

ADDITIONAL TAX TABLE
 TO COMPUTE TAX ON ORDINARY INCOME, USE LINES 11Y & 11Z. OTHERS USE LINE 11T.

If Line 11 is		If Line 11 is		If Line 11 is		
But less than	Your tax is	At least	But less than	At least	But less than	
4,000	\$109	6,000	6,100	\$167	7,500	7,600
4,700	113	6,100	6,200	172	7,600	7,700
5,400	116	6,200	6,300	176	7,700	7,800
6,100	120	6,300	6,400	181	7,800	7,900
6,800	123	6,400	6,500	185	7,900	8,000
7,500	127	6,500	6,600	190	8,000	8,100
8,200	131	6,600	6,700	194	8,100	8,200
8,900	135	6,700	6,800	199	8,200	8,300
9,600	139	6,800	6,900	203	8,300	8,400
10,300	143	6,900	7,000	208	8,400	8,500
11,000	147	7,000	7,100	213	8,500	8,600
11,700	151	7,100	7,200	218	8,600	8,700
12,400	155	7,200	7,300	223	8,700	8,800
13,100	159	7,300	7,400	228	8,800	8,900
13,800	163	7,400	7,500	233	8,900	9,000
14,500	167	7,500	7,600		9,000	
15,200	171	7,600	7,700			
15,900	175	7,700	7,800			
16,600	179	7,800	7,900			
17,300	183	7,900	8,000			
18,000	187	8,000	8,100			
18,700	191	8,100	8,200			
19,400	195	8,200	8,300			
20,100	199	8,300	8,400			
20,800	203	8,400	8,500			
21,500	207	8,500	8,600			
22,200	211	8,600	8,700			
22,900	215	8,700	8,800			
23,600	219	8,800	8,900			
24,300	223	8,900	9,000			
25,000	227	9,000				
25,700	231					
26,400	235					
27,100	239					
27,800	243					
28,500	247					
29,200	251					
29,900	255					
30,600	259					
31,300	263					
32,000	267					
32,700	271					
33,400	275					
34,100	279					
34,800	283					
35,500	287					
36,200	291					
36,900	295					
37,600	299					
38,300	303					
39,000	307					
39,700	311					
40,400	315					
41,100	319					
41,800	323					
42,500	327					
43,200	331					
43,900	335					
44,600	339					
45,300	343					
46,000	347					
46,700	351					
47,400	355					
48,100	359					
48,800	363					
49,500	367					
50,200	371					
50,900	375					
51,600	379					
52,300	383					
53,000	387					
53,700	391					
54,400	395					
55,100	399					
55,800	403					
56,500	407					
57,200	411					
57,900	415					
58,600	419					
59,300	423					
60,000	427					
60,700	431					
61,400	435					
62,100	439					
62,800	443					
63,500	447					
64,200	451					
64,900	455					
65,600	459					
66,300	463					
67,000	467					
67,700	471					
68,400	475					
69,100	479					
69,800	483					
70,500	487					
71,200	491					
71,900	495					
72,600	499					
73,300	503					
74,000	507					
74,700	511					
75,400	515					
76,100	519					
76,800	523					
77,500	527					
78,200	531					
78,900	535					
79,600	539					
80,300	543					
81,000	547					
81,700	551					
82,400	555					
83,100	559					
83,800	563					
84,500	567					
85,200	571					
85,900	575					
86,600	579					
87,300	583					
88,000	587					
88,700	591					
89,400	595					
90,100	599					
90,800	603					
91,500	607					
92,200	611					
92,900	615					
93,600	619					
94,300	623					
95,000	627					
95,700	631					
96,400	635					
97,100	639					
97,800	643					
98,500	647					
99,200	651					
99,900	655					
100,600	659					
101,300	663					
102,000	667					
102,700	671					
103,400	675					
104,100	679					
104,800	683					
105,500	687					
106,200	691					
106,900	695					
107,600	699					
108,300	703					
109,000	707					
109,700	711					
110,400	715					
111,100	719					
111,800	723					
112,500	727					
113,200	731					
113,900	735					
114,600	739					
115,300	743					
116,000	747					
116,700	751					
117,400	755					
118,100	759					
118,800	763					
119,500	767					
120,200	771					
120,900	775					
121,600	779					
122,300	783					
123,000	787					
123,700	791					
124,400	795					
125,100	799					
125,800	803					
126,500	807					
127,200	811					
127,900	815					
128,600	819					
129,300	823					
130,000	827					
130,700	831					
131,400	835					
132,100	839					
132,800	843					
133,500	847					
134,200	851					
134,900	855					
135,600	859					
136,300	863					
137,000	867					
137,700	871					
138,400	875					
139,100	879					
139,800	883					
140,500	887					
141,200	891					
141,900	895					
142,600	899					
143,300	903					
144,000	907					
144,700	911					
145,400	915					
146,100	919					
146,800	923					
147,500	927					
148,200	931					
148,900	935					
149,600	939					
150,300	943					
151,000	947					
151,700	951					
152,400	955					
153,100	959					
153,800	963					
154,500	967					
155,200	971					
155,900	975					
156,600	979					
157,300	983					
158,000	987					

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National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.



AUDITED FINANCIAL STATEMENTS

BOARD MEMBERS' RESPONSIBILITIES AND APPROVAL

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

The Board members are required to maintain adequate accounting records and is 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 acknowledges that it is ultimately responsible for the system of internal financial control established by the Council and places considerable priority on maintaining a strong control environment. To enable management to meet these responsibilities, the Council 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 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 is 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 has reviewed the Council's cash flow forecast for the year to 28 February 2017 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.

The external auditors are responsible for independently reviewing and reporting on the Council's and consolidated annual financial statements. The consolidated annual financial statements have been examined by the Council's external auditors and their report is presented on pages 4 to 5.

Corporate Governance

The 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 recognises 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 include 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.

Approval

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the Council on 29 June 2016 and were signed on its behalf by:



MR MUSAWENKOSI NDLOVU

National Secretary for NBCRFLI



DR ZENZO MAHLANGU

Chairperson

FINANCIALS

NBCRFLI
National Bargaining Council for the Road Freight and Logistics Industry
Your Road Freight Partner.

PROFILE OF SERVICE

Balance Sheets as at 28 February 2011

Figures in Rands

		Notes	Group				
			2011	2010	Main Council	2011	2010
ASSETS							
Non Current Assets							
Property, plant and equipment	2		868 013 126	713 166 156	154 076 478	127 764 683	
Other financial assets	3		39 343 510	30 789 441	38 978 827	30 309 714	
			828 669 616	682 376 715	115 097 651	97 454 969	
Current Assets							
Inventories	4		180 019 769	147 110 838	38 374 539	30 693 507	
Trade and other receivables	5		149 430	86 797	149 430	86 797	
Cash and cash equivalents			10 681 499	7 826 259	2 620 998	1 916 4	
			169 188 840	139 197 762	35 604 111	28 690	
Total assets			1 048 032 895	860 276 994	192 451 017	158 45	
EQUITY AND LIABILITIES							
Equity							
Reserves			319 667 983	234 784 126	136 241 692	136 241 692	
Surplus funds			13 232 137	9 820 258	3 532 393	3 532 393	
			306 435 846	224 963 868	132 709 299	132 709 299	
Non Current Liabilities							
Industry employees trust account			694 924 939	599 503 329	-	-	
Current Liabilities							
Other financial liabilities	6		33 439 973	25 989 539	56 209 325	56 209 325	
Trade and other payables	7		6 074 056	2 565 714	30 337 977	30 337 977	
			27 365 917	23 423 825	25 847 299	25 847 299	
Total equity and liabilities			1 048 032 895	860 276 994	192 451 017	158 45	

Council Members' Responsibilities and Approval

THE NATURE OF BUSINESS

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), the Council, 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.

COUNCIL MEMBERS RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The Council is 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.

INTERNAL CONTROL

The Council 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 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 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 is 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.

GOING CONCERN

The Council has reviewed the Council's cash flow forecast for the year to 28 February 2017 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.

AUDITOR'S RESPONSIBILITY

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

KING III CORPORATE GOVERNANCE

The 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 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 include 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.

APPROVAL

The annual financial statements set out on pages 61 to 74, which have been prepared on the going concern basis, were approved by the Council on 29 June 2016 and were signed on its behalf by:



MR MUSAWENKOSI NDLOVU

National Secretary for NBCRFLI



DR ZENZO MAHLANGU

Chairperson

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 29 February 2016;
- The consolidated and separate statements of comprehensive income for period ended 29 February 2016;
- The consolidated and separate statements of changes in funds for the period ended 29 February 2016;
- The consolidated and separate statements of cash flows for the period ended 29 February 2016;
- A summary of significant accounting policies and other explanatory notes, as set on pages 61 to 74.

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 page 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 1 of the financial statements, and in a manner required by the provisions of its constitution relating to financial matters and Section 53(2) (b) of the Labour Relations Act.

EMPHASIS OF MATTER – SUPPORTING SCHEDULES

Without qualifying our opinion we draw attention to the fact that the supplementary information set out on pages 73 to 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

DELOITTE & TOUCHE

Registered Auditors
Per D Munu
Partner
28 July 2016

Consolidated Statement of Net Assets

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Group		Main Council	
		2016	2015	2016	2015
		R	R	R	R
ASSETS					
Non Current Assets		1 591 295 134	1 533 480 941	194 054 689	182 146 965
Property plant and equipment	2	39 284 827	34 425 532	36 010 229	34 425 532
Other financial assets	3	1 552 010 307	1 499 055 409	158 044 460	147 721 433
Current Assets		222 672 438	64 075 201	186 419 964	36 238 713
Inventories		96 554	178 315	96 554	178 315
Trade and other receivables	4	1 148 677	14 689 858	1 148 677	5 024 986
Cash and cash equivalents		221 427 207	49 207 028	185 174 733	31 035 412
Total assets		1 813 967 572	1 597 556 142	380 474 653	218 385 678
EQUITY AND LIABILITIES					
Equity		435 560 389	336 039 388	236 758 979	188 557 514
Reserves		161 308 206	119 033 537	3 894 136	3 894 136
Surplus funds		274 252 183	217 005 851	184 663 378	184 663 378
Non Current Liabilities		1 340 044 327	1 219 230 914	-	-
Industry employees trust account	7	1 340 044 327	1 219 230 914	-	-
Current Liabilities		38 362 857	42 285 839	143 715 673	29 828 164
Other financial liabilities	5	1 747 211	3 035 346	108 091 172	2 201 863
Trade and other payables	6	36 615 646	39 250 493	35 624 501	27 626 301
Total equity and liabilities		1 813 967 572	1 597 556 142	380 474 653	218 385 678

Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Group		Main Council	
		2016 R	2015 R	2016 R	2015 R
Revenue		383 100 491	341 652 547	200 794 238	164 329 314
Other Income		8 706 000	6 585 998	7 606 049	4 937 072
Income		391 806 491	348 238 546	208 400 287	169 266 386
Operating expenses	8	(334 560 160)	(302 278 535)	(160 198 820)	(136 445 709)
Operating surplus		57 246 331	45 960 011	48 201 467	32 820 677
Surplus for the year		57 246 331	45 960 011	48 201 467	32 820 677
Other comprehensive income/loss:					
Loss on devaluation of properties		-	(3 600 000)	-	(3 600 000)
Total comprehensive income for the period		57 246 331	42 360 011	48 201 467	29 220 677

Consolidated Statement of Changes in Funds

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Revaluation Reserve R	Forfeitures Reserve R	Total Reserves R	Surplus Funds R	Total Funds R
Group						
Balance at 28 February 2014		7 494 136	93 568 929	101 063 065	171 045 841	272 108 907
Surplus for the period		-	-		45 960 011	45 960 011
Other comprehensive income		(3 600 000)	-	(3 600 000)	-	(3 600 000)
Total comprehensive income for the period		(3 600 000)	-	(3 600 000)	45 960 011	42 360 011
Movement to forfeitures reserve		-	21 570 473	21 570 473	-	21 570 473
Balance at 28 February 2015		3 894 136	115 139 401	119 033 537	217 005 852	336 039 388
Surplus for the period		-	-		57 246 331	57 246 331
Total comprehensive income for the period		-	-	-	57 246 331	57 246 331
Movement to forfeitures reserve		-	42 274 668	42 274 668	-	42 274 668
Balance at 29 February 2016		3 894 136	157 414 070	161 308 206	274 252 183	435 560 389
Main Council						
Balance at 28 February 2014		7 494 136	-	7 494 136	151 842 700	159 336 837
(Deficit)/Surplus for the period		-	-	-	32 820 677	32 820 677
Loss on devaluation of properties		(3 600 000)	-	(3 600 000)	-	(3 600 000)
Total comprehensive income for the period		(3 600 000)	-	(3 600 000)	32 820 677	29 220 677
Balance at 28 February 2015		3 894 136	-	3 894 136	184 663 377	188 557 514
(Deficit)/Surplus for the period					48 201 467	48 201 467
Total comprehensive income for the period		-	-	-	48 201 467	48 201 467
Balance at 29 February 2016		3 894 136	-	3 894 136	232 864 843	236 758 979

Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Group		Main Council	
		2016 R	2015 R	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	A	71,322,924	55,259,440	64,050,138	40,277,938
Transfer of forfeitures/Increase in reserves		42,274,668	21,570,473	-	-
Net cash inflow from operating activities		113,597,592	76,829,913	64,050,138	40,277,938
CASH FLOWS FROM OPERATING ACTIVITIES					
Purchase of property, plant and equipment		(8,363,893)	(5,144,522)	(5,543,196)	(5,144,522)
Proceeds from sale of property, plant and equipment		416,100	28,900	66,097	28,900
Increase in other financial assets		(52,954,898)	(155,401,235)	(10,323,027)	(17,919,829)
Net cash outflow from investing activities		(60,902,691)	(160,516,858)	(15,800,126)	(23,035,451)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/Increase in other financial liabilities		(1,288,135)	(224,874)	105,889,309	(10,723,474)
Increase in industry employees trust account		120,813,413	79,306,581	-	-
Net inflow/(outflow) from financing activities		119,525,278	79,081,707	105,889,309	(10,723,474)
Net increase/(decrease) in cash and cash equivalents		172,220,179	(4,605,238)	154,139,320	6,519,012
Cash and cash equivalents at beginning of year		49,207,028	53,812,266	31,035,412	24,516,400
CASH AND CASH EQUIVALENTS AT END OF YEAR	B	221,427,207	49,207,028	185,174,733	31,035,412

Notes to the Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Group		Main Council	
	2016 R	2015 R	2016 R	2015 R
A. RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH GENERATED FROM OPERATIONS				
Operating surplus	57,246,331	45,960,011	48,201,467	32,820,677
Adjustment for non cash items:	3,088,498	3,933,795	3,892,400	3,883,574
Depreciation and amortisation	4,208,340	3,918,931	3,912,290	3,868,710
Adjustments to computer software asset: Depreciation	18,109	-	18,109	-
Sponsorship received for purchase of vehicles	(749,951)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(388,000)	14,864	(38,000)	14,864
Adjustment for separately disclosable items:				
Total assets	1 813 967 572	1 597 556 142	380 474 653	218 385 678
Operating cash inflow before working capital changes	(66,873,341)	(58,363,511)	37,675,901	20,396,575
Working capital changes	10,988,095	5,365,634	11,956,271	3,573,687
Changes in inventories	81,762	(86,227)	81,762	(86,227)
Changes in trade and other receivables	13,541,181	(8,929,208)	3,876,310	735,663
Changes in trade and other payables	(2,634,847)	14,381,069	7,998,200	2,924,251
Cash generated from operations	(55,885,246)	(52,997,877)	49,632,172	23,970,262
Interest received	127,208,170	108,257,317	14,417,966	16,307,676
CASH GENERATED FROM OPERATING ACTIVITIES	71,322,924	55,259,440	64,050,138	40,277,938
B. CASH AND CASH EQUIVALENTS				
Bank balances				
Main Council	185,174,733	31,035,412	185,174,733	31,035,412
Wellness Fund	36,252,440	18,171,551	-	-
Holiday Pay Fund	18	22	-	-
Leave Pay Fund	18	22	-	-
Sick Pay Fund	(1)	22	-	-
	221,427,207	49,207,028	185,174,733	31,035,412

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

REPORTING ENTITY

The National Bargaining Council for the Road Freight and Logistics Industry (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 the 23 July 2010.

1.1 Accounting Policy

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.

1.2 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

- 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. Where reasonable, an accrual is made for the levies relating to the financial period under review.

- Administration fees

Administration fees charged for the administration of the Holiday Pay Fund, Leave Pay Fund and Sick Pay 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

Consistent to prior year, levies due but unpaid at the end of the current financial period have been brought into account.

1.7 Interest Income

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

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	2016			2015		
	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R
Land and Buildings	26,000,000	-	26,000,000	26,000,000	-	26,000,000
Furniture & fittings	12,603,170	(10,886,466)	1,716,704	12,077,736	(10,303,398)	1,774,338
Motor vehicles	5,170,861	(2,953,771)	2,217,090	1,612,808	(1,322,120)	290,688
Office Equipment	3,439,050	(3,062,115)	376,935	3,359,950	(2,766,686)	593,264
IT Equipment	14,562,775	(10,280,135)	4,282,640	11,119,305	(8,254,592)	2,864,713
Computer Software	20,462,490	(16,764,255)	3,698,234	18,257,149	(15,354,620)	2,902,529
Containers	1,616,863	(623,639)	993,224	572,384	(572,384)	-
	83,855,208	(44,570,381)	39,284,827	72,999,332	(38,573,800)	34,425,532

MAIN COUNCIL	2016			2015		
	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R	Cost/ Valuation R	Accumulated Depreciation R	Carrying Amount R
Land and Buildings	26,000,000	-	26,000,000	26,000,000	-	26,000,000
Furniture & fittings	12,495,540	(10,886,466)	1,609,074	12,077,736	(10,303,398)	1,774,338
Motor vehicles	1,453,622	(1,357,688)	95,934	1,612,808	(1,322,120)	290,688
Office Equipment	3,359,950	(2,983,015)	376,935	3,359,950	(2,766,686)	593,264
IT Equipment	14,101,491	(9,851,266)	4,250,226	11,119,305	(8,254,592)	2,864,713
Computer Software	20,156,595	(16,478,535)	3,678,060	18,257,149	(15,354,620)	2,902,529
	77,567,199	(41,556,970)	36,010,229	72,426,949	(38,001,417)	34,425,532

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

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

GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
29 FEBRUARY 2016	R	R	R	R	R	R	R	R
Opening carrying amount	26,000,000	1,774,338	290,688	593,264	2,864,713	2,902,529	-	34,425,532
Cost	26,000,000	12,077,736	2,817,539	3,439,050	11,312,707	18,521,949	572,384	74,741,365
Accumulated depreciation	-	(10,303,398)	(2,526,851)	(2,845,786)	(8,447,994)	(15,619,420)	(572,384)	40,315,833
Additions	-	525,434	1,603,371	-	3,250,068	1,940,541	1,044,479	8,363,893
Additions - Sponsorship (Trucking Wellness)	-	-	749,951	-	-	-	-	749,951
Disposals at net book value	-	-	-	-	(28,100)	(18,109)	-	(46,209)
Current depreciation	-	(583,068)	(426,920)	(216,329)	(1,804,041)	(1,126,726)	(51,255)	(4,208,340)
Closing carrying amount	26,000,000	1,716,704	2,217,090	376,935	4,282,640	3,698,234	993,224	39,284,827
Cost	26,000,000	12,603,170	5,170,861	3,439,050	14,562,775	20,462,490	1,616,863	83,855,208
Accumulated depreciation	-	(10,886,466)	(2,953,771)	(3,062,115)	(10,280,135)	(16,764,255)	(623,639)	(44,570,381)
GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 FEBRUARY 2015	R	R	R	R	R	R	R	R
Opening carrying amount	29,600,000	1,826,510	524,098	529,143	2,017,773	2,334,708	11,473	36,843,705
Cost	29,600,000	11,464,515	2,817,539	3,102,058	9,094,297	16,546,051	572,384	73,196,844
Accumulated depreciation	-	(9,638,005)	(2,293,441)	(2,572,915)	(7,076,524)	(14,211,343)	(560,911)	(36,353,139)
Additions	-	613,221	-	336,992	2,218,410	1,975,898	-	5,144,522
Devaluation through equity	(3,600,000)	-	-	-	-	-	-	(3,600,000)
Disposals at net book value	-	-	-	-	(43,764)	-	-	(43,764)
Current depreciation	-	(665,393)	(233,410)	(272,871)	(1,327,706)	(1,408,077)	(11,473)	(3,918,931)
Closing carrying amount	26,000,000	1,774,338	290,688	593,264	2,864,713	2,902,529	-	34,425,532
Cost	26,000,000	12,077,736	2,817,539	3,439,050	11,312,707	18,521,949	572,384	74,741,366
Accumulated depreciation	-	(10,303,398)	(2,526,851)	(2,845,786)	(8,447,994)	(15,619,420)	(572,384)	(40,315,833)

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

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

GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
29 FEBRUARY 2016	R	R	R	R	R	R		R
Opening carrying amount	26,000,000	1,774,338	290,688	593,264	2,864,713	2,902,529	-	34,425,532
Cost	26,000,000	12,077,736	1,612,808	3,359,950	11,119,305	18,257,149	-	72,426,948
Accumulated depreciation	-	10,303,398	(1,322,120)	(2,766,686)	(8,254,592)	(15,354,620)	-	(38,001,416)
Additions	-	417,804	-	-	3,184,852	1,940,541	-	5,543,196
Disposals at net book value	-	-	-	-	(28,100)	(18,109)	-	(46,209)
Current depreciation	-	(583,068)	(194,754)	(216,329)	(1,791,413)	(1,126,726)	-	(3,912,290)
Closing carrying amount	26,000,000	1,609,074	95,934	376,935	4,250,226	3,678,060		36,010,229
Cost	26,000,000	12,495,540	1,453,622	3,359,950	14,101,491	20,156,595	-	77,567,199
Accumulated depreciation	-	(10,886,466)	(1,357,688)	(2,983,015)	(9,851,266)	16,478,535	-	41,556,970)
GROUP	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	IT Equipment	Computer Software	Containers	TOTAL
28 FEBRUARY 2015	R	R	R	R	R	R		R
Opening carrying amount	29,600,000	1,826,510	485,440	529,053	2,017,773	2,334,708	-	36,793,485
Cost	29,600,000	11,464,515	1,612,808	3,022,958	8,900,895	16,281,251	-	70,882,427
Accumulated depreciation	-	(9,638,005)	(1,127,368)	(2,493,905)	(6,883,122)	13,946,543)	-	(34,088,943)
Additions	-	613,221	-	336,992	2,218,410	1,975,898	-	5,144,522
Devaluation through equity	(3,600,000)						-	(3,600,000)
Disposals at net book value	-	-	-	-	(43,764)	-	-	(43,764)
Current depreciation	-	(665,393)	(194,752)	(272,781)	(1,327,706)	(1,408,077)	-	(3,868,709)
Closing carrying amount	26,000,000	1,774,338	290,688	593,264	2,864,713	2,902,529	-	34,425,532
Cost	26,000,000	12,077,736	1,612,808	3,359,950	11,119,305	18,257,149	-	72,426,948
Accumulated depreciation	-	10,303,398)	(1,322,120)	(2,766,686)	(8,254,592)	15,354,620)	-	(38,001,416)

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Group		Main Council	
	2016 R	2015 R	2016 R	2015 R
PROPERTY PLANT AND EQUIPMENT (CONTINUED)				
Other information				
Details of properties				
Erf 2915 Johannesburg measuring 496 square meters with office building erected thereon.				
Erf 2914 Johannesburg portion 2				
Erf 7498 Parrow 141 Voortrekker Road Parrow				
- Balance at beginning of period	26,000,000	29,600,000	26,000,000	29,600,000
- Improvements	-	-	-	-
Total land and buildings before revaluation	26,000,000	29,600,000	26,000,000	29,600,000
Devaluation of land and buildings	-	(3,600,000)	-	(3,600,000)
Total land and buildings after revaluation	26,000,000	26,000,000	26,000,000	26,000,000
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 28 February 2015. (The previous revaluation was performed as at 28 February 2012.) Details of the revaluation are as follows:				
Erf 2915 Johannesburg, 31 De Korte Street, Braamfontein	11,500,000	11,500,000	11,500,000	13,200,000
Erf 2914 Johannesburg, 29 De Korte Street, Braamfontein	9,400,000	9,400,000	9,400,000	9,500,000
Erf 7498 Parrow, 141 Voortrekker Road, Parrow	5,100,000	5,100,000	5,100,000	6,900,000
Total value as per the revaluation report - 29 February 2016	26,000,000	26,000,000	26,000,000	29,600,000
<i>The valuation stated for the current period was on the basis that the properties will be sold on the assumption of vacant possession.</i>				
3. OTHER FINANCIAL ASSETS				
Held to maturity and demand				
Fixed deposit and money market funds:				
Main Council investments	158,044,460	147,403,954	158,044,460	147,403,954
Holiday Pay Fund investments	323,258,295	244,013,734	-	-
Leave Pay Fund investments	389,637,058	432,759,629	-	-
Sick Pay Fund investments	681,070,494	674,560,614	-	-
	1,552,010,307	1,498,737,931	158,044,460	147,403,954
The investments are held at a variety of financial institutions.				
The yield on investments was 6.92% and 7.9% (February 2015: 5.88% and 7.10%) per annum.				
Loans and Receivables				
Provident Fund	-	317,478	-	317,478
Total other financial assets	1,552,010,307	1,499,055,409	158,044,460	147,721,433
4. TRADE AND OTHER RECEIVABLES				
Sundry Debtors	663,634	466,658	663,634	466,658
Sundry Debtors - Provident Fund Payable to Main Council	-	4,192,539	-	4,192,539
Deposits	205,479	85,490	205,479	85,490
Receivable - Prepaid Expenses	279,564	9,945,171	279,564	280,300
Total trade and other receivables	1,148,677	14,689,858	1,148,677	5,024,986

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Group		Main Council	
	2016	2015	2016	2015
	R	R	R	R
5. OTHER FINANCIAL LIABILITIES				
Held at amortised cost				
Holiday pay bonus fund	-	-	20,988,190	71,490,673
Leave pay fund	-	-	60,235,253	(44,055,009)
Sick fund	-	-	24,248,212	(42,420,250)
Provident fund	-	1,293,678	-	1,293,678
Wellness fund	-	-	872,306	14,151,105
Unallocated funds received	1,747,211	1,741,667	1,747,211	1,741,667
Total other financial liabilities	1,747,211	3,035,346	108,091,172	2,201,863
6. TRADE AND OTHER PAYABLES				
Trade payables and control account balances	11,939,834	21,139,050	10,920,203	9,973,137
Employee cost related payables	2,094,121	1,870,295	2,398,777	1,691,169
Incentive bonus provision	8,930,421	8,185,521	8,654,252	7,906,368
VAT	2,015,091	(494,661)	2,015,091	(494,661)
Trust account	5,515,234	3,649,934	5,515,234	3,649,934
Refunds due	4,859,710	4,834,677	4,859,710	4,834,677
Industry Unions and Agency Fees	1,261,235	65,677	1,261,235	65,677
Total trade and other payables	36,615,646	39,250,493	35,624,501	27,626,301
7. INDUSTRY EMPLOYEES TRUST ACCOUNT				
Balance at beginning of period				
Holiday Pay Fund	268,254,332	243,424,587		
Leave Pay Fund	357,893,100	326,392,036		
Sick Pay Fund	593,083,483	570,107,710		
	1,219,230,914	1,139,924,333		
Contributions received				
Holiday Pay Fund	747,018,122	681,410,278		
Leave Pay Fund	550,222,537	501,713,385		
Sick Pay Fund	416,990,754	379,591,666		
	1,714,231,412	,562,715,328		
Less:				
Pay-outs for the year				
Holiday Pay Fund	(718,276,047)	(651,465,904)		
Leave Pay Fund	(489,054,851)	(463,248,523)		
Sick Pay Fund	(343,812,433)	(347,123,848)		
	(1,551,143,331)	(1,461,838,274)		
Less:				
Forfeitures adjustment				
Holiday Pay Fund	(16,352,315)	(5,114,630)		
Leave Pay Fund	(9,429,216)	(6,963,798)		
Sick Pay Fund	(16,493,137)	(9,492,045)		
	(42,274,668)	(21,570,473)		

Notes to the Consolidated Annual Financial Statements

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Group		Main Council	
	2016 R	2015 R	2016 R	2015 R
<i>(The forfeitures adjustments relates to forfeitures for the five year ended February 2011)</i>				
Closing balance at the end of the year				
Holiday Pay Fund	280,644,091	268,254,332		
Leave Pay Fund	409,631,570	357,893,100		
Sick Pay Fund	649,768,667	593,083,483		
	1,340,044,327	1,219,230,914		
8. OPERATING EXPENSES				
Included in operating expenses is the following:				
Employee costs	(83,952,637)	(75,394,158)	(77,965,867)	(69,289,199)
Party representativity funding	-	(3,414,704)	-	(3,414,704)

9. TAXATION

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

10. CONTINGENCIES

- (a) In terms of the Labour Relations Act of 1995, parties to the bargaining council must be representing 50% plus one in order for the minister to promulgate for enforcement of the collective agreement to the industry.
- (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 counter-claim against Council with a contingent liability of R3,569,129. E-Prime Dynamix has since been liquidated and it is unlikely that the matter would proceed to court.

Detailed Consolidated Income Statement

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Group		Main Council	
		2016 R	2015 R	2016 R	2015 R
Revenue					
Levies Received		75,627,547	68,235,761	75,627,547	68,235,761
Wellness fund contributions		180,264,774	165,159,469	-	-
Interest Received		127,208,170	108,257,317	14,417,966	16,307,676
Admin Fees Received		-	-	110,748,725	79,785,877
		383,100,491	341,652,547	200,794,238	164,329,314
Other Income					
Gains/(Loss) on disposal of assets		380,295	(14,864)	30,295	(14,864)
Rental Income		478,263	469,784	478,263	469,784
Sundry Income		7,847,441	6,131,078	7,097,491	4,482,152
		8,706,000	6,585,998	7,606,049	4,937,072
Income		391,806,491	348,238,546	208,400,287	169,266,386
Operating expenses					
Advertising		(2,715,182)	(1,984,979)	(2,421,019)	(1,827,704)
Arbitration expenses		(16,423,368)	(13,922,497)	(16,423,368)	(13,922,497)
Attendance fees		(3,634,693)	(3,123,712)	(3,634,693)	(3,123,712)
Auditor's remuneration		(1,129,583)	(641,573)	(1,129,583)	(641,573)
Bank charges		(2,154,503)	(1,550,594)	(2,147,799)	(1,544,208)
Bursary expense		(222,420)	(3,000)	(222,420)	(3,000)
Consulting and Professional fees		(1,822,092)	(1,729,229)	(1,791,492)	(997,114)
Computer Hardware Leasing and Software Maintenance		(19,193,346)	(14,826,701)	(19,193,346)	(14,826,701)
Complex agreement		-	545	-	545
Depreciation amortisation and impairments		(4,208,340)	(3,918,931)	(3,912,290)	(3,868,710)
Employee costs		(83,952,637)	(75,394,158)	(77,965,867)	(69,289,199)
Equipment hire		(2,533,649)	(1,062,055)	(2,533,649)	(1,062,055)
Exemption body expenses		(599,612)	(501,713)	(599,612)	(501,713)
Forfeitures tracing		(41,348)	(100,812)	(41,348)	(100,812)
Governance		-	(306,601)	-	(306,601)
Insurance		(1,099,425)	(835,237)	(894,713)	(669,190)
Legal expenses		(2,989,552)	(3,734,434)	(2,766,497)	(3,568,060)

Detailed Consolidated Income Statement

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Group		Main Council	
		2015 R	2014 R	2015 R	2014 R
Operating expenses (continued)					
Lease rentals on operating lease		(2,576,012)	(2,807,861)	(2,576,012)	(2,807,861)
Management fee - Wellness Clinics/Other		(718,200)	(1,096,053)	-	-
Medical expenses - Wellness employee health insurance		(128,323,862)	(114,781,351)	-	-
Mobile Office		(58,402)	-	(58,402)	-
Motor vehicle expenses		(1,595,122)	(1,969,668)	(1,359,044)	(1,498,874)
Negotiation Paradigm		(2,818,231)	-	(2,818,231)	-
Non- reclaimable VAT		(3,343,978)	(13,779,323)	(2,381,259)	(2,609,882)
Party representativity fund		-	(3,414,704)	-	(3,414,704)
Penalties and interest		(703,348)	(228,396)	(703,343)	(228,396)
Postage		(286,184)	(294,306)	(286,184)	(294,306)
Printing and stationery		(1,199,761)	(787,877)	(1,199,761)	(787,877)
Repairs and maintenance		(2,928,573)	(2,142,093)	(2,928,573)	(2,142,093)
Security		(1,786,967)	(1,377,121)	(1,786,967)	(1,377,121)
Seminars		(654,873)	-	(654,873)	-
Staff Welfare		(1,187,230)	(597,598)	(1,187,231)	(597,163)
Telephone and fax		(1,891,095)	(1,514,864)	(1,891,095)	(1,514,864)
Training		(820,579)	(388,064)	(820,579)	(388,064)
Travel - local		(1,036,576)	(511,042)	(1,028,370)	(511,042)
Treatment Program Costs		(27,398,311)	(22,656,373)	-	-
Trucking Wellness Funding		(9,671,909)	(8,275,001)	-	-
Utilities		(2,841,198)	(2,021,160)	(2,841,198)	(2,021,160)
		(334,560,160)	(302,278,535)	(160,198,820)	(136,445,709)
Operating Surplus		57,246,331	45,960,011	48,201,467	32,820,677
Surplus for the period		57,246,331	45,960,011	48,201,467	32,820,677

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The NBCRFLI is incredibly grateful to all internal and external strategic partnerships for their individual contributions in helping it achieve success during the year under review. A big thank you goes to all the NBCRFLI staff members, managers and Committees for their hard work, as well as to the Council's strategic partners for their unconditional support. This includes all Council employees, Councillors, industry employers and employees, Deloitte and Touche, the Department of Labour and Department of Health, the CCMA and the Registrar of the Labour Court (Gauteng).

It is important to note that the Trucking Wellness' achievements would not have been possible without the support of its friends, stakeholders, donors and partners. A special word of thanks goes to all of these important stakeholders, as well as CareWorks and the Corridor Empowerment Project (CEP), who have successfully managed Trucking Wellness for over 10 years.

The Council would also like to extend its thanks to Mr K Thibedi for working tirelessly at facilitating a successful wage negotiation as well as the attorneys who assisted the Council with all legal matters.



