



NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.

ANNUAL REPORT **2013**

FINANCIALS

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

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

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 Council 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 Council and place considerable priority on maintaining a strong control environment. To enable management 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot

be fully eliminated, the Council endeavour's 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 Council's cash flow forecast for the year to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

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

The external auditors are responsible for independently auditing and reporting on the Council's consolidated financial statements. The consolidated annual financial statements have been examined by the Council's external auditors and the report is presented on page 59.

King III Corporate Governance

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

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

Approval

The annual financial statements set out on pages 60 to 73, which have been prepared on the going concern basis, were approved by the Council members on 28 June 2013 and were signed on its behalf by:



Tersia Ströh
Acting National Secretary of the NBCRFLI



Dave Behrens
Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY

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

- The consolidated and separate statements of net assets for the period ended 28 February 2013;
- The consolidated and separate statements of comprehensive income for period ended 28 February 2013;
- The consolidated and separate statements of changes in funds for the period ended 28 February 2013;
- The consolidated and separate statements of cash flows for the period ended 28 February 2013;
- A summary of significant accounting policies and other explanatory notes, as set on pages 60 to 73.

Management's Responsibility for the Financial Statements

The council is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with basis of accounting set out in pages 65 and 66, and in manner required by the Labour Relations Act of 1995 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on

Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying Group and Council annual financial statements of the National Bargaining Council for the Road Freight and Logistics Industry have been prepared

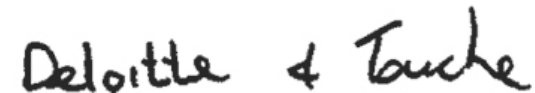
in all material respects, in accordance with the basis of accounting as set out in Note I of the financial statements, and in a manner required by the provisions of its constitution relating to financial matters and Section 53(2) (b) of the Labour Relations Act.

Emphasis of matter- Supporting Schedules

Without qualifying our opinion we draw attention to the fact that the supplementary information set out on page 74 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon.

Restriction on use

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



Deloitte & Touche
Registered Auditors
Per D Munu
Partner
28 June 2013

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY CONSOLIDATED STATEMENT OF NET ASSETS FOR THE PERIOD ENDED 28 FEBRUARY 2013

		GROUP		MAIN COUNCIL	
Figures in Rands	Notes	2013	2012	2013	2012
ASSETS					
Non Current Assets		1,231,467,226	1,119,035,969	161,394,916	152,522,960
Property, plant and equipment	2	38,041,953	40,450,824	37,879,664	40,131,597
Other financial assets	3	1,193,425,273	1,078,585,145	123,515,252	112,391,363
Current Assets		44 672 646	51,934,853	25,263,317	30,890,400
Inventories		88,802	68,027	88,802	68,027
Trade and other receivables	4	4,368,460	4,925,734	5,446,883	4,925,734
Cash and cash equivalents		40,215,384	46,941,092	19,727,633	25,896,639
Total assets		1,276,139,872	1,170,970,822	186,658,233	183,413,360
EQUITY AND LIABILITIES					
Equity		202,612,135	284,406,560	138,085,243	139,553,653
Reserves		50,154,833	50,154,833	7,494,136	7,494,136
Surplus funds		152,457,302	234,251,727	130,591,107	132,059,517
Non Current Liabilities		1,031,229,904	832,959,786	–	–
Industry employees trust account		1,031,229,904	832,959,786	–	–
Current Liabilities		42,297,833	53,604,476	48,572,990	43,859,707
Other financial liabilities	5	5,712,428	4,952,181	13,638,333	(4,581,700)
Trade and other payables	6	36,585,405	48,652,295	34,934,657	48,441,407
Total equity and liabilities		1,276,139,872	1,170,970,822	186,658,234	183,413,360

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
CONSOLIDATED STATEMENT OF NET ASSETS FOR THE PERIOD ENDED 28 FEBRUARY 2013

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Income	243,051,509	208,381,734	133,264,741	118,109,111
Other Income	7,174,750	6,763,171	4,421,993	6,533,197
Operating expenses	(332,020,684)	(273,346,306)	(127,896,807)	(111,883,494)
Operating surplus/(deficit)	(81,794,425)	(58,201,401)	9,789,927	12,758,814
Surplus/(Deficit) for the year	(81,794,425)	(58,201,401)	9,789,927	12,758,814
Other comprehensive income:				
Shortfall in staff pension fund	—	(13,408,596)	—	(13,408,596)
Gain on revaluation of properties	—	3,961,743	—	3,961,743
Total comprehensive income for the period	(81,794,425)	(67,648,254)	9,789,927	3,311,961

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE PERIOD ENDED 28 FEBRUARY 2013

GROUP

Figures in Rands	Notes	Revaluation Reserve	Forfeitures Reserve	Total Reserves	Surplus Funds	Total Funds
Balance at 01 March 2011		3,532,393	9,699,744	13,232,137	306,435,846	319,667,983
(Deficit)/Surplus for the period		–	–	–	(58,201,401)	(58,201,401)
Other comprehensive income		3,961,743	–	3,961,743	(13,408,596)	(9,446,853)
Total comprehensive income for the period		3,961,743	–	3,961,743	(71,609,997)	(67,648,254)
(Deficit)/Surplus for the period to 28 February 2011 - AIDS SIDA		–	–	–	(574,122)	(574,122)
Movement to forfeitures reserve		–	32,960,953	32,960,953	–	32,960,953
Balance at 01 March 2012		7,494,136	42,660,697	50,154,833	234,251,727	284,406,560
(Deficit)/Surplus for the period		–	–	–	(81,794,425)	(81,794,425)
Other comprehensive income		–	–	–	–	–
Total comprehensive income for the period		–	–	–	(81,794,425)	(81,794,425)
Movement to forfeitures reserve		–	–	–	–	–
Balance at 28 February 2013		7,494,136	42,660,697	50,154,833	152,457,302	202,612,135

MAIN COUNCIL

Balance at 01 March 2011	3,532,393	–	3,532,393	132,709,299	136,241,692
(Deficit)/Surplus for the period	–	–	–	12,758,813	12,758,813
Other comprehensive income	3,961,743	–	3,961,743	(13,408,595)	(9,446,852)
Total comprehensive income for the period	3,961,743	–	3,961,743	(649,782)	3,311,961
Balance at 01 March 2012	7,494,136	–	7,494,136	132,059,517	139,553,652
(Deficit)/Surplus for the period	–	–	–	9,789,927	9,789,927
Adjustments: Irrecoverable salaries paid iro Wellness staff	–	–	–	(11,258,338)	(11,258,338)
Total comprehensive income for the period	–	–	–	(1,468,411)	(1,468,411)
Balance at 28 February 2013	7,494,136	–	7,494,136	130,591,106	138,085,242

**THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28 FEBRUARY 2013**

		GROUP		MAIN COUNCIL	
Figures in Rands	Notes	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	A	(86,837,997)	(24,072,803)	(9,181,348)	39,940,704
Transfer of forfeitures/Increase in reserves		—	32,960,953	—	—
Shortfall in staff pension fund		—	(13,408,596)	—	(13,408,596)
(Deficit)/Surplus for the period to 28 February 2013 - SIDA		—	(574,122)	—	—
Net cash (outflow)/Inflow from operating activities		(86,837,997)	(5,094,568)	(9,181,348)	26,532,108
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(4,085,996)	(4,197,967)	(4,085,996)	(4,073,532)
Proceeds from sale of property, plant and equipment		8,049	47,342	2,193	47,342
Increase in other financial assets		(114,840,128)	(249,915,529)	(11,123,889)	2,706,288
Net cash outflow from investing activities		(118,918,076)	(254,066,153)	(15,207,691)	(1,319,902)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/Increase in other financial liabilities		760,247	(1,121,875)	18,220,033	(34,919,679)
Increase in industry employees trust account		198,270,118	138,034,847	—	—
Net inflow/(outflow) from financing activities		199,030,365	136,912,972	18,220,033	(34,919,679)
Net increase/(decrease) in cash and cash equivalents		(6,725,708)	(122,247,750)	(6,169,006)	(9,707,472)
Cash and cash equivalents at beginning of year		46,941,092	169,188,841	25,896,639	35,604,111
CASH AND CASH EQUIVALENTS AT END OF YEAR	B	40,215,384	46,941,092	19,727,633	25,896,639

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28 FEBRUARY 2013

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
A. RECONCILIATION OF OPERATING INCOME(LOSS) TO CASH GENERATED FROM OPERATIONS				
Operating (deficit)/surplus	(81,794,425)	(58,201,401)	9,789,927	12,758,814
Adjustment for non cash items:	6,486,819	7,005,052	6,335,736	6,835,163
Depreciation and amortisation	6,491,354	6,908,398	6,337,929	6,738,509
(Gain)/Loss on disposal of property, plant and equipment	(4,535)	96,654	(2,193)	96,654
Adjustment for separately disclosable items:				
Interest received	(81,138,011)	(75,084,176)	(11,552,429)	(13,006,595)
Operating cash inflow before working capital changes	(156,445,617)	(126,280,525)	4,573,234	6,587,382
Adjustments through surplus funds: Irrecoverable salaries paid iro Wellness staff	—	—	(11,258,337)	—
Working capital changes	(11,530,391)	27,123,546	(14,048,674)	20,346,728
Changes in inventories	(20,774)	81,403	(20,774)	81,403
Changes in trade and other receivables	557,273	5,755,765	(521,149)	(2,304,736)
	(12,066,890)	21,286,378	(13,506,751)	22,570,061
Cash generated from operations	(167,976,008)	(99,156,979)	(20,733,776)	26,934,110
Interest received	81,138,011	75,084,176	11,552,429	13,006,595
CASH GENERATED FROM OPERATING ACTIVITIES	(86,837,997)	(24,072,803)	(9,181,347)	39,940,704
B. CASH AND CASH EQUIVALENTS				
Bank balances	40,215,384	46,941,092	19,727,633	25,896,639
	40,215,384	46,941,092	19,727,633	25,896,639

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

REPORTING ENTITY

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

The consolidated annual financial statements of the **NBCRFLI** for the period ended 28 February 2013 comprise the Main Council and its subsidiary funds (Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund) and the organization's interest in the Wellness Fund.

1. ACCOUNTING POLICIES

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

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

1.1 Basis of consolidation

The consolidated financial statements incorporate financial statements of the Main Council, its subsidiary funds and interests in the Wellness fund for the period ended 28 February 2013. The financial statements are consolidated on the basis that the Main Council has control over the subsidiary funds and Wellness entities. Control exists when the Main Council has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

1.2 Property, plant and equipment

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

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

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

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

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

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

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

The useful lives applied are as follows:

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

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

1.3 Financial Instruments



THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

Initial Recognition

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

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

Loans

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

Trade and Other Receivables

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

Trade and Other Payables

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

Cash and Cash Equivalents

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

Held to Maturity and Loans and Receivables

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

1.4 Revenue

Revenue is recognised on both the accrual and cash basis.

Levies

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

Administration fees

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

1.5 Employee Benefits

Defined Contribution Plans

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

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

1.6 Outstanding Levies

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

1.7 Interest Income

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

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	2013			2012		
Figures in Rands	Cost/Valuation	Accumulated Depreciation	Carrying Amount	Cost/Valuation	Accumulated Depreciation	Carrying Amount
Land and Buildings	29,600,000	–	29,600,000	29,600,000	–	29,600,000
Furniture & fittings	10,556,289	(8,514,612)	2,041,677	9,729,541	(6,870,302)	2,859,239
Motor vehicles	2,752,639	(1,973,490)	779,149	2,876,999	(1,756,686)	1,120,313
Office Equipment	2,824,218	(2,195,349)	628,869	2,803,412	(1,724,188)	1,079,224
IT Equipment	7,598,396	(6,099,494)	1,498,902	6,054,312	(5,364,073)	690,239
Computer Software	15,451,105	(12,003,853)	3,447,252	13,757,857	(8,750,977)	5,006,880
Containers	572,384	(526,280)	46,104	572,384	(477,455)	94,929
	69,355,031	(31,313,078)	38,041,953	65,394,505	(24,943,681)	40,450,824

MAIN COUNCIL	2013			2012		
Figures in Rands	Cost/Valuation	Accumulated Depreciation	Carrying Amount	Cost/Valuation	Accumulated Depreciation	Carrying Amount
Land and Buildings	29,600,000	–	29,600,000	29,600,000	–	29,600,000
Furniture & fittings	10,518,574	(8,476,896)	2,041,678	9,691,826	(6,832,587)	2,859,239
Motor vehicles	1,547,908	(884,733)	663,175	1,546,798	(650,221)	896,577
Office Equipment	2,745,118	(2,116,460)	628,658	2,724,312	(1,645,650)	1,078,662
IT Equipment	7,404,994	(5,906,092)	1,498,902	5,860,910	(5,170,671)	690,239
Computer Software	15,186,305	(11,739,053)	3,447,252	13,493,057	(8,486,177)	5,006,880
	67,002,899	(29,123,235)	37,879,664	62,916,903	(22,785,306)	40,131,597

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

2. PROPERTY, PLANT AND EQUIPMENT (continued) – RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

GROUP

28 February 2013	Land & Buildings	Furniture & fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
Opening carry amount	29,600,000	2,859,239	1,120,313	1,079,224	690,239	5,006,880	94,929	40,450,824
Cost	29,600,000	9,729,541	2,876,999	2,803,412	6,054,312	13,757,857	572,384	65,394,505
Accumulated depreciation	—	(6,870,302)	(1,756,686)	(1,724,188)	(5,364,073)	(8,750,977)	(477,455)	(24,943,681)
Additions from AIDS SIDA at net book value	—	—	—	—	—	—	—	—
Additions	—	826,748	1,110	20,806	1,544,084	1,693,248	—	4,085,996
Revaluations through equity	—	—	—	—	—	—	—	—
Disposals at net book value	—	—	(3,513)	—	—	—	—	(3,513)
Current depreciation	—	(1,644,310)	(338,761)	(471,161)	(735,421)	(3,252,876)	(48,825)	(6,491,354)
Closing carrying amount	29,600,000	2,041,677	779,149	628,869	1,498,902	3,447,252	46,104	38,041,953
Cost	29,600,000	10,556,289	2,752,639	2,824,218	7,598,396	15,451,105	572,384	69,355,031
Accumulated depreciation	—	(8,514,612)	(1,973,490)	(2,195,349)	(6,099,494)	(12,003,853)	(526,280)	(31,313,078)

GROUP

29 February 2012	Land & Buildings	Furniture & fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
Opening carry amount	25,114,799	4,360,887	597,389	1,274,468	1,437,841	6,464,049	94,077	39,343,510
Cost	25,114,799	9,526,703	5,690,343	2,395,465	5,654,345	11,604,093	134,395	60,120,143
Accumulated depreciation	—	(5,165,816)	(5,092,954)	(1,120,997)	(4,216,504)	(5,140,044)	(40,318)	(20,776,633)
Additions from AIDS SIDA at net book value	—	—	61,468	4,529	—	—	58,436	124,434
Additions	523,458	234,077	905,516	328,848	206,565	1,888,965	—	4,087,428
Revaluations through equity	3,961,743	—	—	—	—	—	—	3,961,743
Disposals at net book value	—	—	(13,886)	—	—	—	—	(13,886)
Current depreciation	—	(1,735,725)	(430,175)	(528,621)	(954,167)	(3,346,133)	(57,584)	(7,052,405)
Closing carrying amount	29,600,000	2,859,239	1,120,313	1,079,224	690,239	5,006,880	94,929	40,450,824
Cost	29,600,000	9,729,541	2,876,999	2,803,412	6,054,312	13,757,857	572,384	65,394,505
Accumulated depreciation	—	(6,870,302)	(1,756,686)	(1,724,188)	(5,364,073)	(8,750,977)	(477,455)	(24,943,681)

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

2. PROPERTY, PLANT AND EQUIPMENT (continued) – RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

MAIN COUNCIL

28 February 2013	Land & Buildings	Furniture & fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	TOTAL
Opening carry amount	29,600,000	2,859,239	896,577	1,078,662	690,239	5,006,880	40,131,597
Cost	29,600,000	9,691,826	1,546,798	2,724,312	5,860,910	13,493,057	62,916,903
Accumulated depreciation	–	(6,832,587)	(650,221)	(1,645,650)	(5,170,671)	(8,486,177)	(22,785,306)
Additions	–	826,748	1,110	20,806	1,544,084	1,693,248	4,085,996
Revaluations through equity	–	–	–	–	–	–	–
Disposals at net book value	–	–	–	–	–	–	–
Current depreciation	–	(1,644,310)	(234,512)	(470,810)	(735,421)	(3,252,876)	(6,337,929)
Closing carrying amount	29,600,000	2,041,677	663,175	628,658	1,498,902	3,447,252	37,879,664
Cost	29,600,000	10,518,574	1,547,908	2,745,118	7,404,994	15,186,305	67,002,899
Accumulated depreciation	–	(8,476,897)	(884,733)	(2,116,460)	(5,906,092)	(11,739,053)	(29,123,236)

MAIN COUNCIL

29 February 2012	Land & Buildings	Furniture & fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	TOTAL
Opening carry amount	25,114,799	4,360,887	326,783	1,274,468	1,437,841	6,464,048	38,978,826
Cost	25,114,799	9,526,703	1,072,351	2,395,465	5,654,345	11,604,092	55,367,755
Accumulated depreciation	–	(5,165,816)	(745,568)	(1,120,997)	(4,216,504)	(5,140,044)	(16,388,929)
Additions	523,458	234,076	905,517	328,847	206,565	1,888,966	4,087,429
Revaluations through equity	3,961,743	–	–	–	–	–	3,961,743
Disposals at net book value	–	–	(13,886)	–	–	–	(13,886)
Current depreciation	–	(1,735,725)	(321,837)	(524,653)	(954,167)	(3,346,133)	(6,882,515)
Closing carrying amount	29,600,000	2,859,239	896,577	1,078,662	690,239	5,006,880	40,131,597
Cost	29,600,000	9,691,826	1,546,798	2,724,312	5,860,910	13,493,057	62,916,903
Accumulated depreciation	–	(6,832,587)	(650,221)	(1,645,650)	(5,170,671)	(8,486,177)	(22,785,306)

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

2. PROPERTY, PLANT AND EQUIPMENT (continued) – OTHER INFORMATION

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Details of properties				
Erf 2915 Johannesburg measuring 496 square meters with office building erected thereon				
Erf 2914 Johannesburg portion 2				
Erf 7498 Parow 141 Voortrekker Road Parow				
- Balance at beginning of period	29,600,000	25,114,799	29,600,000	25,114,799
- Improvements	–	523,458	–	523,458
Total land and buildings before revaluation	29,600,000	25,638,257	29,600,000	25,638,257
Revaluation of land and buildings	–	3,961,743	–	3,961,743
Total land and buildings after revaluation	29,600,000	29,600,000	29,600,000	29,600,000

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

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

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

LOCATION OF PROPERTY	Revaluation 29 February 2012	Revaluation 28 February 2009
Erf 2915 Johannesburg, 31 De Korte Street, Braamfontein	13,200,000	10,300,000
Erf 2914 Johannesburg, 29 De Korte Street, Braamfontein	9,500,000	7,000,000
Erf 7498 Parow, 141 Voortrekker Road, Parow (Purchased 21 June 2010)	6,900,000	–
Total value as per revaluation report	29,600,000	17,300,000

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

3. OTHER FINANCIAL ASSETS

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Held to Maturity				
Fixed deposit and money market funds				
The investments are held at a variety of financial institutions.				
These investments bear interest at between 5.89% and 6.42% from the Momentum Yield Fund (2012: 5.20% and 7.00%) per annum.	1,192,753,374	1,082,919,347	122,733,186	115,536,976
Loans and Receivables				
Aids Fund	935,990	–	935,990	–
Provident Fund	(153,924)	(3,145,612)	(153,924)	(3,145,612)
Wellness Fund	(110,167)	(1,188,590)	–	–
Total other financial assets	1,193,425,273	1,078,585,145	123,515,252	112,391,364

4. TRADE AND OTHER RECEIVABLES

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Sundry Debtors	302,816	744,636	302,816	997,268
Sundry Debtors - Provident Fund	3,980,155	3,017,185	3,980,155	3,017,185
Deposits	85,490	85,490	85,490	85,490
Receivable Accrued Interest	–	–	–	(252,632)
Aids Sida Fund	–	1,078,422	1,078,422	1,078,422
Total trade and other receivables	4,368,461	4,925,733	5,446,883	4,925,733

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

5. OTHER FINANCIAL LIABILITIES

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Held at amortised cost				
Holiday pay bonus fund	–	–	3,198,924	6,449,882
Leave pay fund	–	–	(1,512,153)	2,510,086
Sick fund	–	–	4,162,147	1,403,137
Provident fund	1,293,678	1,267,807	1,293,678	1,267,806
Unallocated funds received	4,418,750	3,684,374	4,418,750	3,684,374
Wellness fund	–	–	2,076,987	(19,896,985)
Total other financial liabilities	5,712,428	4,952,181	13,638,333	(4,581,700)

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

6. TRADE AND OTHER PAYABLES

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Trade payables	21,382,165	39,819,607	19,717,608	39,594,910
Incentive bonus provision	6,079,579	–	6,079,579	–
VAT	1,103,248	1,248,762	1,117,057	1,262,571
Trust account	3,184,356	2,440,248	3,184,356	2,440,248
Refunds due	4,836,057	5,143,678	4,836,057	5,143,678
Total trade and other payables	36,585,405	48,652,295	34,934,657	48,441,407

7. OPERATING EXPENSES

Figures in Rands	GROUP		MAIN COUNCIL	
	2013	2012	2013	2012
Included in operating expenses is the following:				
Employee costs	(68,371,986)	(58,493,611)	(68,371,986)	(58,493,611)
Wellness employee health insurance	(184,422,236)	(135,613,800)	–	–

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2013

8. TAXATION

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

9. CONTINGENCIES

(a) The provisions of Labour Relations Act of 1995 requires parties' representativity in bargaining council to be 50% plus one in order to qualify for full enforcement of agreement to the entire industry. The Department of Labour issued a certificate on 24 August 2010 stating that it is certified that the parties to Council's Collective Agreement are representative and this certificate is valid up until 31 August 2011.

(b) As at reporting period ended 28 February 2013, Council had a dispute against E-Prime Dynamix for breach of contract. The service provider was contracted to Install and implement the SAP system. The contract was terminated when failures were discovered on the system and the service provider failed to rectify the system errors. Upon termination, E-Prime Dynamix instituted a claim against Council with a contingent liability of R3,569,129. The legal claim against E-Prime Dynamix has been suspended due to E-Prime being liquidated.

THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY DETAILED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2013

	GROUP		MAIN COUNCIL	
Figures in Rands	2013	2012	2013	2012
Revenue				
Levies Received	52,201,231	45,468,694	52,201,231	45,468,694
Wellness fund contributions	98,232,364	82,716,311	—	—
Interest Received	81,138,010	75,084,176	11,552,429	13,006,595
Admin Fees Received	11,479,904	5,112,553	69,511,081	59,633,822
	243,051,509	208,381,734	133,264,741	118,109,111
Other Income				
Gains on disposal of assets	4,535	—	2,193	—
Rental Income	236,924	306,887	236,924	306,886
Sundry Income	6,933,291	6,456,284	4,182,876	6,226,311
	7,174,750	6,763,171	4,421,993	6,533,197
Operating expenses				
Advertising	(1,840,806)	(2,172,346)	(1,654,156)	(2,068,637)
Arbitration Expenses	(11,814,622)	(11,729,908)	(11,814,622)	(11,729,908)
Attendance fees	(2,245,535)	(2,076,201)	(2,098,195)	(2,066,073)
Auditor's remuneration	(752,090)	(490,500)	(752,090)	(490,500)
Bad debts	—	(1,185,640)	—	(1,185,640)
Bank charges	(1,175,042)	(978,692)	(1,164,027)	(971,488)
Bursary expense	(242,095)	(176,532)	(242,095)	(176,532)
Consulting and Professional fees	(1,545,016)	(2,030,090)	(1,168,360)	(1,383,568)
Computer Hardware Leasing and Software Maintenance	(11,744,308)	(7,466,025)	(11,740,636)	(7,464,960)
Depreciation amortisation and impairments	(6,491,354)	(6,908,398)	(6,337,929)	(6,738,509)
Employee costs	(68,371,986)	(67,956,243)	(68,371,986)	(58,493,611)
Equipment hire	(22,070)	(953,423)	(22,070)	(953,423)
Exemption body expenses	(262,879)	(531,861)	(262,879)	(531,861)

	GROUP		MAIN COUNCIL	
Figures in Rands	2013	2012	2013	2012
Operating expenses (continued)				
Insurance	(835,355)	(603,324)	(583,226)	(495,881)
Legal expenses	(2,365,828)	(3,043,029)	(2,365,100)	(3,006,015)
Loss on disposal of assets	—	(96,654)	—	(96,654)
Lease rentals on operating lease	(2,528,612)	(2,073,904)	(2,528,332)	(2,073,904)
Management fee - Wellness Clinics/Other	(9,259,140)	(7,260,888)	(4,506)	—
Medical expenses - African Unity Insurance	(184,422,236)	(135,613,800)	—	—
Motor vehicle expenses	(1,953,654)	(1,523,818)	(1,348,097)	(1,238,143)
Non- reclaimable VAT	(8,124,365)	(7,609,042)	—	—
Penalties and Interest	(3,396)	—	(3,396)	—
Postage	(243,561)	(352,446)	(237,906)	(352,446)
Printing and stationery	(1,203,119)	(1,626,874)	(1,201,409)	(1,598,557)
Repairs and maintenance	(2,069,691)	(1,872,392)	(2,069,691)	(1,872,392)
Security	(1,115,392)	(992,390)	(1,115,392)	(992,390)
Seminars	(1,080,498)	(346,909)	(564,857)	(346,909)
Staff Welfare	(1,618,486)	(1,050,298)	(1,616,388)	(1,033,793)
Strategic Focus Areas	(3,171,221)	(125,387)	(3,171,221)	(125,387)
Telephone and fax	(1,783,434)	(1,599,384)	(1,723,346)	(1,511,845)
Training	(961,040)	(911,301)	(961,040)	(911,301)
Travel - local	(854,223)	(1,018,829)	(854,223)	(1,003,389)
Utilities	(1,919,630)	(969,780)	(1,919,630)	(969,780)
	(332,020,684)	(273,346,308)	(127,896,805)	(111,883,496)
Operating Surplus/(Deficit)	(81,794,425)	(58,201,401)	9,789,927	12,758,814
Surplus/(Deficit) for the period	(81,794,425)	(58,201,401)	9,789,927	12,758,814

