

annual report  
2009



# Report of the Independent Auditors

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

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

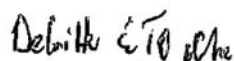
In our opinion, the consolidated financial statements of the National Bargaining Council for the Road Freight Industry for the period ended 28 February 2009 are prepared, in all material respects, in accordance with the accounting policies adopted and in the manner required by the Labour Relation Act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

### Emphasis of matter

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

### Restriction on use

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



Deloitte & Touche

Per: S Dube

Partner

Johannesburg

# Council Members' Responsibilities & Approval

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

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

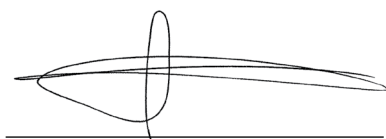
The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the fund sets standards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

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Council members have reviewed the fund's cash flow forecast for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

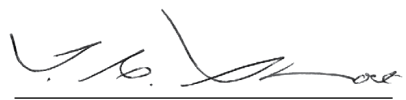
Although the Council members is primarily responsible for the financial affairs of the fund, they are supported by the fund's external auditors.

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

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



**Mr J Letswalo**



**Mr T Short**

# Consolidated Annual Financial Statements

For the year ended 28 February 2009

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

## Income Statement

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

	Revaluation Reserve R	Forfeitures Reserve R	Total Reserves R	Surplus Funds R	Total Funds R
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## Changes in Funds

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

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

# Accounting Policies

## 1. Presentation of Consolidated Annual Financial Statements

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

### 1.1 Property, Plant & Equipment

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

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

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

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

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

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

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

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

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

### 1.2 Financial Instruments

#### Initial Recognition

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

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

#### Loans To (From) Funds

These included loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

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

### **Trade and Other Receivables**

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

### **Trade and Other Payables**

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

### **Cash and Cash Equivalents**

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

These are initially and subsequently recorded at fair value.

### **Held to Maturity and Loans and Receivables**

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

## **1.3 Employee Benefits**

### **Defined Contribution Plans**

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

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

## **1.4 Outstanding Levies**

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



## 2. Property, Plant and Equipment

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

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

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

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

	Opening Balance	Additions	Disposals	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R
<b>Reconciliation of Property, Plant and Equipment - Main Council - 2008</b>						
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
	<b>10,825,922</b>	<b>10,548,120</b>	<b>(361,510)</b>	<b>(3,105,143)</b>	<b>(506,373)</b>	<b>17,401,016</b>

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

## OTHER INFORMATION

### Details of Properties

#### Buildings on 31 and 29 De Korte Street

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

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

## 3. Other Financial Assets

### HELD TO MATURITY

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

These investments bear interest at between 8.45% and

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

### LOANS AND RECEIVABLES

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

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

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

### NON-CURRENT ASSETS

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

## 4. Trade and Other Receivables

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

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

## 5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

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

### HELD AT AMORTISED COST

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

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

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

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

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

	GROUP		MAIN COUNCIL	
	2009	2008	2009	2008
	R	R	R	R

## 8. Taxation

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

## 9. Cash Generated from (used in) Operations

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

## 10. Contingencies

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

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

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

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

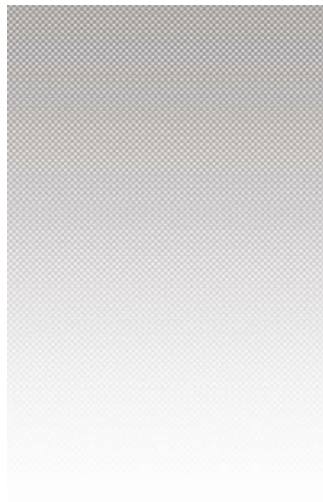
# Detailed Income Statement

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

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

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

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