



**NBCRFI**

National Bargaining Council for the Road Freight Industry

*Your Road Freight Partner.*



# ANNUAL REPORT 2010



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

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# Council Members' Responsibilities & Approval

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

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

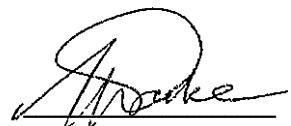
The Council members have reviewed the fund's cash flow forecast for the year to 28 February 2011 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 consolidated annual financial statements. The consolidated annual financial statements have been examined by the fund's external auditors and their report is presented on pages 63. The annual financial statements set out on pages 64 to 78, which have been prepared on the going concern basis, were approved by the Council members on 27 May 2010 and were signed on its behalf by:



Mr. J Letswalo



Mr. J Dube

# Independent Auditor's report to the members of the National Bargaining Council for the Road Freight Industry

We have audited the group annual financial statements and annual financial statements of the National Bargaining Council for the Road Freight Industry, which comprise the consolidated and separate balance sheets as at 28 February 2010, the consolidated and separate income statements, the consolidated and separate statements of changes in funds and consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 65 to 66.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these consolidated and separate 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 and separate 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, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the National Bargaining Council for the Road Freight Industry for the year ended 28 February 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with the accounting policies adopted and in the manner required by the Labour Relation Act of 1995.

## Other matters

Without qualifying our opinion we draw attention to the fact that the supplementary information set out on page 79 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon.

## Restriction on use

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

*Deloitte & Touche*

Deloitte & Touche, Per: S Dube

Partner, Johannesburg 16 July 2010

# Balance Sheet as at 28 February 2010

	NOTES	GROUP		MAIN COUNCIL	
		2010 R	2009 R	2010 R	2009 R
<b>ASSETS</b>					
NON-CURRENT ASSETS		<b>713, 166, 156</b>	<b>640, 982, 281</b>	<b>127, 764, 683</b>	<b>120, 377, 120</b>
Property, plant and equipment	2	30,789,441	27,876,074	30,309,714	27,876,074
Other financial assets	3	682,376,715	613,106,207	97,454,969	92,501,046
<b>CURRENT ASSETS</b>					
		<b>147, 110, 838</b>	<b>92, 761, 075</b>	<b>30, 693, 505</b>	<b>37, 575, 951</b>
Inventories		86,797	140,852	86,797	140,852
Trade and other receivables	4	7,826,259	5,188,391	1,916,474	2,242,187
Cash and cash equivalents	5	139,197,782	87,431,832	28,690,234	35,192,912
<b>Total assets</b>		<b>860, 276, 994</b>	<b>733, 743, 356</b>	<b>158, 458, 188</b>	<b>157, 953, 071</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>		<b>234, 784, 126</b>	<b>166, 709, 989</b>	<b>118, 430, 010</b>	<b>109, 512, 919</b>
Reserves		9,820,258	10,706,678	3,532,393	3,532,393
Surplus Funds		224,963,868	156,003,311	114,897,617	105,980,526
<b>Non Current Liabilities</b>		<b>599, 503, 329</b>	<b>526, 797, 407</b>	-	-
Industry Employees Trust Account		599,503,329	526,797,407	-	-
<b>Current Liabilities</b>		<b>25, 989, 539</b>	<b>40, 235, 960</b>	<b>40, 028, 178</b>	<b>48, 440, 152</b>
Other financial liabilities	6	2,565,714	8,374,981	18,466,350	18,639,872
Trade and other payables	7	23,423,825	31,860,979	21,561,828	29,800,280
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>860, 276, 994</b>	<b>733, 743, 356</b>	<b>158, 458 188</b>	<b>157, 953, 071</b>

# Income Statement for Year Ended 28 February 2010

NOTES	GROUP		MAIN COUNCIL	
	2010 R	2009 R	2010 R	2009 R
Income	160,764,460	60,843,047	91,733,950	104,394,008
Other Income	2,744,544	81,845,812	2,262,072	1,876,281
Operating expenses	(94,548,447)	(80,899,882)	(85,078,931)	(72,224,936)
Operating surplus	68,960,557	61,788,977	8,917,091	34,045,353
Surplus for the year	<b>68,960,557</b>	<b>61,788,977</b>	<b>8,917,091</b>	<b>34,045,353</b>

# Statement of Changes in Funds for Year Ended 28 February 2010

Notes	Revaluation	Forfeitures	Total	Surplus	Total
	reserve R	reserve R	reserves R	Funds R	Funds R
<b>GROUP</b>					
<b>Balance at 01 March 2008</b>	-	<b>7,174,285</b>	<b>7,174,285</b>	<b>94,214,334</b>	<b>101,388,619</b>
Fair value gains, net of tax: Land and buildings	3,532,393	-	3,532,393	-	3,532,393
Net gains/loss recognised directly in equity	3,532,393	-	3,532,393	-	3,532,393
Surplus for the year:	-	-	-	61,788,977	61,788,977
<b>Balance at 01 March 2009</b>	<b>3,532,393</b>	<b>7,174,285</b>	<b>10,706,678</b>	<b>156,003,311</b>	<b>166,709,989</b>
Fair value gains, net of tax: Land and buildings	-	-	-	-	-
Net gains/loss recognised directly in equity	-	-	-	-	-
Surplus for the period	-	-	-	68,960,557	68,960,557
Movement to forfeitures reserve	-	(886,420)	(886,420)	-	(886,420)
<b>Balance at 28 February 2010</b>	<b>3,532,393</b>	<b>6,287,865</b>	<b>9,820,258</b>	<b>224,963,868</b>	<b>234,784,126</b>
<b>MAIN COUNCIL</b>					
<b>Balance at 01 March 2008</b>	-	-	-	<b>71,935,173</b>	<b>71,935,173</b>
Fair value gains, net of tax: Land and buildings	3,532,393	-	3,532,393	-	3,532,393
Net gains/loss recognised directly in equity	3,532,393	-	3,532,393	-	3,532,393
Surplus for the year:	-	-	-	34,045,353	34,045,353
<b>BALANCE AT 01 MARCH 2009</b>	<b>3,532,393</b>	-	<b>3,532,393</b>	<b>105,980,526</b>	<b>109,512,919</b>
Changes	-	-	-	-	-
Fair value gains, net of tax: Land and buildings	-	-	-	-	-
Net gains/loss recognised directly in equity	-	-	-	-	-
Surplus for the period	-	-	-	8,917,091	8,917,091
<b>Balance at 28 February 2010</b>	<b>3,532,393</b>	-	<b>3,532,393</b>	<b>114,897,617</b>	<b>118,430,010</b>

# Statement of Cash Flows for the Year Ended 28 February 2010

	Notes	Group		Main Council	
		2010 R	2009 R	2010 R	2009 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations	A	62,748,437	55,001,724	5,771,748	27,954,896
Transfer of forfeitures		(886,420)	-	-	-
<b>Net cash inflow from operating activities</b>		<b>61,862,017</b>	<b>55,001,724</b>	<b>5,771,748</b>	<b>27,954,896</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(7,824,607)	(11,937,760)	(7,249,367)	(11,937,760)
Proceeds from sale of property, plant and equipment		102,386	2,028,805	102,386	2,028,805
Increase on investment and other financial assets		(69,270,508)	(128,269,839)	(4,953,923)	3,709,746
<b>Net cash outflow from investing activities</b>		<b>(76,992,729)</b>	<b>(138,178,794)</b>	<b>(12,100,904)</b>	<b>(6,199,209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Movement in NBCRFI current accounts with funds		(5,809,260)	(22,917,451)	(173,522)	(3,414,008)
Movement in industry employees trust account		72,705,922	154,705,358		
<b>Net inflow/(outflow) from financing activities</b>		<b>66,896,662</b>	<b>131,787,907</b>	<b>(173,522)</b>	<b>(3,414,008)</b>
Net increase/(decrease) in cash and cash equivalents		51,765,950	48,610,837	(6,502,678)	18,341,679
Cash and cash equivalents at beginning of year		87,431,832	38,820,995	35,192,912	16,851,233
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	B	<b>139,197,782</b>	<b>87,431,832</b>	<b>28,690,234</b>	<b>35,192,912</b>

# Notes to the Statement of Cash Flows for the Year Ended 28 February 2010

	Group		Main Council	
	2010	2009	2010	2009
	R	R	R	R
<b>A. RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH GENERATED FROM OPERATIONS</b>				
Operating surplus	68,960,557	61,788,977	8,917,091	34,045,353
<b>Adjustment for non cash items:</b>	4,808,847	2,966,290	4,713,341	2,966,290
Depreciation and amortisation	4,807,942	3,786,345	4,712,436	3,786,345
Loss on disposal of property, plant and equipment	905	27,094	905	27,094
Impairment losses	-	(847,149)	-	(847,149)
<b>Adjustment for separately disclosable items:</b>				
Interest received	(68,388,445)	(16,709,260)	(11,515,525)	(16,709,260)
Operating cash inflow before working capital changes	5,380,959	48,046,007	2,114,907	20,302,383
Working capital changes	(11,020,967)	(9,753,543)	(7,858,684)	(9,056,747)
Changes in inventories	54,055	(46,914)	54,055	(46,914)
Changes in Trade and other receivables	(2,637,868)	(3,706,287)	325,713	(1,507,527)
Changes in Trade and other payables	(8,437,154)	(6,000,342)	(8,238,452)	(7,502,306)
<b>Cash generated from operations</b>	(5,640,008)	38,292,464	(5,743,776)	11,245,636
Interest received	68,388,445	16,709,260	11,515,525	16,709,260
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>62,748,437</b>	<b>55,001,724</b>	<b>5,771,748</b>	<b>27,954,896</b>
<b>B. CASH AND CASH EQUIVALENTS</b>				
Bank balances	139,197,782	87,431,832	28,690,234	35,192,912
	<b>139,197,782</b>	<b>87,431,832</b>	<b>28,690,234</b>	<b>35,192,912</b>

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 1. Accounting Policies

The consolidated annual financial statements are prepared in accordance with the 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 in accordance with the accounting policies set below.

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

### 1.1 Property, plant and equipment

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

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

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

Any increase in an asset's carrying amount, as a result of a revaluation is credited directly to equity in the revaluation reserve.

The increase is recognised in the profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss.

Any decrease in an asset's carrying amount, as result of a revaluation, is recognised in the profit or loss in the current period.

The decrease is debited directly to equity in the revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

The useful lives applied are as follows:

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

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

### 1.2 Financial Instruments

#### Initial Recognition

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

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

#### Loans

Loans are recognised initially at fair value plus direct transaction costs. Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

# Notes to the Consolidated Financial Statements as at 28 February 2010 (Cont)

## Trade and Other Receivables

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

## Trade and Other Payables

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

## Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are

subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

## Held to Maturity and Loans and Receivables

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

## 1.3 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 Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment

GROUP	2010		2009			
	Cost/ Valuation	Accumulated Depreciation	Carrying Amount	Cost/ Valuation	Accumulated Depreciation	
	R	R	R	R	R	
Land and Buildings	18,647,019	-	18,647,019	17,300,000	-	17,300,000
Furniture & fittings	9,361,211	(3,517,676)	5,843,535	7,289,350	(2,225,141)	5,064,209
Motor vehicles	5,690,343	(4,862,756)	827,586	5,110,559	(4,556,695)	553,864
Office Equipment	2,169,873	(669,941)	1,499,932	1,406,111	(299,878)	1,106,233
IT Equipment	5,482,216	(3,440,099)	2,042,117	4,497,781	(1,941,435)	2,556,346
Computer Software	4,518,568	(2,710,272)	1,808,296	2,735,205	(1,439,783)	1,295,422
Containers	134,395	(13,439)	120,955	-	-	-
	<b>46,003,624</b>	<b>(15,214,184)</b>	<b>30,789,441</b>	<b>38,339,006</b>	<b>(10,462,932)</b>	<b>27,876,074</b>
MAIN COUNCIL	2010		2009			
	Cost/ Valuation	Accumulated Depreciation	Carrying Amount	Cost/ Valuation	Accumulated Depreciation	
	R	R	R	R	R	
Land and Buildings	18,647,019	-	18,647,019	17,300,000	-	17,300,000
Furniture & fittings	9,361,212	(3,517,676)	5,843,536	7,289,350	(2,225,141)	5,064,209
Motor vehicles	1,279,366	(810,552)	468,814	5,110,559	(4,556,695)	553,864
Office Equipment	2,169,873	(669,941)	1,499,932	1,406,111	(299,878)	1,106,233
IT Equipment	5,482,216	(3,440,098)	2,042,117	4,497,781	(1,941,435)	2,556,346
Computer Software	4,518,567	(2,710,272)	1,808,295	2,735,205	(1,439,783)	1,295,422
	<b>41,458,252</b>	<b>(11,148,539)</b>	<b>30,309,714</b>	<b>38,339,006</b>	<b>(10,462,932)</b>	<b>27,876,074</b>

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment(Cont)

### Reconciliation of Property, Plant and Equipment

GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 February 2010	R	R	R	R	R	R	R	R
<b>Opening carrying amount</b>	<b>17,300,000</b>	<b>5,064,209</b>	<b>553,864</b>	<b>1,106,232</b>	<b>2,556,347</b>	<b>1,295,422</b>	<b>-</b>	<b>27,876,074</b>
Cost	17,300,000	7,289,350	5,110,559	1,406,110	4,442,622	2,733,675	-	38,282,316
Accumulated depreciation	-	(2,225,141)	(4,556,695)	(299,878)	(1,886,275)	(1,438,253)	-	(10,406,242)
Additions	1,347,019	2,073,279	673,775	764,257	1,046,992	1,784,893	134,395	7,824,610
Disposals	-	(1,418)	(93,991)	(494)	(7,398)	-	-	(103,301)
Current depreciation	-	(1,292,535)	(306,061)	(370,063)	(1,553,824)	(1,272,019)	(13,439)	(4,807,942)
<b>Closing carrying amount</b>	<b>18,647,019</b>	<b>5,843,535</b>	<b>827,586</b>	<b>1,499,932</b>	<b>2,042,117</b>	<b>1,808,296</b>	<b>120,955</b>	<b>30,789,441</b>
Cost	18,647,019	9,361,211	5,690,343	2,169,873	5,482,216	4,518,568	134,395	46,003,624
Accumulated depreciation	-	(3,517,676)	(4,862,756)	(669,941)	(3,440,099)	(2,710,272)	(13,439)	(15,214,184)

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment(Cont)

### Reconciliation of Property, Plant and Equipment (Cont)

GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 February 2009	R	R	R	R	R	R	R	R
<b>Opening carrying amount</b>	<b>8,020,189</b>	<b>2,574,242</b>	<b>3,201,249</b>	<b>600,872</b>	<b>1,637,422</b>	<b>1,367,042</b>	<b>-</b>	<b>17,401,016</b>
Cost	8,020,189	3,730,612	7,134,162	694,149	2,404,703	2,093,788	-	<b>24,077,603</b>
Accumulated depreciation	-	(1,156,370)	(3,932,913)	(93,277)	(767,281)	(726,746)	-	<b>(6,676,587)</b>
Additions	4,900,269	3,558,738	30,000	711,962	2,095,373	641,417	-	<b>11,937,759</b>
Disposals	-	-	(2,053,603)	-	(2,295)	-	-	<b>(2,055,898)</b>
Current depreciation	-	(1,068,771)	(623,782)	(206,601)	(1,174,154)	(713,037)	-	<b>(3,786,345)</b>
Reversal of Impairment Loss	847,149	-	-	-	-	-	-	<b>847,149</b>
Revaluation	3,532,393	-	-	-	-	-	-	<b>3,532,393</b>
<b>Closing carrying amount</b>	<b>17,300,000</b>	<b>5,064,209</b>	<b>553,864</b>	<b>1,106,233</b>	<b>2,556,346</b>	<b>1,295,422</b>	<b>-</b>	<b>27,876,074</b>
Cost	17,300,000	7,289,350	5,110,559	1,406,111	4,497,781	2,735,205	-	<b>38,339,006</b>
Accumulated depreciation	-	(2,225,141)	(4,556,695)	(299,878)	(1,941,435)	(1,439,783)	-	<b>(10,462,932)</b>

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment(Cont)

### Reconciliation of Property, Plant and Equipment

Main Council	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 February 2010	R	R	R	R	R	R	R	R
Main Council								
<b>Opening carrying amount</b>								
	<b>17,300,000</b>	<b>5,064,209</b>	<b>553,864</b>	<b>1,106,232</b>	<b>2,556,347</b>	<b>1,295,422</b>	<b>-</b>	<b>27,876,074</b>
Cost	17,300,000	7,289,350	5,110,559	1,406,110	4,442,622	2,733,675	-	38,339,006
Accumulated depreciation	-	(2,225,141)	(4,556,695)	(299,878)	(1,886,275)	(1,438,253)	-	(10,462,932)
Additions	1,347,019	2,073,279	232,936	764,257	1,046,992	1,784,893	-	7,249,374
Disposals	-	(1,418)	(93,991)	(494)	(7,398)	-	-	(103,301)
Current depreciation	-	(1,292,535)	(223,995)	(370,063)	(1,553,824)	(1,272,019)	-	(4,712,436)
<b>Closing carrying amount</b>								
	<b>18,647,019</b>	<b>5,843,535</b>	<b>468,814</b>	<b>1,499,932</b>	<b>2,042,117</b>	<b>1,808,296</b>	<b>-</b>	<b>30,309,714</b>
Cost	18,647,019	9,361,211	1,279,366	2,169,873	5,482,216	4,518,568	-	41,458,252
Accumulated depreciation	-	(3,517,676)	(810,552)	(669,941)	(3,440,099)	(2,710,272)	-	(11,148,539)

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment(Cont)

### Reconciliation of Property, Plant and Equipment (Cont)

Main Council	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 February 2009	R	R	R	R	R	R	R	R
Main Council								
<b>Opening carrying amount</b>								
8,020,189	2,574,242	3,201,249	600,872	1,637,422	1,367,042	-	17,401,016	
Cost	8,020,189	3,730,612	7,134,162	694,149	2,404,703	2,093,788	-	24,077,603
Accumulated depreciation	-	(1,156,370)	(3,932,913)	(93,277)	(767,281)	(726,746)	-	(6,676,587)
Additions	4,900,269	3,558,738	30,000	711,962	2,095,373	641,417	-	11,937,759
Disposals	-	-	(2,053,603)	-	(2,295)	-	-	(2,055,898)
Current depreciation	-	(1,068,771)	(623,782)	(206,601)	(1,174,154)	(713,037)	-	(3,786,345)
Reversal of Impairment Loss	847,149	-	-	-	-	-	-	847,149
Revaluation	3,532,393	-	-	-	-	-	-	3,532,393
<b>Closing carrying amount</b>								
17,300,000	5,064,209	553,864	1,106,233	2,556,346	1,295,422	-	27,876,074	
Cost	17,300,000	7,289,350	5,110,559	1,406,111	4,497,781	2,735,205	-	38,339,006
Accumulated depreciation	-	(2,225,141)	(4,556,695)	(299,878)	(1,941,435)	(1,439,783)	-	(10,462,932)

# Notes to the Consolidated Financial Statements as at 28 February 2010

## 2. Property, Plant and Equipment(Cont)

### Reconciliation of Property, Plant and Equipment (Cont)

	Group		Main Council	
	2010 R	2009 R	2010 R	2009 R
<b>Other information</b>				
<b>Details of properties</b>				
Land and buildings consist of office blocks situated on Erf 2914 - 29 De Korte Street, Braamfontein, 2017 and Erf 2915 - 31 De Korte Street, Braamfontein, 2017. The property is measuring 496 square meters with office building erected thereon.				
- Balance at beginning of period	17,300,000	12,920,458	17,300,000	12,920,458
- Reversal of previous impairment (I/S)	-	847,149	-	847,149
- Revaluation Surplus	-	3,532,393	-	3,532,393
- Improvements	1,347,019	-	1,347,019	-
<b>Total Land and Buildings</b>	<b>18,647,019</b>	<b>17,300,000</b>	<b>18,647,019</b>	<b>17,300,000</b>

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

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

The effective date of revaluation was 28 February 2009.

As at 28 February 2010, Council had entered into an agreement to purchase land and buildings in Cape Town. The purchase price of the land and building is estimated at R6, 037, 162.00. The agreement is expected to be complete by the end of May 2010.

# Notes to the Consolidated Financial Statements as at 28 February 2010

	Group		Main Council	
	2010	2009	2010	2009
	R	R	R	R
<b>3. Other Financial Assets</b>				
<b>Held to Maturity</b>				
Fixed deposit and money market funds	684,552,976	611,358,188	92,760,058	85,975,058
The investments are held at a variety of financial institutions. These investments bear interest at between 7.90% and 8.72% (2009:9.25% and 10.5%) per annum.				
<b>Loans and Receivables</b>				
Aids Fund	-	-	6,871,172	4,777,969
Provident Fund	(2,176,261)	1,748,019	(2,176,261)	1,748,019
The current account is represented by contributions received by the NBCRFI on behalf of the fund which is unallocated due to pending reconciliation processes.				
<b>Total other financial assets</b>	<b>682,376,715</b>	<b>613,106,207</b>	<b>97,454,969</b>	<b>92,501,046</b>
<b>4. Trade and other Receivables</b>				
Sundry Debtors	2,007,696	3,257,786	486,747	893,089
Deposits	63,026	63,026	63,026	63,026
Accrued Interest	4,999,876	674,128	611,039	103,288
Aids Sida Fund	755,661	1,182,784	755,661	1,182,784
VAT	-	10,667	-	-
	<b>7,826,259</b>	<b>5,188,391</b>	<b>1,916,474</b>	<b>2,242,187</b>

# Notes to the Consolidated Financial Statements as at 28 February 2010

	GROUP		MAIN COUNCIL	
	2010 R	2009 R	2010 R	2009 R
<b>5. Cash and Cash Equivalents</b>				
CASH AND CASH EQUIVALENTS CONSIST OF:				
BANK BALANCES				
	<b>139,197,782</b>	<b>87,431,832</b>	<b>28,690,234</b>	<b>35,192,912</b>
<b>6. Other Financial Liabilities</b>				
HELD AT AMORTISED COST				
OTHER FINANCIAL LIABILITIES	(3,009,566)	(898,812)	-	-
HOLIDAY PAY BONUS FUND	-	-	11,254,822	3,923,692
LEAVE PAY FUND	-	-	(3,665,990)	3,142,081
SICK FUND	-	-	3,561,199	1,990,755
PROVIDENT FUND	968,700	904,811	968,700	904,811
UNALLOCATED FUNDS RECEIVED	4,606,580	8,368,982	4,606,580	8,368,982
WELLNESS FUND	-	-	1,741,039	309,551
	<b>2,565,714</b>	<b>8,374,981</b>	<b>18,466,350</b>	<b>18,639,872</b>
<b>7. Trade and other Payables</b>				
TRADE PAYABLES	17,879,706	9,645,948	16,017,709	7,607,127
OUTSTANDING CHEQUES	-	8,082,926	-	8,082,926
VAT	1,860,536	284,920	1,860,536	284,920
OTHER PAYABLES	-	21,878	-	-
TRUST ACCOUNT	2,069,781	1,825,542	2,069,781	1,825,542
REFUNDS DUE	1,613,802	11,999,765	1,613,802	11,999,765
	<b>23,423,825</b>	<b>31,860,979</b>	<b>21,561,828</b>	<b>29,800,280</b>
<b>8. Taxation</b>				
No provision has been made for taxation as the Fund is currently exempt from income tax.				

# Detailed Consolidated Income Statement Year Ended 28 February 2010

NOTES	Group		Main Council	
	2010 R	2009 R	2010 R	2009 R
<b>Revenue</b>				
Levies Received	34,797,684	32,650,366	34,797,684	32,650,366
Wellness fund contributions	57,317,326	24,353,706	-	-
Interest Received	68,388,445	76,630,849	11,515,525	16,709,260
Admin Fees Received	261,005	3,748,624	45,420,741	55,034,382
	<b>160,764,460</b>	<b>137,383,545</b>	<b>91,733,950.25</b>	<b>104,394,008</b>
<b>Other Income</b>				
Sponsorship	482,471	690,000	-	-
Sundry Income	2,262,072	4,615,314	2,262,072	1,876,281
	<b>2,744,544</b>	<b>5,305,314</b>	<b>2,262,072.21</b>	<b>1,876,281</b>
<b>Operating expenses</b>				
Administration and Management fees	-	(348,032)	-	-
Advertising	(2,715,348)	(1,913,604)	(1,800,074)	(1,913,604)
Arbitration Expenses	(9,046,891)	(7,244,476)	(9,046,891)	(7,244,476)
Attendance fees	(2,135,258)	(1,771,106)	(2,135,258)	(1,771,106)
Auditor's remuneration	(261,000)	(357,383)	(261,000)	(317,597)
Bank charges	(532,748)	(538,171)	(527,436)	(532,668)
Bursary expense	(208,758)	(329,110)	(208,758)	(329,110)
Complex agreement	(102,130)	(200,281)	(102,130)	(200,281)
Consulting and Professional fees	(3,089,958)	(3,544,844)	(2,537,115)	(2,926,376)
Depreciation, amortisation and impairments	(4,807,942)	(2,939,196)	(4,712,436)	(2,939,196)
Employee costs	(44,226,247)	(36,976,893)	(44,226,247)	(37,173,536)
Equipment hire	(970,850)	(842,916)	(970,850)	(842,916)
Extension expenses	(460,311)	(533,603)	(460,311)	(533,603)
Insurance	(686,759)	(816,789)	(686,759)	(816,789)
Loss on disposal of assets	(905)	(27,094)	(905)	(27,094)
Legal expenses	(83,536)	(198,472)	-	-
Lease rentals on operating lease	(2,162,648)	(1,618,867)	(2,162,648)	(1,618,867)

# Detailed Consolidated Income Statement Year Ended 28 February 2010 (Cont)

NOTES	Group		Main Council	
	2010 R	2009 R	2010 R	2009 R
Medical expenses	(540,726)	(12,193)	-	-
Maternity expenses	(29,003)	(21,862)	-	-
Motor vehicle expenses	(578,689)	(1,149,758)	(578,689)	(1,149,758)
Non- reclaimable VAT	(6,322,493)	(7,180,576)	-	-
Postage	(707,377)	(428,713)	(707,377)	(415,467)
Printing and stationery	(1,368,994)	(1,313,288)	(1,192,335)	(1,313,288)
Recruitment fees	(390,889)	(203,140)	(390,889)	(203,140)
Repairs and maintenance	(4,671,708)	(4,677,423)	(4,671,708)	(4,677,423)
Security	(746,330)	(466,390)	(746,330)	(466,390)
Seminars	(629,169)	(801,708)	(629,169)	(801,708)
Staff Welfare	(1,329,490)	(556,075)	(1,329,490)	(556,075)
Telephone and fax	(1,814,302)	(1,727,404)	(1,814,302)	(1,727,404)
Training	(772,373)	(386,107)	(772,373)	(386,107)
Travel - local	(978,372)	(1,402,852)	(830,701)	(969,401)
Utilities	(935,834)	(371,556)	(935,834)	(371,556)
Penalties and interest	(640,916)	-	(640,916)	-
Programme promotional costs	(64,727)	-	-	-
Special events	(535,764)	-	-	-
	(94,548,447)	(80,899,882)	(85,078,931)	(72,224,936)
Operating Surplus/(Loss)	68,960,557	61,788,977	8,917,091	34,045,353
<b>Surplus for the period</b>	<b>68,960,557</b>	<b>61,788,977</b>	<b>8,917,091</b>	<b>34,045,353</b>