they are also entitled to a stipend of R7 500.00 each.

The Council has developed a draft Councillor Remuneration policy which details a formal and transparent procedure for developing a policy on executive and councillor remuneration. It still, however, requires approval by the Board.

Information Technology Governance

Information Technology (IT) plays an important role in enabling the Council to deliver an effective and efficient service to its stakeholders and customers.

To ensure IT security, the Council has implemented fire walls and web content filters to prevent unauthorised access to the Council's network. All IT risks are managed closely by the Council's IT steering committee which oversees all the Council's major IT projects. It is important to note that the Council is in the process of documenting and reviewing its IT policies to meet governance requirements.





Audit & Risk Governance

INTERNAL AUDIT & RISK MANAGEMENT

Internal Audit

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

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

The Council follows a risk-based auditing approach. Internal Audit's objective is to assist managers in the corrective discharge of its responsibilities. To this end, Internal Audit delivers analysis, appraisals, recommendations, counsel and information concerning the processes reviewed, by objectively and independently adding value to the achievement of the Council's business strategy, objectives and operational initiatives. These services are designed to add value and improve the effectiveness of the Council's risk management, control and governance processes through the implementation of a systematic discipline to protect stakeholder interest.



The Internal Audit function works closely with the Council's external auditors to ensure effective and efficient coordination of efforts from both sides. Thus the Council is assisted in accomplishing its objectives through independent, objective assurance and consulting services. The Internal Audit function is managed by the Chief Internal Auditor and is co-sourced through an arrangement with Grant Thornton.

The Chief Internal Auditor has a primary reporting responsibility to the Audit and Risk Committee, and administrative reporting responsibility to the Chief Executive Officer of the Council.

The Internal Audit function is authorised to:

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

Risk Management

Risk Management provides a framework to identify, assess and manage potential risks and opportunities.

It provides a way for management to make informed management decisions. Effective Risk Management affects everyone in the Council. The risk and control policies followed by the Council are based upon the guidelines of the King III Report

of Corporate Governance. All risk management activities are aligned to the Council's objectives and aim to protect and enhance the reputation and the standing of the Council. The process of risk management and the system of internal control is regularly reviewed for effectiveness.

Not only are annual risk assessments conducted, but the Council's risk management strategy also encompasses on-going risk register reviews and updates, to ensure that risk management forms part of the Council's daily operations. Risk management in the Council is managed proactively. The aim is to anticipate and, where possible, avoid risks rather than deal with their consequences. Strategic and operational risks are identified, objectively assessed and, where this is the appropriate response, actively managed. In determining an appropriate response, the cost of control/risk management, and the impact of risks occurring will be balanced with the benefit of reducing and/or managing the risk. This means that the Council does not necessarily set up and monitor controls to counter risks where the cost and efforts are disproportionate to the impact or expected benefits. The Council also recognises that some risks can be managed by transferring them to third parties.

Should the Council ever be faced with a disastrous incident that impacts on its activities, it has a business continuity and disaster recovery plan built into its IT processes. For example, in terms of building, the Council has regional offices that can be used in case of a disaster. It should be noted that the Council is in the process of formalising its business continuity process.



AUDIT & RISK COMMITTEE

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

The Audit and Risk Committee assists the Board in ensuring that the Council maintains adequate accounting records, internal controls and systems. These are essential in providing reasonable assurance about the integrity and reliability of the Council's financial information as well as safeguarding Council assets.

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

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

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

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

In respect of the external auditors and audit:

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

In respect of the financial statements:

- i Examine and review the quality of draft annual financial statements, the interim reports, the accompanying reports to Councillors, the preliminary announcements of results and any other announcements regarding the Council's results or other financial information to be made public, prior to submission to and approval by the Council Board;
- ii Review the annual report and financial statements taken as a whole to ensure they present a balanced and understandable assessment of the financial position, performance and prospects of the Council;

- iii Consider the appropriateness of the accounting policies adopted and any changes thereto, the accounting treatment of significant unusual transactions or accounting judgments that could be contentious;
- v Consider any problems identified in the going concern statement or the statement on the effectiveness of internal controls;
- vi Review any legal matters that could have significant impact on the financial statements; and
- vii Assess the performance of the financial management of the organisation.

In respect of internal control and internal audit:

- i Review the effectiveness of the organisation's systems of internal control, including internal financial control;
- ii Review and approve the internal audit charter and internal audit plans;
- iii Evaluate the independence, effectiveness and performance of the internal audit and compliance with its mandate as approved by the Committee;
- iv Assess the adequacy of available internal audit resources, including the qualifications of internal audit employees;
- v Review significant matters reported by the internal audit function and the adequacy of corrective action taken in response to significant internal audit findings;
- vi Review significant differences of opinion, if any, between management and the internal audit function;
- vii Review significant difficulties in the completion of the audit plan, including any restrictions on the scope of work or access to required information;

- viii Review the co-ordination between the internal audit function and external auditors and deal with any issues of material significant dispute or concern;
- ix Ensure that the Head of internal audit has the right of direct access to the chairperson of the Committee;
- x Review the Council's statement on internal control systems prior to endorsement by the Council Board;
- xi Review the organisations policies and procedures for preventing or detecting fraud;
- xii Review the Council's processes for ensuring that it complies with relevant regulatory and legal requirements, and consider management's reaction to any transgressions detected;
- xiii Monitor that proper and adequate accounting records are maintained; and
- xiv Obtain assurance from the internal auditors that adequate records are being maintained.

In respect of risk management:

- i Review and ensure that the risk management process and procedures followed are adequate to ensure enterprise risks are identified and monitored;

- ii Review the status of tax risks and the management of these risks; and
- iii Review the processes and procedures for identification and managing of technology risks.

In respect of organisational integrity/ethics:

- i Review any statements on ethical standards or requirements for the organisation and the procedures or review system implemented to promote and enforce compliance; and
- ii Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the company.

The Audit and Risk Committee is headed by an independent Committee Chairperson who is appointed by the Council Board. The Committee Chairperson then serves as an independent non-executive director on the Board. The audit committee operates according to formal terms of reference which are reviewed and updated annually. The audit and risk committee is permitted to consult with specialists or consultants after following an agreed process.



Corporate Governance

The Council is in the process of aligning its corporate governance with the King III Report as well as the Companies Act. It also engages with external assurance providers to ensure the accuracy and completeness of the elements of integrated reporting.

The Council has its own Code of Conduct which Councillors are required to sign when they are first nominated. Council management believes that this Code of Conduct has been adhered to by all involved parties during the year under review.

Financial Review



INTRODUCTION

The NBCRFLI achieved solid financial performance for the period ended 29 February 2012, particularly considering the challenging economic climate of the period. Even though interest rates were low, the Council made better returns on investments by 1.1% compared to the budgeted return of 5.8%. This was due to the Council investing in investment vehicles that produced better returns than what the general market was offering while still ensuring that the capital amount was protected.

The Council also experienced a steady increase in revenue during the period under review, despite levies not being within budget in the first two months of the year due to the delay in the promulgation of the industry wage agreement. The revenue increase was achieved due to an improvement in the collection of levies from 85% to 90% as a result of better enforcement.

The greatest challenge faced by the Council remains the continued weak global economic environment, which continues to affect the world and our industry in particular, resulting in the slowdown of the industry. Further, the standing of parties to Council with the Department of Labour in terms of representivity has an impact on our going concern status and therefore must be managed by the parties on an active basis from year to year.

HIGHLIGHTS

Revenue

- NBCRFLI group revenue up by 16.74% to R208.38m
- Main Council revenue up by 15.62% to R118.11m

Surplus for the period

- NBCRFLI group surplus down by -171% to -R58.2m
- Main Council surplus down by 28.37% to R12.76m

Capital expenditure

- Capital expenditure down by -72% to R4.08m
- Property value up by 17.6% to R29.6m

PERFORMANCE OVERVIEW

Revenue for the period rose by 16.74% to R208.38m (2011: R178.5m), while the surplus declined by -171% to -R58.2m (2011: R81.5m). The decline in the group surplus is attributable to contributions made from the Wellness Fund to the Wellness Health Plan which commenced on 1 July 2011; the health plan covers industry members for primary care services with added benefits of doctors' visits, optical care and wear as well as chronic medication.

The total amount paid on the health plan insurance was R135.6m for the period ended 29 February 2012. The expenditure on the health insurance will continue until 30 June 2013, by which time the Wellness Fund would have been substantially drawn down.

Revenue for Main Council rose by 15.62% to R118.11m (2011: R102.15m), while the surplus declined by 28.37% to R12.76m (2011: 17.81m). The decline on the Main Council surplus is primarily attributable to the following:

- Leasing and software maintenance costs resulting from leasing of computer hardware and outsourcing of server hardware.

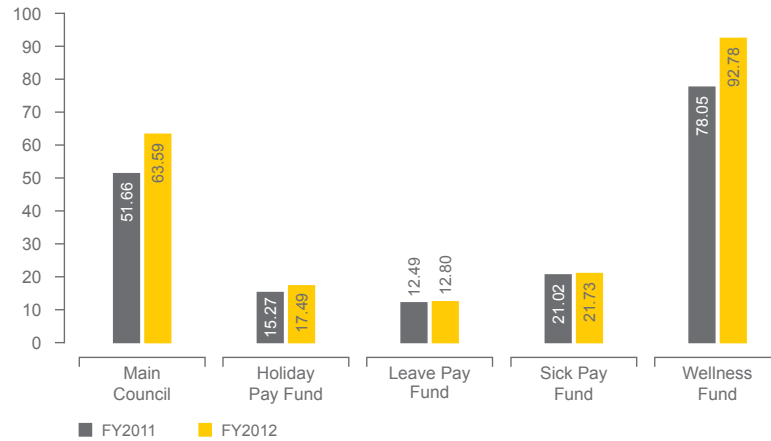
The Council has taken the decision to move to a leasing based model for all computer hardware and peripherals. It is believed that this approach is more cost effective and will result in the Council saving money, as well as removing the burden from the Council of holding obsolete assets.

Below is a table highlighting the group revenue and charts analysing revenue and expenditure compared to the prior financial periods.

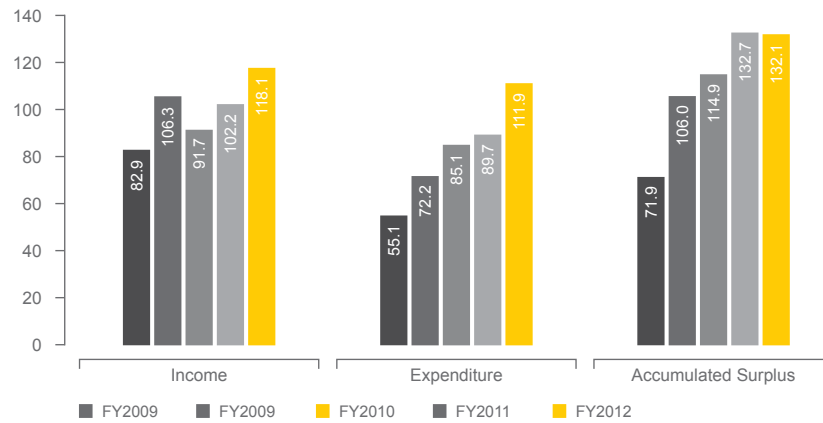
NBCRFLI Group Revenue

Rm	Main Council	Holiday Pay Fund	Leave Pay Fund	Sick Pay Fund	Wellness Fund	Total
FY2011	51.66	15.27	12.49	21.02	78.05	178.50
FY2012	63.59	17.49	12.80	21.73	92.78	208.38

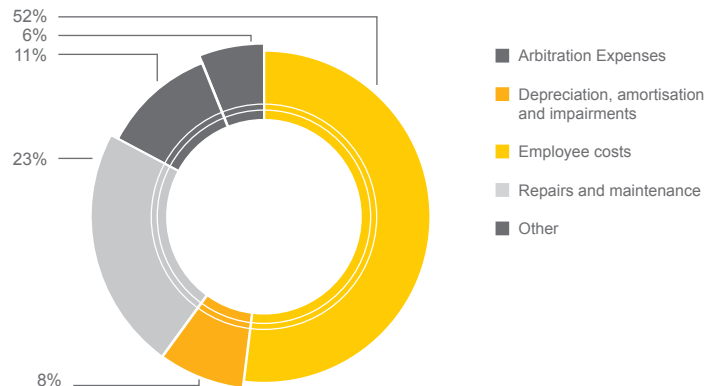
NBCRFLI Group Revenue Analysis



Main Council Five Year Performance



Main Council Expenditure Analysis



BALANCE SHEET & CASH FLOWS

Capital Expenditure

During the year under review, Council continued to embark on completing the first phase of implementing the ERP system – SAP. The SAP modules implemented are FI (Financials), CO (Controlling) and MM (Materials Management). The investment in the ERP will assist Council to continue delivering quality service to its stakeholders. The capital investments declined by 72% to R4.08m (2011: R14.9m). The decline is primarily attributable to the Council's strategy of outsourcing and leasing IT infrastructure. As at 29 February 2012, the Council had leased IT equipment to the value of R5.3m. The Council's property was valued at R29.6m (2011: R25.1m) as at period end. The previous valuation was done as at 28 February 2009. The Council continues to maintain its properties in good condition to ensure its properties increase in value year on year.

A total budget of R5.5m was approved for the period ending 28 February 2013, plus the rollover capex budget of R8.8m from prior years. The total capex budget available for the period ending 28 February 2013 is R14.3m.

FINANCIAL ASSETS

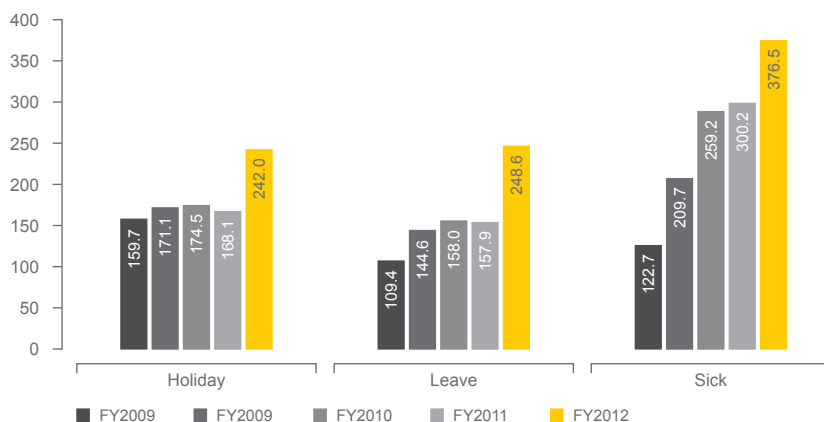
The NBCRFLI Main Council and trust funds investments are held with major banks in South Africa.

The investments yielded returns of 5.2% and 7% (2011: 5.2% and 8.06%). The market value of the Main Council investments was R115.5m (2011: R99.5m), a growth of 16% from 2011. The market value of the Wellness Fund investments was R100.3m (2011: R103.2m), a drop of 2% from 2011 which is attributable to disinvestment made during the period for operational requirements. The investment of the Wellness Fund will continue to be drawn down by the expenditure on the Wellness Health Insurance. An amount of R135.6m was paid towards the health insurance in the period under review. Payment towards the health insurance will continue until the end of June 2013.

The consolidated market value of the Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund was R867.1m (2011: R626.2m). The balances of the investments grew by 38% which is primarily attributable to the timing of availability of funds for investment purposes.

Below is a five year chart presentation of the market value of the trust funds investments.

Trust Funds Investments



TRADE AND OTHER RECEIVABLES

Trade and other receivables of the Main Council increased by 87.93% to R4.9m (2011: R2.6m).

The balance is largely attributable to outstanding administration fees receivable from Industry Provident (RFLIPF). The group trade and other receivable declined 54% to R4.9m (2011: 10.7m). This is attributable to the interest accrued for the period of R7.2m in 2011 which was included as part of trade and other receivable. Accrued interest forms part of financial assets hence for the period ended 29 February 2012 it has been accounted for accordingly.

CASH FLOW

The group's cash flow position reduced by 72% to R46.9m (2011: R169.2m).

This is owing to the weaker cash generated from operation of R-24.1m (2011: R88.7m). The cash flows from operating activities decreased to R-5.1m (2011: R92.1m). The Council also suffered a loss of R13.4m on the shortfall on the employee pension fund. Net cash used in investing activities increased by R93m from 2011; this was largely the result of cash being available for investing. Cash used in financing activities was R136.9m (2011: R98.9m), attributable to increases in industry trust account.

TRUST FUND LIABILITIES

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

Trust fund liabilities (Rm)	Holiday		Leave		Sick	
	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011
Accumulated Funds	203.5	183.1	179.0	155.0	312.5	261.5
– beginning of the year						
Contributions Received	465.2	348.2	332.4	242.7	264.6	225.9
Total Payments	-426.4	-325.5	-261.7	-218.3	-203.0	-174.3
Payments	-426.4	-325.5	-261.7	-218.3	-203.0	-158.1
Sick Benefit	–	–	–	–	–	-16.2
Contributions forfeited during the year	-19.4	-2.3	-5.8	-0.5	-7.7	-0.6
Closing Balance	222.8	203.5	243.8	179.0	366.4	312.5

FUTURE OUTLOOK

Although 2012 was a difficult year for the Council, in particular at an operational level, we believe that we are making progress in respect of managing our capital structure and balance sheet position. This is foundational for successful future operational delivery.

The Council plans to ensure operational success during the next financial year by working within the budget parameters that were established in line with its strategy for the year. We will ensure that our capital expenditure is aligned with our future goals and will continue to generate sufficient returns on investments. There is also further need to increase Council revenue sources and reduce the current over dependence on investment income which represents 60% of the Council's total income. Because of the unpredictability of the investment market and the potential for trust funds that generate the investment income to be exempted from being paid via Council, the risk of a major drop in the investment income stream will result in constrained organisational operations.

In view of the market volatility, increasing operational flexibility will be paramount to our success. At the same time, we will be diligent to ensure that short-term decisions do not compromise the Council's long-term prospects and sustainability.



Acknowledgements



A great financial year can only be achieved with the support and commitment from both internal and external stakeholders.

A warm word of thanks therefore goes to all Council employees for their unwavering dedication in providing of their time, knowledge and skills to ensure that the **NBCRFLI** effectively services all road freight and logistics industry stakeholders. The Councillors also played an important role in guiding the Council to its success. The Council is also most grateful to the industry employers and employees for their constant support and feedback which assists the Council in making changes, where necessary, so as to maintain a high level of service.

A heartfelt thanks also goes to the government departments whose constant support also made a great contribution to the previous financial year's success. As always, the Department of Labour has been instrumental in guiding and leading the Council through legislation amendments and new promulgations. The Department of Health has played a significant role in the implementation of the Council's highly successful Trucking Wellness Programme and continues to provide its unwavering support to this initiative.

Council Organisational Performance

G TARGET
ACHIEVED

G+ TARGET
EXCEEDED

R TARGET NOT
ACHIEVED

Y POSITIVE
PROGRESS

Customer & Stakeholder

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

G TARGET
ACHIEVED

G+ TARGET
EXCEEDED

R TARGET NOT
ACHIEVED

Y POSITIVE
PROGRESS

Internal Business Processes

KRA	Objectives	Measurement & Target	Actual Performance
Strategic Focus	To provide efficient service	- Percentage compliance with the SLA - Number of unsolicited complaints	 
Information Management	To provide timeous, accurate and relevant information to facilitate business decisions	Percentage adherence to set standards, number of errors, adherence to deadlines	
Wellness	To manage the impact & prevalence of HIV/Aids in the industry	Percentage compliance with SLA/KPI	
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	- Percentage non-compliance with Collective Agreements - Successful settlement rate - Percentage settlement and resolution rate	 No Negotiations Held 
Funds Administration	To effectively administer industry funds	Percentage improvement on admin matrix	
Information Technology	To be innovative in providing service & asset utilisation	Number of technologies reviewed and developed	
Good Governance	- To demonstrate and drive the practice of good governance - To comply with South African laws	- Percentage compliance against governance matrix - Percentage compliance against legislative matrix	 
Council Best Practice	To set appropriate competitive standards	Number of new standards introduced & percentage on standard matrix	
Regional Presence	To implement & fulfil regional mandate	Stakeholder & customer satisfaction	
Admin and Facilities	To manage the admin and facilities functions efficiently and effectively	Improvement on admin matrix % improvement with SLA	
Internal Auditing	To assist Council to accomplish its objectives through objective assurance designed to add value and improve its operations	% completion of audit plan - Number of risk assessments conducted	
Risk Management	To facilitate the development and implementation of risk management in Council	Number of risk management workshops held	

G TARGET
ACHIEVED

G+ TARGET
EXCEEDED

R TARGET NOT
ACHIEVED

Y POSITIVE
PROGRESS

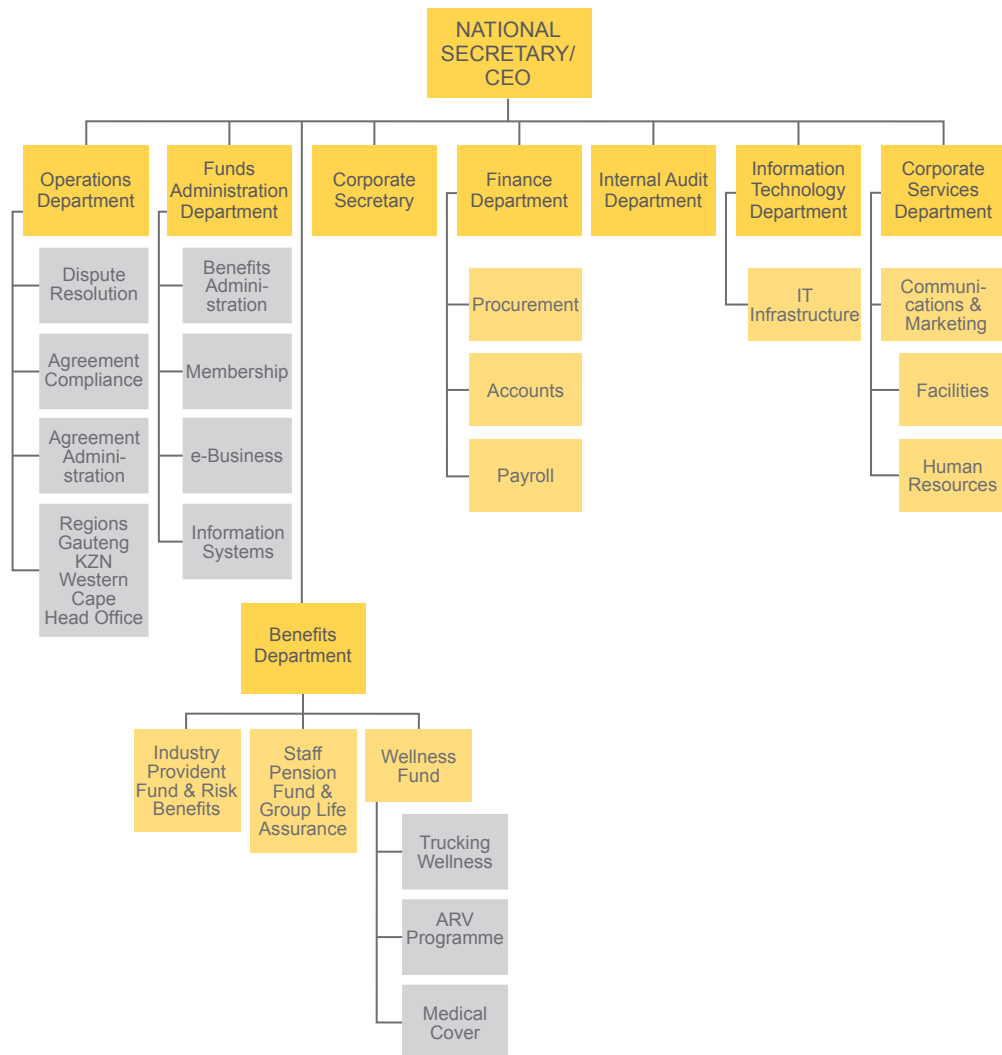
Organisation & Learning

KRA	Objectives	Measurement & Target	Actual Performance
Culture	▪ Exceptional performance; adherence to code of conduct; promote sharing of knowledge	▪ Percentage improvement on culture index	
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	 
Knowledge Sharing & Learning	▪ To ensure knowledge and skills transfer & leverage organisational know-how	▪ Number of employees being mentored	
Staff Benefits	▪ To have a comprehensive and balanced benefits cover for staff	▪ Percentage participation on the benefit matrix	
Managing Performance	▪ To ensure that performance management principles are in place	▪ Percentage high and exceptional performers	
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	

Finance

KRA	Objectives	Measurement & Target	Actual Performance
Cash Management	▪ Improvement in collection from returns ▪ Timeous payment of invoices	▪ Number of months outstanding ▪ Age Analysis	 
Financial Reporting	▪ To report financial information to stakeholders ▪ To report financial information to management for decision making	▪ Stakeholder Index ▪ Stakeholder Index	 
Stock Management	▪ To monitor the use of consumables	▪ Stock loss	
Return on Investment	▪ Effective use of council's fixed assets ▪ Maximise return on investment	▪ Fixed assets losses – depreciation rate ▪ Percentage return on investment	 
Payroll	▪ To process payroll effectively & efficiently	▪ Payroll administration matrix	

Council Administration Organisational Structure





Council Members

RFEA

1. Trevor Short (Deputy Chairperson)
2. Heather Badenhorst
3. Graeme Barnard
4. Dave Behrens



5. Magretia Brown-Engelbrecht
6. Tony D'Almeida
7. Louis Hollander
8. Lucky Kolobe



9. Cindy-Leigh Webb
10. Penwell Lunga
11. Peter Mathapo
12. Fred Meier





13



14

SATAWU

- 13. Michael Gwedashe (Chairman)
- 14. June Dube
- 15. Mbonwa J Gamede
- 16. Portia Khumalo
- 17. David Mahlanza



15



16



17



18

- 18. Thandanani Ngwane
- 19. Doris Nhlapo
- 20. Nthimutse Pakkies
- 21. Tabudi Ramakgolo



19



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MTWU

- 22. Mdlumiseni Mabaso
- 23. Solomon Mothibedi

55



24



25

TAWU & PTAWU

- 24. Steven Motingoa (Resigned in November 2011)
- 25. Vuyani Madolo (Replaced Steven Motingoa)

ALTERNATES

RFEA

Chantal Adamstein
Pauline Legodi

SATAWU

Maketsie Carl
Paulos Dlamini
Danny Du Plessis
John Hlungwane
Sam Lefuwa
Justice Mosiakoko
Phindile Radebe
Mavhayisi Shivuri
Thamie Socqwayi

PTAWU & TAWU

Lucas Aphane

MTWU

Lucky November
Moses Zulu

EXECUTIVE COMMITTEE (EXCO)

RFEA

Dave Behrens
Magretia Brown-Engelbrecht
Trevor Short
Penwell Lunga
Lucky Kolobe

SATAWU

June Dube
Michael Gwedashe
Tabudi Ramakgolo

Alternate

Mbonwa J Gamede

PTAWU & TAWU

Steven Motingoa
resigned in
November 2011
and was replaced by
Vuyani Madolo

MTWU

Mdumiseni Mabaso

Alternate

Cindy-Leigh Webb

AUDIT & RISK

Independent

Melusi Ntumba (Chairman)

SATAWU

Johnson Gamede

RFEA

Cindy-Leigh Webb

INDEPENDENT EXEMPTIONS BODY

Yusuf Nagdee
Rosalie Manning
Gerhard Wessels

INDEPENDENT EXEMPTIONS APPEAL BODY

Mark Antrobus
Tshepo Sibeko
Kate Savage
Imraan Haffeggee

Financials



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012

The reports and statements set out below comprise the consolidated annual financial statements presented to the members:

Council Members' Responsibilities and Approval	58
Independent Auditor's Report	60
▪ Statements of Net Assets	62
▪ Statements of Comprehensive Income	63
▪ Statements of Changes in Funds	64
▪ Statements of Cash Flows	65
▪ Notes to the Statements of Cash Flows	66
▪ Notes to the Consolidated Financial Statements	67
 The following supplementary information does not form part of the financial statements and is unaudited:	
 Detailed Consolidated Income Statements	 77

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 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 specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with specific accounting policies adopted and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable priority on maintaining a strong control environment. To enable management to meet these responsibilities, the Council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the fund and all employees are required to maintain the



COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL (CONTINUED)

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 funds is on identifying, assessing, managing and monitoring all known forms of risk across the funds. While operating risk cannot be fully eliminated, the Council 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 2013 and, in the light of this review and the current financial position, they are satisfied that the fund has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the Council's consolidated financial statements. The consolidated annual financial statements have been examined by the Council's external auditors and their report is presented on pages 60 to 61.

King III Corporate Governance

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

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

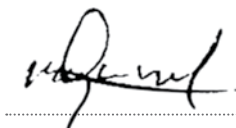
The Council Members together with management undertake to assess the level of application of the principles of the Code that is appropriate to the business during the 29 February 2013 financial year.

Approval

The annual financial statements set out on pages 62 to 76, which have been prepared on the going concern basis, were approved by the Council members on 27 June 2012 and were signed on its behalf by:



Mr. J Letswalo



Mr. M Gwedashe



Independent Auditor's Report

Report of the Independent Auditors to the members of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI).

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

- The consolidated and separate statements of net assets for the period ended 29 February 2012;
- The consolidated and separate statements of comprehensive income for period ended 29 February 2012;
- The consolidated and separate statements of changes in funds for the period ended 29 February 2012;
- The consolidated and separate statements of cash flows for the period ended 29 February 2012;
- A summary of significant accounting policies and other explanatory notes, as set on pages 62 to 76.

Management's Responsibility for the Financial Statements

The council is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with basis of accounting set out in pages 67 to 69, and in manner required by the Labour Relations Act of 1995 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of matter – Supporting Schedules

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

Restriction on use

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

Deloitte & Touche

Deloitte & Touche

Registered Auditors
Per D Munu
Partner
27 June 2012

National Executive: GG Gelink – Chief Executive; AE Swiegers – Chief Operating Officer; GM Pinnock – Audit; DL Kenney – Risk Advisory; NB Kader – Tax & Legal Services; L Geeringh – Consulting; L Bam – Corporate Finance; JK Mazzocco – Human Resources; CR Beukman – Finance; TJ Brown – Clients; NT Mtoba – Chairman of the Board; MJ Comber – Deputy Chairman of the Board.

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor/AAA (certified by Empowerdex).

Member of Deloitte Touche Tohmatsu Limited.

STATEMENTS OF NET ASSETS AS AT 29 FEBRUARY 2012

	Notes	Group		Main Council	
Figures in Rands		2012	2011	2012	2011
ASSETS					
Non Current Assets		1 119 035 969	868 013 126	152 522 960	154 076 478
Property, plant and equipment	2	40 450 824	39 343 510	40 131 597	38 978 827
Other financial assets	3	1 078 585 145	828 669 616	112 391 363	115 097 651
Current Assets		51 934 853	180 019 769	30 890 400	38 374 539
Inventories		68 027	149 430	68 027	149 430
Trade and other receivables	4	4 925 734	10 681 499	4 925 734	2 620 998
Cash and cash equivalents	5	46 941 092	169 188 840	25 896 639	35 604 111
Total assets		1 170 970 822	1 048 032 895	183 413 360	192 451 017
EQUITY AND LIABILITIES					
Equity		284 406 560	319 667 983	139 553 653	136 241 692
Reserves		50 154 833	13 232 137	7 494 136	3 532 393
Surplus funds		234 251 727	306 435 846	132 059 517	132 709 299
Non Current Liabilities		832 959 786	694 924 939	-	-
Industry employees trust account		832 959 786	694 924 939	-	-
Current Liabilities		53 604 476	33 439 973	43 859 707	56 209 325
Other financial liabilities	6	4 952 181	6 074 056	(4 581 700)	30 337 979
Trade and other payables	7	48 652 295	27 365 917	48 441 407	25 871 346
Total equity and liabilities		1 170 970 822	1 048 032 895	183 413 360	192 451 017

**STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
29 FEBRUARY 2012**

	Notes	Group	Main Council	
Figures in Rands		2012	2011	
		2012	2011	2012
Income	208 381 734	178 499 159	118 109 111	102 154 469
Other Income	6 763 171	5 493 023	6 533 197	5 373 023
Operating expenses	(273 346 306)	(102 520 204)	(111 883 494)	(89 715 810)
Operating surplus	(58 201 401)	81 471 978	12 758 813	17 811 682
Surplus for the year	(58 201 401)	81 471 978	12 758 813	17 811 682
Other comprehensive income				
Shortfall in staff pension fund	(13 408 596)	-	(13 408 596)	-
Gain on revaluation of properties	3 961 743	-	3 961 743	-
Total comprehensive				
income for the period	(67 648 254)	81 471 978	3 311 960	17 811 682

STATEMENTS OF CHANGES IN FUNDS FOR PERIOD ENDED 29 FEBRUARY 2012

Figures in Rands	Notes	Revaluation Reserve	Forfeitures Reserve	Total Reserve	Surplus Funds	Total Funds
GROUP						
Balance at 01 March 2010		3 532 393	6 287 865	9 820 258	224 963 868	234 784 126
Surplus for the period		-	-	-	81 471 978	81 471 978
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	81 471 978	81 471 978
Movement to forfeitures reserve		-	3 411 879	3 411 879	-	3 411 879
Balance at 01 March 2011		3 532 393	9 699 744	13 232 137	306 435 846	319 667 983
(Deficit)/Surplus for the period		-	-	-	(58 201 401)	(58 201 401)
Other comprehensive income		3 961 743	-	3 961 743	(13 408 596)	(9 446 853)
Total comprehensive income for the period		3 961 743	-	3 961 743	(71 609 997)	(67 648 254)
Surplus for the period to 28 February 2011 – AIDS SIDA		-	-	-	(574 122)	(574 122)
Movement to forfeitures reserve		-	32 960 953	32 960 953	-	32 960 953
Balance at 29 February 2012		7 494 136	42 660 697	50 154 833	234 251 727	284 406 560
MAIN GROUP						
Balance at 01 March 2010		3 532 393	-	3 532 393	114 897 617	118 430 010
Surplus for the period		-	-	-	17 811 682	17 811 682
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	17 811 682	17 811 682
Balance at 01 March 2011		3 532 393	-	3 532 393	132 709 299	136 241 692
Surplus for the period		-	-	-	12 758 813	12 758 813
Other comprehensive income		3 961 743	-	3 961 743	(13 408 595)	(9 446 852)
Total comprehensive income for the period		3 961 743	-	3 961 743	(649 782)	3 311 961
Balance at 29 February 2012		7 494 136	-	7 494 136	132 059 517	139 553 653

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 29 FEBRUARY 2012

	Notes	Group		Main Council	
Figures in Rands		2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	A	(24 072 803)	88 734 603	39 940 704	27 477 404
Transfer of forfeitures /Increase in reserves		32 960 953	3 411 879	-	-
Shortfall in staff pension fund		(13 408 596)	-	(13 408 596)	-
Surplus for the period to 28 February 2011 – SIDA		(574 122)	-	-	-
Net cash (outflow)/inflow from operating activities		(5 094 568)	92 146 482	26 532 109	27 477 404
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(4 197 965)	(14 870 894)	(4 073 532)	(14 870 894)
Proceeds from sale of property, plant and equipment		47 342	78 420	47 342	78 420
Increase in other financial assets		(249 915 529)	(146 292 902)	2 706 288	(17 642 682)
Net cash outflow from investing activities		(254 066 152)	(161 085 376)	(1 319 902)	(32 435 156)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/Increase in other financial liabilities		(1 121 875)	3 508 342	(34 919 679)	11 871 629
Increase in industry employees trust account		138 034 847	95 421 610	-	-
Net inflow/(outflow) from financing activities		136 912 972	98 929 952	(34 919 679)	11 871 629
Net increase/(decrease) in cash and cash equivalents		(122 247 748)	29 991 058	(9 707 472)	6 913 877
Cash and cash equivalents at beginning of year		169 188 840	139 197 782	35 604 111	28 690 234
CASH AND CASH EQUIVALENTS AT END OF YEAR	B	46 941 092	169 188 840	25 896 639	35 604 111

NOTES TO THE STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 29 FEBRUARY 2012

Notes	Group		Main Council	
Figures in Rands	2012	2011	2012	2011

A. RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH GENERATED FROM OPERATIONS

Operating surplus	(58 201 401)	81 471 978	12 758 814	17 811 682
Adjustment for non cash items:	7 005 052	6 238 407	6 835 163	6 123 360
Depreciation and amortisation	6 908 398	6 249 912	6 738 509	6 134 865
(Gain)/Loss on disposal of property, plant and equipment	96 654	(11 505)	96 654	(11 505)
Adjustment for separately disclosable items:				
Interest received	(75 084 176)	(69 223 249)	(13 006 595)	(11 612 625)
Operating cash inflow before working capital changes	(126 280 525)	18 487 136	6 587 382	12 322 418
Working capital changes	27 123 546	1 024 219	20 346 728	3 542 361
Changes in inventories	81 403	(62 633)	81 403	(62 633)
Changes in trade and other receivables	5 755 765	(2 855 240)	(2 304 736)	(704 524)
Changes in trade and other payables	21 286 378	3 942 092	22 570 061	4 309 518
Cash generated from operations	(99 156 979)	19 511 354	26 934 109	15 864 779
Interest received	75 084 176	69 223 249	13 006 595	11 612 625
CASH GENERATED FROM OPERATING ACTIVITIES	(24 072 803)	88 734 603	39 940 704	27 477 404

B. CASH AND CASH EQUIVALENTS

Bank balances	46 941 092	169 188 840	25 896 639	35 604 111
	46 941 092	169 188 840	25 896 639	35 604 111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 29 FEBRUARY 2012

Reporting Entity

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

The consolidated financial statements of the **NBCRFLI** for the reporting date 29 February 2012 comprise the Main Council and its subsidiary funds (Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund) and the organisation's interest in the Wellness Fund.

1. Accounting Policies

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

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

1.1 Basis of consolidation

The consolidated financial statements incorporate financial statements of the Main Council, its subsidiary funds and interests in the Wellness fund for the reporting date 29 February 2012. The financial statements are consolidated on the basis that the Main Council has control over the subsidiary funds and Wellness entities. Control exists when the Main Council has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All interfund transactions, balances and unrealised gains on transactions between the Main Council, the subsidiary funds and Wellness entities are eliminated on consolidation.

1.2 Property, plant and equipment

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 29 FEBRUARY 2012 (CONTINUED)

1.2 Property, plant and equipment (continued)

Depreciation is calculated on cost, less residual value, using the straight-line method over their expected useful lives.

The useful lives applied are as follows:

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

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

1.3 Financial Instruments

Initial Recognition

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

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

Loans

Loans are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Trade and Other Receivables

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

Trade and Other Payables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 29 FEBRUARY 2012 (CONTINUED)

1.3 Financial Instruments (continued)

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 recognised at fair value plus direct transaction costs.

1.4 Revenue

Revenue is recognised on both the accrual and cash basis.

Levies

Levies are charged to the industry for the services that the NBCRFLI provides to the industry. Levies are recognised on the cash basis based on amounts received for the returns submitted and processed.

Admin fees

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

1.5 Employee Benefits

Defined Contribution Plans

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

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

1.6 Outstanding Levies

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

1.7 Interest Income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

2. Property, Plant and Equipment

Figures in Rands	2012			2011		
	Cost / Valuation	Accumulated Depreciation	Carrying Amount	Cost / Valuation	Accumulated Depreciation	Carrying Amount
GROUP						
Land and Buildings	29 600 000	-	29 600 000	25 114 799	-	25 114 799
Furniture & fittings	9 729 541	(6 870 302)	2 859 239	9 526 703	(5 165 816)	4 360 887
Motor vehicles	2 876 999	(1 756 686)	1 120 313	5 690 343	(5 092 954)	597 389
Office Equipment	2 803 412	(1 724 188)	1 079 224	2 395 465	(1 120 997)	1 274 468
IT Equipment	6 054 312	(5 364 073)	690 239	5 654 345	(4 216 504)	1 437 841
Computer Software	13 757 857	(8 750 977)	5 006 880	11 604 093	(5 140 044)	6 464 049
Containers	572 384	(477 455)	94 929	134 395	(40 318)	94 077
	65 394 504	(24 943 680)	40 450 824	60 120 143	(20 776 633)	39 343 510

Figures in Rands	2012			2011		
	Cost / Valuation	Accumulated Depreciation	Carrying Amount	Cost / Valuation	Accumulated Depreciation	Carrying Amount
MAIN COUNCIL						
Land and Buildings	29 600 000	-	29 600 000	25 114 799	-	25 114 799
Furniture & fittings	9 691 826	(6 832 587)	2 859 239	9 526 703	(5 165 816)	4 360 887
Motor vehicles	1 546 798	(650 221)	896 577	1 072 351	(745 568)	326 783
Office Equipment	2 724 312	(1 645 650)	1 078 662	2 395 465	(1 120 997)	1 274 468
IT Equipment	5 860 910	(5 170 671)	690 239	5 654 345	(4 216 504)	1 437 841
Computer Software	13 493 057	(8 486 177)	5 006 880	11 604 092	(5 140 044)	6 464 048
	62 916 903	(22 785 306)	40 131 597	55 367 755	(16 388 928)	38 978 827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

2. Property, Plant and Equipment (continued)

Reconciliation of Property, Plant and Equipment

Figures in Rands	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
GROUP								
29 FEBRUARY 2012								
Opening carrying amount	25 114 799	4 360 887	597 389	1 274 468	1 437 841	6 464 049	94 077	39 343 510
Cost	25 114 799	9 526 703	5 690 343	2 395 465	5 654 345	11 604 093	134 395	60 120 143
Accumulated depreciation	-	(5 165 816)	(5 092 954)	(1 120 997)	(4 216 504)	(5 140 044)	(40 318)	(20 776 633)
Additions from AIDS SIDA at net book value	-	-	61 469	4 529	-	-	58 436	124 435
Additions	523 458	234 077	905 516	328 848	206 565	1 888 964	-	4 087 427
Revaluations through equity	3 961 743	-	-	-	-	-	-	3 961 743
Disposals at net book value	-	-	(13 886)	-	-	-	-	(13 886)
Current depreciation	-	(1 735 725)	(430 175)	(528 621)	(954 167)	(3 346 133)	(57 584)	(7 052 405)
Closing carrying amount	29 600 000	2 859 239	1 120 313	1 079 224	690 239	5 006 880	94 929	40 450 824
Cost	29 600 000	9 729 541	2 876 999	2 803 412	6 054 312	13 757 857	572 384	65 394 504
Accumulated depreciation	-	(6 870 302)	(1 756 686)	(1 724 188)	(5 364 073)	(8 750 977)	(477 455)	(24 943 680)

Figures in Rands	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
GROUP								
28 FEBRUARY 2011								
Opening carrying amount	18 647 019	5 843 535	827 586	1 499 932	2 042 117	1 808 296	120 956	30 789 441
Cost	18 647 019	9 361 211	5 690 343	2 169 873	5 482 216	4 518 568	134 395	46 003 625
Accumulated depreciation	-	(3 517 676)	(4 862 756)	(669 941)	(3 440 099)	(2 710 272)	(13 439)	(15 214 184)
Additions	6 467 780	184 892	-	225 592	907 106	7 085 525	-	14 870 895
Disposals at net book value	-	(5 335)	-	-	(61 580)	-	-	(66 915)
Current depreciation	-	(1 662 205)	(230 198)	(451 056)	(1 449 801)	(2 429 772)	(26 879)	(6 249 912)
Closing carrying amount	25 114 799	4 360 887	597 389	1 274 468	1 437 841	6 464 049	94 077	39 343 510
Cost	25 114 799	9 526 703	5 690 343	2 395 465	5 654 345	11 604 093	134 395	60 120 143
Accumulated depreciation	-	(5 165 816)	(5 092 954)	(1 120 997)	(4 216 504)	(5 140 044)	(40 318)	(20 776 633)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

2. Property, Plant and Equipment (continued)

Reconciliation of Property, Plant and Equipment

Figures in Rands	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	TOTAL
MAIN COUNCIL							
29 FEBRUARY 2012							
Opening carrying amount	25 114 799	4 360 887	326 783	1 274 468	1 437 841	6 464 048	38 978 827
Cost	25 114 799	9 526 703	1 072 351	2 395 465	5 654 345	11 604 092	55 367 755
Accumulated depreciation	-	(5 165 816)	(745 568)	(1 120 997)	(4 216 504)	(5 140 044)	(16 388 928)
Additions	523 458	234 076	905 517	328 847	206 565	1 888 966	4 087 429
Revaluations through equity	3 961 743	-	-	-	-	-	3 961 743
Disposals at net book value	-	-	(13 886)	-	-	-	(13 886)
Current depreciation	-	(1 735 725)	(321 837)	(524 653)	(954 167)	(3 346 133)	(6 882 515)
Closing carrying amount	29 600 000	2 859 239	896 577	1 078 662	690 239	5 006 880	40 131 597
Cost	29 600 000	9 691 826	1 546 798	2 724 312	5 860 910	13 493 057	62 916 903
Accumulated depreciation	-	(6 832 587)	(650 221)	(1 645 650)	(5 170 671)	(8 486 177)	(22 785 306)
MAIN COUNCIL							
28 FEBRUARY 2011							
Opening carrying amount	18 647 019	5 843 536	468 814	1 499 932	2 042 117	1 808 295	30 309 714
Cost	18 647 019	9 361 212	1 279 366	2 169 873	5 482 216	4 518 567	41 458 252
Accumulated depreciation	-	(3 517 676)	(810 552)	(669 941)	(3 440 098)	(2 710 272)	(11 148 539)
Additions	6 467 780	184 891	-	225 592	907 106	7 085 526	14 870 894
Disposals at net book value	-	(5 335)	-	-	(61 580)	-	(66 915)
Current depreciation	-	(1 662 205)	(142 031)	(451 056)	(1 449 801)	(2 429 772)	(6 134 865)
Closing carrying amount	25 114 799	4 360 887	326 783	1 274 468	1 437 841	6 464 048	38 978 827
Cost	25 114 799	9 526 703	1 072 351	2 395 465	5 654 345	11 604 092	55 367 755
Accumulated depreciation	-	(5 165 816)	(745 568)	(1 120 997)	(4 216 504)	(5 140 044)	(16 388 928)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

Notes	Group		Main Council	
Figures in Rands	2012	2011	2012	2011

2. Property, Plant and Equipment (continued)

Other Information

Details of properties

Erf 2915 Johannesburg measuring 496 square meters with office building erected thereon.

Erf 2914 Johannesburg portion 2

Erf 7498 Parrow, 141 Voortrekker Road, Parrow

▪ Balance at beginning of period	25 114 799	18 647 019	25 114 799	18 647 019
▪ Purchase of new building in Cape Town	-	5 981 444	-	5 981 444
▪ Improvements	523 458	486 336	523 457	486 336
Total land and buildings before revaluation	25 638 257	25 114 799	25 638 257	25 114 799
Revaluation of land and buildings	3 961 743	-	3 961 743	-
Total land and buildings after revaluation	29 600 000	25 114 799	29 600 000	25 114 799

Land and building are re-valued independently every three years.

Revaluation of the land and buildings is performed by an independent valuator Grant Fraser (MIV. SA) of G.C Fraser & Associate, who are not connected to the NBCRFLI.

Revaluation on the land and buildings was performed as at 29 February 2012. (The previous revaluation was performed as at 28 February 2009). Details of the revaluation are as follows:

Figures in Rands	Revaluation 29 February 2012	Revaluation 28 February 2009
LOCATION OF PROPERTY		
Erf 2915 Johannesburg, 31 De Korte Street, Braamfontein	13 200 000	10 300 000
Erf 2915 Johannesburg, 31 De Korte Street, Braamfontein	9 500 000	7 000 000
Erf 7498 Parrow, 141 Voortrekker Road, Parrow (Purchased 21 June 2010)	6 900 000	6 000 000
Total value as per evaluation report	29 600 000	23 300 000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

	Notes	Group		Main Council	
Figures in Rands		2012	2011	2012	2011

3. Other Financial Assets

HELD TO MATURITY

Fixed deposit and money market funds 1 082 919 347 825 692 170 115 536 976 99 485 058

The investments are held at a variety of financial institutions.

These investments bear interest at between 5.20% and 7.00% (2011: 5.20% and 8.06%) per annum.

Loans and Receivables

Aids Fund	-	5 877 701	-	9 732 093
Provident Fund	(3 145 612)	(2 900 255)	(3 145 612)	(2 900 255)
Wellness Fund	(1 188 590)	-	-	8 780 755

Total other financial assets	1 078 585 145	828 669 616	112 391 363	115 097 651
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4. Trade and Other Receivables

Sundry Debtors	3 761 822	3 404 276	4 014 454	1 679 550
Deposits	85 490	63 026	85 490	63 026
Receivable Accrued Interest	-	7 214 197	(252 632)	-
Aids Sida Fund	1 078 422	-	1 078 422	878 422

Total trade and other receivables	4 925 734	10 681 499	4 925 734	2 620 998
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5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank Balances	46 941 092	169 188 840	25 896 639	35 604 11
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

	Notes	Group	Main Council
Figures in Rands	2012	2011	2012
	2011		

6. Other Financial Liabilities

HELD AT AMORTISED COST

Holiday pay bonus fund	-	-	6 449 881	10 079 744
Leave pay fund	-	-	2 510 086	6 871 037
Sick fund	-	-	1 403 137	6 130 153
Provident fund	1 267 806	1 166 714	1 267 806	1 166 714
Unallocated funds received	3 684 374	4 907 342	3 684 374	4 907 342
Wellness fund	-	-	(19 896 985)	1 182 990
Total other financial liabilities	4 952 181	6 074 056	(4 581 700)	30 337 979

The unallocated funds received is represented by contributions received by the NBCRFLI on behalf of the fund which is unallocated due to pending reconciliation processes.

7. Trade and Other Payables

Trade Payables	39 819 607	23 186 241	39 594 910	21 691 670
VAT	1 248 762	583 100	1 262 571	583 100
Trust account	2 440 248	2 247 749	2 440 248	2 247 749
Refunds due	5 143 678	1 348 827	5 143 678	1 348 827
Total trade and other payables	48 652 295	27 365 917	48 441 407	25 871 346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 29 FEBRUARY 2012

	Notes	Group		Main Council	
Figures in Rands		2012	2011	2012	2011

8. Operating Expenses

Included in operating expenses
is the following:

Employee costs	(58 493 611)	(48 957 119)	(58 493 611)	(48 957 119)
Wellness employee health insurance	(135 613 800)	-	-	-

9. Taxation

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

10. Contingencies

- (a) The provisions of Labour Relations Act of 1995 requires parties' representativity in bargaining council to be 50% plus one in order to qualify for full enforcement of agreement to the entire industry. The Department of Labour issued a certificate on 24 August 2010 stating that it is certified that the parties to Council's Collective Agreement are representative and this certificate is valid up until 31 August 2011.
- (b) As at reporting period ended 29 February 2012, Council had a dispute against E-Prime Dynamix for breach of contract. The service provider was contracted to install and implement the SAP system. The contract was terminated when failures were discovered on the system and the service provider failed to rectify the system errors. Upon termination, E-Prime Dynamix instituted a claim against Council with a contingent liability of R3 569 129. However, Council is confident that the it has a strong case against the claimant.
- (c) As at reporting period ended 29 February 2012, Council had an obligation to cover the shortfall which may arise from the Wellness Industry Health Insurance. The amount is estimated at R155 040 000.

11. Staff Pension Fund

The NBCRFLI has changed its policy on staff pension fund due to the financial risk that the Council has been exposed to. The Council converted from the Defined Benefit Fund to the Defined Contribution Fund. The conversion was effective on the 1 March 2012. At the date of conversion, the shortfall due to the fund was R13 408 595.61. The shortfall has been paid out of the **NBCRFLI** reserves and no loss was suffered by the employees.

DETAILED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012

Notes	Group		Main Council	
Figures in Rands	2012	2011	2012	2011
REVENUE				
Levies Received	45 468 694	39 976 813	45 468 694	39 976 813
Wellness fund contributions	82 716 312	69 224 223	-	-
Interest Received	75 084 176	69 223 249	13 006 595	11 612 625
Admin Fees Received	5 112 553	74 874	59 633 823	50 565 032
	208 381 734	178 499 159	118 109 111	102 154 469
OTHER INCOME				
Gains on disposal of assets	-	11 505	-	11 505
Rental Income	306 886	1 047 098	306 886	1 047 098
Sponsorship	-	120 000	-	-
Sundry Income	6 456 284	4 314 421	6 226 310	4 314 421
	6 763 171	5 493 023	6 533 197	5 373 023
OPERATING EXPENSES				
Advertising	(2 172 346)	(1 303 780)	(2 068 637)	(1 303 780)
Arbitration Expenses	(11 729 908)	(10 152 076)	(11 729 908)	(10 152 076)
Attendance fees	(2 076 201)	(2 054 514)	(2 066 073)	(2 049 708)
Auditor's remuneration	(490 500)	(396 738)	(490 500)	(396 738)
Bad debts	(1 185 640)	(4 428)	(1 185 640)	(4 428)
Bank charges	(978 692)	(935 376)	(971 488)	(926 671)
Bursary expense	(176 532)	(41 485)	(176 532)	(41 485)
Complex agreement	(109 037)	(40 317)	(109 037)	(40 317)
Consulting and Professional fees	(2 030 090)	(1 650 608)	(1 383 568)	(1 101 312)
Computer Hardware Leasing and Software Maintenance	(7 466 025)	(4 026 831)	(7 464 960)	(4 026 831)
Depreciation, amortisation and impairments	(6 908 398)	(6 249 912)	(6 738 509)	(6 134 865)
Employee costs	(67 956 243)	(48 957 119)	(58 493 611)	(48 957 119)
Equipment hire	(953 423)	(1 293 875)	(953 423)	(1 293 875)
Extension expenses	(531 861)	(310 548)	(531 861)	(310 548)
Insurance	(136 217 124)	(501 577)	(495 881)	(483 427)
Loss on disposal of assets	(96 654)	-	(96 654)	-
Legal expenses	(3 043 029)	(1 671 794)	(3 006 015)	(1 270 732)
Lease rentals on operating lease	(2 073 904)	(1 995 119)	(2 073 904)	(1 995 119)
Management fee – Wellness Clinics	(7 260 888)	(2 113 332)	-	-
Medical expenses	-	(939 588)	-	-
Motor vehicle expenses	(1 523 818)	(848 135)	(1 238 143)	(800 679)
Non-reclaimable VAT	(7 609 042)	(7 068 621)	-	-
Postage	(352 446)	(355 788)	(352 446)	(355 788)
Printing and stationery	(1 626 874)	(1 076 079)	(1 598 557)	(1 058 179)
Recruitment fees	-	(6 720)	-	(6 720)
Repairs and maintenance	(1 872 392)	(1 690 269)	(1 872 392)	(1 690 268)
Security	(992 390)	(838 941)	(992 390)	(838 941)
Seminars	(346 909)	(63 723)	(346 909)	(63 723)
Staff Welfare	(1 066 648)	(1 051 250)	(1 050 143)	(1 047 331)
Telephone and fax	(1 599 384)	(1 552 446)	(1 511 845)	(1 494 735)
Training	(911 301)	(332 556)	(911 301)	(332 556)
Travel – local	(1 018 829)	(631 227)	(1 003 389)	(408 058)
Utilities	(969 780)	(1 129 787)	(969 780)	(1 129 787)
Penalties and interest	-	(15)	-	(15)
Special events (AIDS Conference in Vienna)	-	(1 235 631)	-	-
	(273 346 306)	(102 520 205)	(111 883 494)	(89 715 810)
Operating Surplus	(58 201 401)	81 471 978	12 758 814	17 811 682
Surplus for the period	(58 201 401)	81 471 978	12 758 814	17 811 682

Contact Details

Council Offices	Physical Address	Postal Address	Telephone	Facsimile
Gauteng				
Johannesburg	29 & 31 de Korte Street Braamfontein 2017	Private Bag X69 Braamfontein 2017	011 703 7000	011 403 1555 /1726
Pretoria	401 Provisus Building 523 Church Street Arcadia Pretoria 0083	PO Box 55625 Arcadia 0007	012 440 8454	012 440 8453
Head Office				
Bloemfontein	2nd Floor Room 208 2 President Brand Street Bloemfontein 9301	PO Box 4485 Bloemfontein 9300	051 448 9422	051 448 9480
East London	Suite 5, 1st Floor Norvia House 34 Western Avenue Vincent East London 5247	PO Box 7075 East London 5201	043 726 8525 /8527	043 726 8531
Kimberley	M Floor MBA Building 20 Currey Street Kimberley 8301	PO Box 3000 Kimberley 8300	053 831 6352	053 832 1081
Klerksdorp	Room 207 2nd Floor Jade Square Corner Margaretha Prinsloo & Oliver Tambo Avenue Klerksdorp 2571	PO Box 10053 Klerksdorp 2570	018 462 8311	018 462 8909
Nelspruit	2 Rothery Street Cnr Rothery & Van Niekerk Street Nelspruit 1200	PO Box 1561 Nelspruit 1200	013 752 7420	013 753 2326
Polokwane	Suite 106 Forum Three 23B Thabo Mbeki Street Polokwane 0699	PO Box 3602 Polokwane 0700	015 291 1533	015 291 2531
Port Elizabeth	1st Floor Fiveways Centre 62/64 Cape Road Port Elizabeth 6001	PO Box 20119 Humewood 6013	041 374 1786 /1859	041 374 1748

Council Offices	Physical Address	Postal Address	Telephone	Facsimile
Rustenburg	1st Floor Room 103 Biblio Plaza Building Corner Nelson Mandela & President Mbeki Roads Rustenburg 0299	PO Box 5010 Rustenburg 0300	014 597 1320	014 597 1547
Witbank	Ground Floor B.F. Boshielo House 10 Hofmeyer Street Witbank 1034	PO Box 1731 Witbank 1035	013 656 1503	013 656 1509
Western Cape				
Cape Town	Absa Building 141 Voortrekker Road Corner Voortrekker Road & Van Eysen Street Parow 7499	Private Bag X22 Parow 7499	021 930 7720	021 930 6032
George	Ground Floor Liberty Building 98 Meade Street George 6530	PO Box 9753 George 6530	044 874 3098	044 874 4839
Clanwilliam	6 Main Road Spar Complex Clanwilliam 8135	PO Box 205 Clanwilliam 8135	027 482 1620	027 482 1920
KwaZulu Natal				
Durban	5th Floor Old Mutual Building 300 Smith Street Durban 4001	Private Bag X54378 Durban 4000	031 307 6070	031 307 6071
New Castle	4th Floor Room 402 Old Mutual Building Corner Scott & Voortrekker Streets Newcastle 2940	PO Box 2604 New Castle 2940	034 315 1207	034 312 9470
Pietermaritzburg	Shop 12A Polly Shortts Centre 1 Claveshay Road Cleland Pietermaritzburg 3201	PO Box 3653 Pietermaritzburg 3200	033 396 5316	033 396 3948
Richards Bay	2nd Floor Office 14 7 Trinidad Parkade Lakeview Terrace Richards Bay 3900	PO Box 61 Richards Bay 3900	035 789 3847	035 789 3849

