



NBCRFI

National Bargaining Council for the Road Freight Industry

Your Road Freight Partner.

Annual 2008 Report

FINANCIAL Report

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Sub Totaal/Sub Total

Btw/Vat

Diverse/Sumeries

Totaal/Total

8.1. Main Council

Report of the Independent Auditors

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

We have audited the accompanying financial statements of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditors' judgement, 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 fair 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.

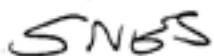
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act of 1995.



Sizwe Ntsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with entity specific accounting policies adopted and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's financial statements. The financial statements have been examined by the fund's external auditors and their report is presented on page 32.

The financial statements set out on pages 34 to 42, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube

Financial Statements for the year ended 29 February 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-current Assets			
Property, plant and equipment	2	17,401,016	10,825,922
Other financial assets	3	94,190,927	17,045,726
		111,591,943	27,871,648
Current Assets			
Inventories		93,938	-
Trade and other receivables	4	2,754,526	1,022,342
Cash and cash equivalents	5	16,851,233	50,219,408
		19,699,697	51,241,750
Total Assets		131,291,640	79,113,398
Equity and Liabilities			
EQUITY			
Surplus funds		71,935,180	44,149,266
Liabilities			
Current Liabilities			
Other financial liabilities	6	22,053,880	19,669,447
Trade and other payables	7	37,302,580	15,294,685
		59,356,460	34,964,132
Total Equity and Liabilities		131,291,640	79,113,398

Income Statement

	Note(s)	2008 R	2007 R
Income		82,144,958	58,089,868
Other income		776,224	693,568
Operating expenses		(55,135,268)	(44,283,051)
Operating surplus		27,785,914	14,500,385
Surplus for the period		27,785,914	14,500,385

Changes in Funds

	Surplus funds R	Total equity R
Balance at 01 March 2006	29,648,881	29,648,881
Changes		
Surplus for the year	14,500,385	14,500,385
Total changes	14,500,385	14,500,385
Balance at 01 March 2007	44,149,266	44,149,266
Changes		
Surplus for the year	27,785,914	27,785,914
Total changes	27,785,914	27,785,914
Balance at 29 February 2008	71,935,180	71,935,180

Cash Flow Statement

	Note(s)	2008 R	2007 R
Cash Flows From Operating Activities			
Cash generated from operations	9	51,370,233	28,412,514
Cash Flows From Investing Activities			
Purchase of property, plant and equipment	2	(10,548,120)	(2,445,253)
Sale of property, plant and equipment	2	570,480	214,570
Sale of financial assets		4,800,000	4,550,000
Sale of financial assets		(81,945,201)	(14,747,409)
Net cash from investing activities		(87,122,841)	(12,428,092)
Cash Flows From Financing Activities			
Movement in NBCRFI current accounts with funds		2,384,433	(27,662,878)
Net cash from financing activities		2,384,433	(27,662,878)
Total cash movement for the period		(33,368,175)	(11,678,456)
Cash at the beginning of the period		50,219,408	61,897,864
Total cash at end of the period	5	16,851,233	50,219,408

Accounting Policies

1. Presentation of Financial Statements

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

1.1 Property, Plant and Equipment

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

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

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

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

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

Item	Average Useful Life
Furniture and fixtures	5 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years

1.2 Financial Instruments

Initial Recognition

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

Loans To (From) Funds

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Held to Maturity and Loans and Receivables

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

1.3 Employee Benefits

Defined Contribution Plans

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

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

1.4 Outstanding Levies

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

Notes to the Financial Statements

2. Property, Plant and Equipment

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	8,020,189	-	8,020,189	4,100,000	-	4,100,000
Furniture and fixtures	3,730,612	(1,156,370)	2,574,242	1,617,155	(849,073)	768,082
Motor vehicles	7,134,162	(3,932,913)	3,201,249	6,949,127	(3,510,230)	3,438,897
Office equipment	694,149	(93,277)	600,872	2,038,993	(1,106,348)	932,645
IT equipment	2,404,703	(767,281)	1,637,422	1,017,785	(265,254)	752,531
Computer software	2,093,788	(726,746)	1,367,042	1,013,954	(180,187)	833,767
Total	24,077,603	(6,676,587)	17,401,016	16,737,014	(5,911,092)	10,825,922

Reconciliation of Property, Plant and Equipment - 2008

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

Reconciliation of Property, Plant and Equipment - 2007

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

Other Information

	2008 R	2007 R
Details of Properties		
ERF 2915 - Johannesburg, measuring 496 square meters with office buildings erected thereon.		
- Purchase price	1,658,444	1,658,444
- Additions since aquisition: 1992 - 1997	114,811	114,811
- Additions since aquisition: 2004	4,179	4,179
	1,777,434	1,777,434
ERF 2914 - Johannesburg Portion 2		
- Purchase price	1,514,211	1,514,211
- Additions since aquisition: 2004 & 2008	5,575,773	1,655,584
- Impairment loss	(847,229)	(847,229)
	6,242,755	2,322,566

	2008 R	2007 R
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3. Other Financial Assets

Held To Maturity

Fixed deposit and money market funds	44,381,058	21,981,058
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The investments are held at a variety of financial institutions.
These investments bear interest at between 9.25% and 10.5%
(2007:6.75% and 7.8%) per annum.

Loans and Receivables

Aids fund	1,150,000	450,000
Provident fund	48,659,869	(5,385,332)

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

	49,809,869	(4,935,332)
Total other financial assets	94,190,927	17,045,726

Non-current Assets

Held to maturity	44,381,058	21,981,058
Loans and receivables	49,809,869	(4,935,332)

4. Trade and Other Receivables

Sundry debtors	409,072	49,144
Deposits	66,776	61,391
Accrued interest	80,000	80,000
Aids Sida Fund	178,813	63,793
Aids Fund	2,019,865	768,014
	2,754,526	1,022,342

5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	16,851,233	50,219,408
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	2008 R	2007 R
6. Other Financial Liabilities		
Held at Amortised Cost		
Holiday pay bonus fund	(855,063)	(989,162)
Leave pay fund	(11,487,785)	(3,454,891)
Sick fund	577,924	2,719,487
Provident fund	689,424	376,604
Unallocated funds received	30,603,008	21,017,409
Wellness fund	2,526,372	-
The current accounts are represented by contributions received by the NBCRFI on behalf of the funds which is unallocated due to pending reconciliation processes.		
	22,053,880	19,669,447
Current Liabilities		
At amortised cost	22,053,880	19,669,447

7. Trade and Other Payables

Trade payables	3,160,988	2,064,016
Outstanding cheques	14,091,549	8,147,039
VAT	900,790	339,064
Trust account	1,618,007	1,527,600
Refunds due	17,531,252	3,216,966
	37,302,586	15,294,685

8. Taxation

No provision has been made for taxation as the council currently exempt from paying taxation in terms of Section 10(1)(cA)(i) of the Income Tax Act.

9. Cash Generated From (Used in) Operations

Surplus before taxation	27,785,914	14,500,385
ADJUSTMENTS FOR:		
Depreciation and amortisation	3,105,143	2,532,146
(Profit) loss on sale of assets	(208,970)	(1,860)
Impairment losses	506,374	-
Other non-cash items	(1)	(4)
CHANGES IN WORKING CAPITAL:		
Inventories	(93,938)	-
Trade and other receivables	(1,732,184)	(89,455)
Trade and other payables	22,007,895	11,471,302
	51,370,233	28,412,514

10. Contingencies

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

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

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

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

The agreement with the Department of Labour requires a trade union representivity figure of 50% plus one in order to qualify for the renewal of the contract every consecutive year. The Council is currently below the representivity figure and the contract is therefore renewable at the discretion of the Minister.



Detailed Income Statement

	Note(s)	2008 R	2007 R
Revenue			
Levies received		26,315,890	25,726,877
Interest received		12,454,276	4,536,885
Admin fees received		43,374,792	27,826,106
		82,144,958	58,089,868
Other income			
Gains on disposal of assets		208,970	1,860
Rental income		1,930	193,112
Sundry income		565,324	498,596
		776,224	693,568
Operating expenses			
Advertising		(402,032)	(119,800)
Arbitration expenses		(3,850,347)	(1,675,043)
Attendance fees		(718,897)	(1,166,162)
Auditors remuneration		(184,230)	(214,714)
Bank charges		(609,070)	(711,309)
Bursary expenses		(198,955)	(177,520)
Complex agreement		(147,460)	-
Consulting and professional fees		(1,967,865)	(2,334,785)
Depreciation, amortisation and impairments		(3,611,517)	(2,532,146)
Employee costs		(24,459,240)	(20,391,901)
Equipment hire		(617,257)	(343,332)
Extension expenses		(6,050,129)	(4,657,908)
Forfeitures refund		-	(55,231)
Grant made - Aids fund		-	(300,000)
Insurance		(890,951)	(689,930)
Lease rentals on operating lease		(1,080,959)	(804,551)
Levies		-	(49,739)
Motor vehicle expenses		(1,256,968)	(1,574,909)
Postage		(470,553)	(335,028)
Printing and stationery		(1,417,923)	(997,636)
Recruitment fees		(87,768)	(29,231)
Repairs and maintenance		(2,264,416)	(1,635,367)
Security		(356,072)	(310,554)
Seminars		(314,388)	(414,262)
Staff welfare		(417,139)	(118,487)
Telephone and fax		(1,562,498)	(1,365,568)
Training		(822,872)	(351,143)
Travel - local		(783,951)	(567,390)
Utilities		(591,811)	(359,405)
		(55,135,268)	(44,283,051)
Operating surplus		27,785,914	14,500,385
Surplus for the period		27,785,914	14,500,385



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Tel: 013-752 7420

Witbank
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10 Hofmeyer St, Witbank 12
Tel: 013-698 1503

FREE STATE

Bloemfontein
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2 President Brand St
Bloemfontein 9301
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EASTERN CAPE
East I
2nd Fl, R
15

NBCRFI

Regional & Branch Offices

8.2. Holiday Pay Bonus Fund

Report of the Independent Auditors

To the members of Holiday Pay Bonus Fund of the National Bargaining Council for the Road Freight Industry.

We have audited the accompanying financial statements of Holiday Pay Bonus Fund of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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Auditor's Responsibility

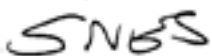
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

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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 financial statements present fairly, in all material respects, the financial position of the company as of 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

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The Council members have reviewed the fund's cash flow forecast for the year to 28 February 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the fund's external auditors and their report is presented on page 44.

The financial statements set out on pages 46 to 50, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube

Financial Statements for the year ended 29 February 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-current Assets			
Investments	3	159,692,208	99,430,064
Current Assets			
Accrued Interest	4	234,212	267,036
Cash and cash equivalents	5	57,028	18,094,635
		291,240	18,361,671
Total Assets		159,983,448	117,791,735
Capital and Liabilities			
Equity			
Reserves		3,700,262	1,324,581
Retained income		34,435	2,086
		3,734,697	1,326,667
Liabilities			
Non-current Liabilities			
Industry Employees Trust Account	6	155,290,941	115,373,154
Current Liabilities			
NBCRFI loan	2	855,063	989,162
Trade and other payables		102,747	102,752
		957,810	1,091,914
Total Liabilities		156,248,751	116,465,068
Total Equity and Liabilities		159,983,448	117,791,735

Income Statement

	Note(s)	2008 R	2006 R
Other income		16,871,084	8,688,445
Operating expenses		(16,838,735)	(8,686,166)
Operating surplus (deficit)		32,349	2,279
Surplus/ (deficit) for the period		32,349	2,279

Changes In Funds

	Forfeitures reserve R	Surplus funds R	Total funds R
Balance at 01 March 2006	-	(193)	(193)
Changes			
Transfer of funds	1,324,581		1,324,581
Net income (expenses) recognised directly in equity	1,324,581	-	1,324,581
Deficit for the year		2,279	2,279
Total recognised income and expenses for the period	1,324,581	2,279	1,326,860
Total changes	1,324,581	2,279	1,326,860
Balance at 01 March 2007	1,324,581	2,086	1,326,667
Changes			
Transfer of funds	2,375,681		2,375,681
Net income (expenses) recognised directly in equity	2,375,681	-	2,375,681
Surplus for the year		32,349	32,349
Total recognised income and expenses for the period	2,375,681	32,349	2,408,030
Total changes	2,375,681	32,349	2,408,030
Balance at 29 February 2008	3,700,262	34,435	3,734,697
Note(s)	1.4		

Cash Flow Statement

	Note(s)	2008 R	2006 R
Cash Flows From Operating Activities			
Cash generated from operations		8 65,168	3,225,394
Transfer to forfeitures reserve		2,375,681	1,324,581
Net cash from operating activities		2,440,849	4,549,975
Cash Flows From Investing Activities			
Loans to NBCRFI repaid		-	11,638,087
Loans advanced to NBCRFI		(134,099)	-
Investments made		(60,262,144)	(24,452,556)
Net cash from investing activities		(60,396,243)	(12,814,469)
Cash Flows From Financing Activities			
Movement in industry employees trust account		39,917,787	25,903,789
Total cash movement for the period		(18,037,607)	17,639,295
Cash at the beginning of the period		18,094,635	455,340
Total cash at end of the period	5	57,028	18,094,635

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared on the historical cost basis. The following are the principal accounting policies adopted by the Council.

These accounting policies are consistent with the previous year.

1.1 Financial Instruments

Initial Recognition

The fund 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

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

These are initially and subsequently recorded at fair value.

Held to Maturity and Loans and Receivables

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

1.2 Income Earned

The provision of the agreement made and entered into by the parties to the Council, promulgated under Government Notice R41 dated 15 January 1971, sub-clause (8) of the Holiday Pay Bonus Fund, provides that income earned on invested monies shall accrue directly to the Council in reimbursement of expenses incurred on behalf of the fund.

1.3 Outstanding Employers' Contributions

In accordance with past practices, employers' contributions due but unpaid at the end of the financial year have not been taken into account as it is considered impracticable to ascertain the amount outstanding.

1.4 Forfeitures Reserve

Contributions not claimed or otherwise disposed within 5 years after the date of receipt, were forfeited to the general funds of the NBCRFI in terms of the Main Collective Agreement. This policy was changed as of 1 March 2006 to transfer such receipts forfeited to a forfeitures reserve in this fund and will be applied prospectively.

Notes To The Financial Statements

	2008	2006
	R	R

2. NBCRFI Loan

NBCRFI	(855,063)	(989,162)
The current account is represented by contributions received by the NBCRFI on behalf of the fund which is unallocated due to pending reconciliation processes.		

3. Investments

Held to Maturity

Fixed deposits and money market investments	159,692,208	99,430,064
The investments is held with a variety of financial institutions. These investments bears interest at between 9.25% and 10.5% per annum.		

Non-current Assets

Held to maturity	159,692,208	99,430,064
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4. Accrued Interest

Interest on investments	234,212	267,036
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5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	57,028	18,094,635
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6. Industry Employees Trust Account

Accumulated funds - Beginning of year	115,373,154	88,800,367
Contributions received	261,756,158	221,098,149
Payments	(219,462,690)	(193,200,781)
Contribution forfeit during year	(2,375,681)	(1,324,581)
	155,290,941	115,373,154

7. Taxation

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

	2008 R	2006 R
8. Cash Generated From (Used in) Operations		
Profit (loss) before taxation	32,349	2,279
Adjustments For:		
Changes In Working Capital:		
Accrued Interest	32,824	3,120,363
Trade and other payables	(5)	102,752
	65,168	3,225,394

Detailed Income Statement

	Note(s)	2008 R	2006 R
Other income			
Interest received		16,871,084	8,688,445
Operating expenses			
Administration and management fees		(14,779,613)	(7,749,447)
Bank charges		(1,077)	(1,395)
Non refundable VAT		(2,058,045)	(935,324)
		(16,838,735)	(8,686,166)
Operating profit		32,349	2,279
Profit for the period		32,349	2,279



8.3. Leave Pay Fund

Report of the Independent Auditors

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

We have audited the accompanying annual financial statements of Leave Pay Fund of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

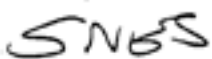
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with Entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

Council Members' Responsibilities and Approval

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

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

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


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

The Council members have reviewed the company's cash flow forecast for the year to 28 February 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.


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

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 52.

The annual financial statements set out on pages 54 to 59, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube



Financial Statements for the year ended 29 February 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-current Assets			
Investments	3	109,386,458	48,699,189
Current Assets			
Accrued Interest	4	486,766	486,766
Cash and cash equivalents	5	229,756	35,949
		716,522	522,715
Total Assets		110,102,980	49,221,904
Equity and Liabilities			
Equity			
Reserves		1,698,926	542,971
Total funds		182	170
		1,699,108	543,141
Liabilities			
Non-current Liabilities			
Industry Employees Trust Account		6 96,903,939	45,211,721
Current Liabilities			
NBCRFI loan	2	11,487,786	3,454,891
Trade and other payables		12,147	12,151
		11,499,933	3,467,042
Total Liabilities		108,403,872	48,678,763
Total Equity and Liabilities		110,102,980	49,221,904

Income Statement

Other income	7,003,830	4,169,155
Operating expenses	(7,003,818)	(4,168,806)
Operating surplus (deficit)	12	349
Surplus (deficit) for the period	12	349

Changes In Funds

	Forfeitures reserve	Surplus funds	Total funds
	R	R	R
Balance at 01 March 2006	-	(179)	(179)
Changes			
Transfer of funds		542,971	542,971
Net income (expenses) recognised directly in equity	542,971	-	542,971
Deficit for the year		349	349
Total recognised income and expenses for the period	542,971	349	543,320
Total changes	542,971	349	543,320
Balance at 01 March 2007	542,971	170	543,141
Changes			
Transfer of funds	1,155,955		1,155,955
Net income (expenses) recognised directly in equity	1,155,955	-	1,155,955
Surplus for the year		12	12
Total recognised income and expenses for the period	1,155,955	12	1,155,967
Total changes	1,155,955	12	1,155,967
Balance at 29 February 2008	1,698,926	182	1,699,108
Note(s)	1.4		

Cash Flow Statement

	Note(s)	2008	2007
		R	R
Cash Flows From Operating Activities			
Cash generated from operations	8	8	1,191,859
Movement in forfeitures reserve		1,155,955	542,971
Net cash from operating activities		1,155,963	1,734,830
Cash Flows From Investing Activities			
Investments made		(60,687,269)	(20,510,779)
Net cash from investing activities		(60,687,269)	(20,510,779)
Cash Flows From Financing Activities			
Movement in industry employees trust account		51,692,218	14,468,209
Proceeds from NBCRFI loan		-	8,344,540
Amounts advanced on NBCRFI loan		8,032,895	(4,889,649)
Net cash from financing activities		59,725,113	17,923,100
Total cash movement for the period		193,807	(852,849)
Cash at the beginning of the period		35,949	888,798
Total cash at end of the period	5	229,756	35,949

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on the historical cost basis. The following are the principal accounting policies used by the Council.

These accounting policies are consistent with the previous year.

1.1 Financial Instruments

Initial Recognition

The fund 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 To (From) Group Companies

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Held to Maturity and Loans and Receivables

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

1.2 Income Earned

The provision of the agreement made and entered into by the parties to the Council, promulgated under Government Notice R41 dated 15 January 1971, sub-clause (8) of the Holiday Pay Bonus Fund, provides that income earned on invested monies shall accrue directly to the Council in reimbursement of expenses incurred on behalf of the fund.

1.3 Outstanding Employers' Contributions

In accordance with past practices, employers' contributions due but unpaid at the end of the financial year have not been taken into account as it is considered impracticable to ascertain the amount outstanding.

1.4 Forfeitures Reserve

Contributions not claimed or otherwise disposed within 5 years after the date of receipt, were forfeited to the general funds of the NBCRFI in terms of the Main Collective Agreement. This policy was changed as of 1 March 2006 to transfer such receipts forfeited to a forfeitures reserve in this fund and will be applied prospectively.

Notes To The Financial Statements

	2008	2007
	R	R

2. NBCRFI Loan

NBCRFI	(11,487,786)	(3,454,891)
The current account is represented by contributions received by the NBCRFI on behalf of the fund which is pending due to reconciliation processes.		

3. Investments

Held to Maturity

Fixed deposits and money market investments	109,386,458	48,699,189
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The investments is held with a variety of financial institutions. These investments bears interest at between 9.25% and 10.5% per annum.

Non-current Assets

Held to maturity	109,386,458	48,699,189
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4. Accrued Interest

Investments	486,766	486,766
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5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	229,756	35,949
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6. Industry Employees Trust Account

Accumulated funds - Beginning of year	45,211,721	35,633,161
Contributions received	141,874,280	74,756,804
Payments	(89,026,107)	(64,635,273)
Contributions forfeited during the year	(1,155,955)	(542,971)
	96,903,939	45,211,721

7. Taxation

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

	2008 R	2007 R
8. Cash Generated From (Used in) Operations		
Profit (loss) before taxation	12	349
Adjustments For:		
Changes in Working Capital:		
Accrued Interest	-	1,179,358
Trade and other payables	(4)	12,152
	8	1,191,859

Detailed Income Statement

	Note(s)	2008 R	2007 R
Other income			
Interest received		7,003,830	4,169,155
Operating expenses			
Administration and management fees		(6,137,380)	(3,722,382)
Bank charges		(1,077)	(1,039)
Non refundable VAT		(865,361)	(445,385)
		(7,003,818)	(4,168,806)
Operating surplus (deficit)		12	349
Surplus (deficit) for the period		12	349

8.4. Sick Fund

Report of the Independent Auditors

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

We have audited the accompanying financial statements of The Sick Fund of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

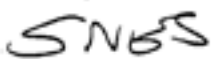
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 auditors' judgement, 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 fair 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 financial statements present fairly, in all material respects, the financial position of the fund as of 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

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

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

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.


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

The external auditors are responsible for independently reviewing and reporting on the fund's financial statements. The financial statements have been examined by the fund's external auditors and their report is presented on page 60.

The financial statements set out on pages 62 to 67, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube

Financial Statements for the year ended 29 February 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-current Assets			
Property, Plant and Equipment	2	-	1
Investments	4	122,716,775	72,296,545
		122,716,775	72,296,546
Current Assets			
NBCRFI Loan	3	577,923	2,719,487
Trade and Other Receivables	5	5	68
Cash and Cash Equivalents	6	495,407	6,201,971
		1,073,335	8,921,526
Total Assets		123,790,110	81,218,072
Funds and Liabilities			
Funds			
Reserves		1,775,097	522,816
Surplus Funds		1,995,401	1,975,155
		3,770,498	2,497,971
Liabilities			
Non-current Liabilities			
Industry Employees Trust Account	7	119,897,169	78,662,073
Current Liabilities			
Trade and Other Payables	8	122,443	58,028
Total Liabilities		120,019,612	78,720,101
Total Funds and Liabilities		123,790,110	81,218,072

Income Statement

Other income	9,587,914	5,911,649
Operating expenses	(9,567,668)	(5,929,569)
Operating surplus	20,246	(17,920)
Surplus for the period	20,246	(17,920)

Changes In Funds

	Forfeitures reserve R	Surplus funds R	Total funds R
Balance at 01 March 2006	-	1,993,075	1,993,075
Changes			
Transfer of funds	522,816		522,816
Net income (expenses) recognised directly in equity	522,816	-	522,816
Surplus for the year		(17,920)	(17,920)
Total recognised income and expenses for the period	522,816	(17,920)	504,896
Total changes	522,816	(17,920)	504,896
Balance at 01 March 2007	522,816	1,975,155	2,497,971
Changes			
Transfer of funds	1,252,281		1,252,281
Net income (expenses) recognised directly in equity	1,252,281	-	1,252,281
Surplus for the year		20,246	20,246
Total recognised income and expenses for the period	1,252,281	20,246	1,272,527
Total changes	1,252,281	20,246	1,272,527
Balance at 29 February 2008	1,775,097	1,995,401	3,770,498
Note(s)	1.5		

Cash Flow Statement

	Note(s)	2008 R	2007 R
Cash Flows From Operating Activities			
Cash Generated From (Used In) Operations	10	84,724	(3,715,336)
Transfer of Forfeitures Funds		1,252,281	522,816
Net Cash From Operating Activities		1,337,005	(3,192,520)
Cash Flows From Investing Activities			
Investments Made		(50,420,230)	(7,341,536)
Net Cash From Investing Activities		(50,420,230)	(7,341,536)
Cash Flows From Financing Activities			
Movement In Industry Employees Trust Account		41,235,096	11,050,833
Movement In NBCRFI Loan		2,141,564	5,027,617
Net Cash From Financing Activities		43,376,660	16,078,450
Total Cash Movement for the Period		(5,706,565)	5,544,394
Cash At The Beginning of the Period		6,201,971	657,579
Total Cash At End of the Period	6	495,406	6,201,973

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared on the historical cost basis. The following are the principal accounting policies used by the Council.

These accounting policies are consistent with the previous year.

1.1 Property, Plant and Equipment

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on a straight line basis over their useful lives as follows:

Item	Average Useful Life
IT equipment	5 years

1.2 Financial Instruments

Initial Recognition

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

These are initially and subsequently recorded at fair value.

Held to Maturity and Loans and Receivables

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

Financial assets that the company has the positive intention and ability to hold to maturity are classified as maturity.

1.3 Income Earned

The provision of the agreement made and entered into by the parties to the Council, promulgated under Government Notice R41 dated 15 January 1971, sub-clause (8) of the Holiday Pay Bonus Fund, provides that income earned on invested monies shall accrue directly to the Council in reimbursement of expenses incurred on behalf of the fund.

1.4 Outstanding Employers' Contributions

In accordance with past practices, employers' contributions due but unpaid at the end of the financial year have not been taken into account as it is considered impracticable to ascertain the amount outstanding.

1.5 Forfeitures Reserve

Contributions not claimed or otherwise disposed within 5 years after the date of receipt, were forfeited to the general funds of the NBCRFI in terms of the Main Collective Agreement. This policy was changed as of 1 March 2006 to transfer such receipts forfeited to a forfeitures reserve in this fund and will be applied prospectively.

Notes to the Financial Statements

2. Property, Plant and Equipment

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
IT equipment	-	-	-	1,685,346	(1,685,345)	1

Reconciliation of Property, Plant and Equipment - 2008

	Opening Balance	Impairment loss
IT equipment	1	(1)

Reconciliation of Property, Plant and Equipment - 2007

	Opening Balance	Depreciation	Impairment loss	Total
IT equipment	264,914	(166,630)	(98,283)	1

	2008 R	2007 R
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3. NBCRFI Loan

NBCRFI	577,923	2,719,487
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The current account is represented by contributions received by the NBCRFI on behalf of the fund which is unallocated due to pending reconciliation processes.

	2008 R	2007 R
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4. Investments

Held to Maturity

Fixed deposits and money market investments	122,716,775	72,296,545
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The investments is held with a variety of financial institutions.

These investments bear interest at between 9.25% and 10.5% per annum.

Non-current Assets

Held to maturity	122,716,775	72,296,545
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5. Trade and Other Receivables

Investments	5	68
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6. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	495,407	6,201,971
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7. Industry Employees Trust Account

Accumulated funds - Beginning of year	78,662,073	67,611,240
Contributions received	95,337,378	58,555,513
Payments	(48,109,828)	(44,410,540)
Sick benefits	(4,740,173)	(2,571,324)
Contribution forfeit during year	(1,252,281)	(522,816)
	119,897,169	78,662,073

8. Trade and Other Payables

Trade payables	122,443	58,028
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9. Taxation

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

	2008 R	2007 R
10. Cash Generated From (Used in) Operations		
Profit (loss) before taxation	20,246	(17,920)
Adjustments For:		
Depreciation and amortisation	-	166,630
Impairment losses / reversals	-	98,283
Changes in Working Capital:		
Trade and other receivables	63	258,643
Trade and other payables	64,415	(4,220,972)
	84,724	(3,715,336)

Detailed Income Statement

	Note(s)	2008 R	2007 R
Other income			
Interest received		9,587,914	5,911,649
Operating expenses			
Administration and management fees		(8,390,002)	(4,782,996)
Bank charges		(1,117)	(1,108)
Depreciation, amortisation and impairments		-	(264,913)
Non refundable VAT		(1,166,305)	(790,106)
Maternity grants		(10,244)	(90,446)
		(9,567,668)	(5,929,569)
Operating surplus		20,246	(17,920)
Surplus for the year		20,246	(17,920)





8.5. Aids Project

Report of the Independent Auditors

To the members of the Aids Project of the National Bargaining Council of the Road Freight Industry.

We have audited the accompanying annual financial statements of Aids Projects of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 70 to 75.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

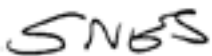
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the fund as of 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

Council Members' Responsibilities and Approval

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

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

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


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

The Council members have reviewed the fund's cash flow forecast for the year to 28 February 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 70.

The annual financial statements set out on pages 72 to 77, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:

A stylized, handwritten signature in black ink, consisting of a large loop followed by a horizontal stroke.

Mr J Letswalo

A handwritten signature in black ink, appearing to read 'J Dube' with a flourish.

Mr J Dube

Financial Statements for the year ended 29 February 2008

Balance Sheet

	Note(s)	2008 R	2007 R
Assets			
Non-current Assets			
Property, Plant and Equipment	2	-	1
Current Assets			
Other financial assets		3 359,100	-
Trade and other receivables	4	31,692	5,684
Cash and cash equivalents	5	87,717	153,414
		478,509	159,098
Total Assets		478,509	159,099
Funds and Liabilities			
Funds			
Accumulated deficit		(3,012,750)	(1,133,596)
Liabilities			
Current Liabilities			
NBCRFI loan	6	3,169,865	1,223,195
Trade and other payables	7	321,394	69,500
		3,491,259	1,292,695
Total Funds and Liabilities		478,509	159,099

Income Statement

Other income	462,477	930,393
Operating expenses	(2,341,631)	(1,753,719)
Operating deficit	1,879,154)	(823,326)
Deficit for the year	(1,879,154)	(823,326)

Changes in Funds

	Accumulated deficit R	Total funds R
Balance at 01 March 2006	(310,270)	(310,270)
Changes		
Deficit for the year	(823,326)	(823,326)
Total changes	(823,326)	(823,326)
Balance at 01 March 2007	(1,133,596)	(1,133,596)
Changes		
Deficit for the year	(1,879,154)	(1,879,154)
Total changes	(1,879,154)	(1,879,154)
Balance at 29 February 2008	(3,012,750)	(3,012,750)

Cash Flow Statement

	Note(s)	2008 R	2007 R
Cash Flows From Operating Activities			
Cash used in operations	9	(1,653,267)	(541,139)
Cash Flows From Investing Activities			
Proceeds from NBCRFI loan		2,192,227	494,289
Repayment of NBCRFI current account		(245,557)	-
Net cash from financing activities		1,946,670	494,289
Total cash movement for the period		(65,697)	(46,850)
Cash at the beginning of the period		153,414	200,264
Total cash at end of the period	5	87,717	153,414

Accounting Policies

1. Presentation Of Annual Financial Statements

The annual financial statements have been prepared on the historical cost basis, and incorporate the following principal selected accounting policies.

These accounting policies are consistent with the previous year.

1.1 Property, Plant and Equipment

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

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

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

Item	Average Useful Life
Containers	5 years

1.2 Financial Instruments

Initial Recognition

The fund 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

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

These are initially and subsequently recorded at fair value.

1.3 Outstanding Donations

Only donations received have been taken into account and any donations pledged but not yet received have been deemed not to form part of income.



Notes to the Financial Statements

2. Property, Plant and Equipment

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Containers	120,654	(120,654)	-	120,654	(120,653)	1

Reconciliation of Property, Plant and Equipment - 2008

	Opening Balance	Depreciation
Containers	1	(1)

Reconciliation of Property, Plant and Equipment - 2007

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

	2008 R	2007 R
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3. Other Financial Assets

Loans and Receivables

Wellness Fund	359,100	-
The loan is unsecured, interest free and there is no fixed terms of repayment.		

Current Assets

Loans and receivables	359,100	-
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4. Trade and Other Receivables

Trade receivables	26,008	-
VAT	5,684	5,684
	31,692	5,684

5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	87,717	153,414
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6. NBCRFI Loan

Held at Amortised Cost

NBCRFI	3,169,865	1,223,195
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The loan is unsecured, interest free and there is no fixed terms of repayment.

Current Liabilities

At amortised cost	3,169,865	1,223,195
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	2008	2007
	R	R
7. Trade and Other Payables		
Trade payables	321,394	69,500

8. Taxation

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

9. Cash Generated From (Used in) Operations

Profit (loss) before taxation	(1,879,154)	(823,326)
Adjustments For:		
Depreciation and amortisation	-	38,445
Changes in Working Capital:		
Inventories	-	12,480
Trade and other receivables	(26,008)	161,762
Trade and other payables	251,895	69,500
	(1,653,267)	(541,139)

10. Going Concern

At year end the funds liabilities exceeded its assets. The existence of the fund is dependant on the continued support of the Main Council in order to be able to continue as a going concern. The Council have agreed to continue supporting the fund.

Detailed Income Statement

	2008	2007
Note(s)	R	R
Other income		
Administration and management fees received	450,000	617,777
Grants received	-	300,000
Interest received	12,477	12,616
	462,477	930,393
Operating expenses		
Administration and management fees	(1,094,463)	(737,941)
Advertising	-	(22,850)
Bank charges	(498)	(421)
Depreciation, amortisation and impairments	-	(38,445)
Employee costs	(1,246,670)	(930,351)
Sundry expenses	-	(11,132)
Travel - local	-	(12,579)
	(2,341,631)	(1,753,719)
Operating deficit	(1,879,154)	(823,326)
Deficit for the period	(1,879,154)	(823,326)

8.6. Aids Sida Fund

Report of the Independent Auditors

To the members of the Aids Sida Fund of the National Bargaining Council of the Road Freight Industry.

We have audited the accompanying financial statements of the Aids Sida Fund of the National Bargaining Council of the Road Freight Industry, which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

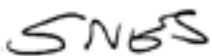
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 auditors' judgement, 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 fair 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 financial statements present fairly, in all material respects, the financial position of the fund as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act .



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

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

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

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

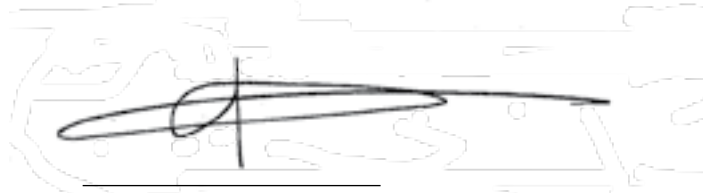
The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial 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 31 December 2008 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's financial statements. The financial statements have been examined by the fund's external auditors and their report is presented on page 78.

The financial statements set out on pages 80 to 86, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube

Financial Statements for the year ended 31 December 2007

Balance Sheet

	Note(s)	2007 R	2006 R
Assets			
Non-current Assets			
Property, Plant and Equipment	2	847,061	1,211,610
Current Assets			
Trade and other receivables	3	174,135	-
Cash and cash equivalents	4	161,042	1,197,288
		335,177	1,197,288
Total Assets		1,182,238	2,408,898
Funds and Liabilities			
Funds			
Surplus funds		882,751	1,304,131
Liabilities			
Other financial liabilities	5	160,830	53,860
Trade and other payables	6	138,657	1,050,907
		299,487	1,104,767
Total Funds and Liabilities		1,182,238	2,408,898

Income Statement

Income	977,995	1,622,593
Expenses	(1,399,375)	(1,688,548)
(Deficit)/surplus	(421,380)	(65,955)
(Deficit)/surplus for the period	(421,380)	(65,955)

Changes in Funds

	Surplus Funds R	Total funds R
Balance at 01 January 2006	1,370,086	1,370,086
Changes		
Surplus for the year	(65,955)	(65,955)
Total changes	(65,955)	(65,955)
Balance at 01 January 2007	1,304,131	1,304,131
Changes		
Deficit for the year	(421,380)	(421,380)
Total changes	(421,380)	(421,380)
Balance at 31 December 2007	882,751	882,751

Cash Flow Statement

	Note(s)	2007 R	2006 R
Cash Flows From Operating Activities			
Cash (used in) generated from operations	7	(1,138,623)	41,504
Cash Flows From Investing Activities			
Purchase of property, plant and equipment	2	(4,593)	(210,105)
Cash Flows From Financing Activities			
Proceeds from other financial liabilities		71,074	-
Repayment of other financial liabilities		35,896	(310,566)
Net cash from financing activities		106,970	(310,566)
Total cash movement for the period		(1,036,246)	(479,167)
Cash at the beginning of the period		1,197,288	1,676,454
Total cash at end of the period	4	161,042	1,197,287

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the accounting policies and practices implemented by the fund. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous year.

1.1 Property, Plant and Equipment

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

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

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

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

Item Average	Useful Life
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	3 years
Containers	5 years

1.2 Financial Instruments

Initial Recognition

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

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

These are initially and subsequently recorded at fair value.

1.3 Revenue

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
 - to the extent that it is probable that they will result in revenue; and
 - they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax.



Notes to the Financial Statements

2. Property, Plant and Equipment

	2007			2006		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	763,892	(355,221)	408,671	763,892	(202,443)	561,449
Office equipment	115,715	(47,315)	68,400	111,122	(24,208)	86,914
IT equipment	193,402	(105,891)	87,511	193,402	(67,209)	126,193
Computer software	264,800	(179,066)	85,734	264,800	(90,799)	174,001
Containers	331,539	(134,794)	196,745	331,539	(68,486)	263,053
Total	1,669,348	(822,287)	847,061	1,664,755	(453,145)	1,211,610

Reconciliation of Property, Plant and Equipment - 2007

	Opening Balance	Additions	Depreciation	Total
Motor vehicles	561,449	-	(152,778)	408,671
Office equipment	86,914	4,593	(23,107)	68,400
IT equipment	126,193	-	(38,682)	87,511
Computer software	174,001	-	(88,267)	85,734
Containers	263,053	-	(66,308)	196,745
	1,211,610	4,593	(369,142)	847,061

Reconciliation of Property, Plant and Equipment - 2006

	Opening Balance	Additions	Depreciation	Total
Motor vehicles	620,894	87,500	(146,945)	561,449
Office equipment	38,998	70,047	(22,131)	86,914
IT equipment	190,016	-	(63,823)	126,193
Computer software	261,385	-	(87,384)	174,001
Containers	266,291	52,558	(55,796)	263,053
	1,377,584	210,105	(376,079)	1,211,610

	2007 R	2006 R
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3. Trade and Other Receivables

Trade receivables	92,329	-
VAT	81,806	-
	174,135	-

4. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balances	161,042	1,197,288
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	2007 R	2006 R
5. Other Financial Liabilities		
Held at Amortised Cost		
Loan from the NBCRFI	160,830	53,860
The loan bears no interest, in unsecured and have no fixed terms of repayment.		
Current Liabilities		
At amortised cost	160,830	53,860
6. Trade and Other Payables		
Trade payables	2,024	960,047
Interest accrual	136,633	90,860
	138,657	1,050,907
7. Cash Generated From (Used in) Operations		
Profit (loss) before taxation	(421,380)	(65,955)
Adjustments For:		
Depreciation and amortisation	369,142	376,080
Changes in Working Capital:		
Trade and other receivables	(174,135)	490,599
Trade and other payables	(912,250)	(759,220)
	(1,138,623)	41,504

Detailed Income Statement

	Note(s)	2007 R	2006 R
Other income			
Grants received		977,995	1,622,593
Operating expenses			
Advertising		(70,441)	(263,182)
Bank charges		(446)	(9,497)
Cleaning		(26,037)	(15,015)
Clinic connectivity cost		(95,760)	(41,751)
Conference Costs		(112,485)	(107,144)
Consulting fees		-	(37,700)
Courier expenses		(10,064)	(3,443)
Depreciation, amortisation and impairments		(369,142)	(376,080)
Employee costs		(5,126)	-
Hire		(5,422)	(10,490)
Insurance		(96,269)	(111,224)
Lease rentals on operating lease		(28,925)	(20,000)
Medical supplies		(121,179)	(152,009)
Minor assets		(2,344)	(2,724)
Motor vehicle expenses		(22,898)	(8,904)
Printing and stationery		(9,997)	(17,433)
Repairs and maintenance		(23,480)	(28,340)
Software expenses		(103,600)	-
Sponsorship launch expenses		(4,386)	(29,537)
Telephone and fax		(32,134)	(28,910)
Training		(56,632)	(42,805)
Travel - local		(189,134)	(344,570)
Uniforms		-	(30,623)
Utilities		(13,474)	(7,167)
		(1,399,375)	(1,688,548)
(Deficit)/surplus		(421,380)	(65,955)
(Deficit)/surplus		(421,380)	(65,955)



8.7. Wellness Fund

Report of the Independent Auditors

To the members of the Wellness Fund of the National Bargaining Council of the Road Freight Industry.

We have audited the accompanying financial statements of Wellness Fund of the National Bargaining Council for the Road Freight Industry, which comprise the balance sheet as at 29 February 2008, and the income statement, statement of changes in equity and cash flow statement for the 8 months then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

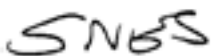
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 auditors' judgement, 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 fair 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 financial statements present fairly, in all material respects, the financial position of the fund as of 29 February 2008, and of its financial performance and its cash flows for the 8 months then ended in accordance with entity specific accounting policies adopted, and in the manner required by the Labour Relations Act.



SizweNtsaluba ES Inc.
Registered Auditors

Per: GTM Prinsloo
10 June 2008

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the fund as at the end of the financial 8 months and the results of its operations and cash flows for the period then ended, in conformity with entity specific accounting policies adopted. The external auditors are engaged to express an independent opinion on the financial statements.

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

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

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 funds's cash flow forecast for the year to 28 February 2009 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the fund's financial statements. The financial statements have been examined by the fund's external auditors and their report is presented on page 88.

The financial statements set out on pages 90 to 93, which have been prepared on the going concern basis, were approved by the Council members on 28 May 2008 and were signed on its behalf by:



Mr J Letswalo



Mr J Dube

Financial Statements for the 8 months ended 29 February 2008

Balance Sheet

	Note(s)	29 February 2008 R
Assets		
Current Assets		
NBCRFI loan	2	2,526,372
Cash and cash equivalents	3	21,094,622
		23,620,994
Total Assets		23,620,994
Funds and Liabilities		
Funds		
Surplus funds		23,261,893
Liabilities		
Current Liabilities		
Trade and other payables	4	359,101
Total Funds and Liabilities		23,620,994

Income Statement

Other income	24,001,838
Operating expenses	(739,945)
Operating surplus	23,261,893
Surplus for the period	23,261,893

Changes in Funds

	Surplus funds R	Total funds R
Balance at 01 March 2007	-	-
Changes		
Surplus for the year	23,261,893	23,261,893
Total changes	23,261,893	23,261,893
Balance at 29 February 2008	23,261,893	23,261,893

Cash Flow Statement

	Note(s)	29 February 2008 R
Cash Flows From Operating Activities		
Cash generated from operations	6	23,620,994
Cash Flows From Financing Activities		
Movement in NBCRFI loan		(2,526,372)
Net cash from financing activities		(2,526,372)
Total cash movement for the period		21,094,622
Cash at the beginning of the period		-
Total cash at end of the period	3	21,094,622



Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared on the historical cost basis. The following are the principal accounting policies adopted by the fund.

1.1 Financial Instruments

Initial Recognition

The fund 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 funds'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 Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

These are initially and subsequently recorded at fair value.

Notes To The Financial Statements

	2008 R
2. NBCRFI Loan	
NBCRFI	2,526,372
The current account is represented by contributions received by the NBCRFI on behalf of the fund which is unallocated due to pending reconciliation processes.	
3. Cash and Cash Equivalents	
Cash and cash equivalents consist of:	
Bank balances	21,094,622
4. Trade and Other Payables	
Trade payables	359,101

2008
R**5. Taxation**

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

6. Cash Generated From (Used in) Operations

Profit (loss) before taxation	23,261,893
Adjustments For:	
Changes in Working Capital:	
Trade and other payables	359,101
	23,620,994

7. Comparative Figures

No comparative figures has been presented as this the first year that the fund has been in operation.

Detailed Income Statement

	Note(s)	8 Months ended 29 February 2008 R
Other income		
Administration and management fees received		23,982,692
Interest received		19,146
		24,001,838
Operating expenses		
Bank charges		(91)
Consulting and professional fees		(480,710)
Special events		(259,144)
		(739,945)
Operating surplus		23,261,893
Surplus for the year		23,261,893

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