

FORMER TAX TABLE
OFFERS HAVE INCOME, USE LINES 11Y & 11S. OTHERS USE LINE 11T.

LINE 12, COLUMNS Y AND S, OR COLUMN T.

| If Line 11 is | | If Line 11 is | | If Line 11 is | |
|---------------|-------------|---------------|---------------|---------------|----------|
| But less than | Your tax is | At least | But less than | Your tax is | At least |
| 4,600 | \$109 | 6,000 | 6,100 | \$167 | 7,500 |
| 4,700 | 113 | 6,100 | 6,200 | 172 | 7,600 |
| 4,800 | 116 | 6,200 | 6,300 | 176 | 7,700 |
| 4,900 | 120 | 6,300 | 6,400 | 181 | 7,800 |
| 5,000 | 123 | 6,400 | 6,500 | 185 | 7,900 |
| 5,100 | 127 | 6,500 | 6,600 | 190 | 8,000 |
| 5,200 | 130 | 6,600 | 6,700 | 194 | 8,100 |
| 5,300 | 133 | 6,700 | 6,800 | 199 | 8,200 |
| 5,400 | 136 | 6,800 | 6,900 | 203 | 8,300 |
| 5,500 | 139 | 6,900 | 7,000 | 208 | 8,400 |
| 5,600 | 142 | 7,000 | 7,100 | 213 | 8,500 |
| 5,700 | 145 | 7,100 | 7,200 | 218 | 8,600 |
| 5,800 | 148 | 7,200 | 7,300 | 223 | 8,700 |
| 5,900 | 151 | 7,300 | 7,400 | 228 | 8,800 |
| 6,000 | 154 | 7,400 | 7,500 | 233 | 8,900 |
| 6,100 | 157 | 7,500 | 7,600 | 238 | 9,000 |
| 6,200 | 160 | 7,600 | 7,700 | 243 | |
| 6,300 | 163 | 7,700 | 7,800 | 248 | |
| 6,400 | 166 | 7,800 | 7,900 | 253 | |
| 6,500 | 169 | 7,900 | 8,000 | 258 | |
| 6,600 | 172 | 8,000 | 8,100 | 263 | |
| 6,700 | 175 | 8,100 | 8,200 | 268 | |
| 6,800 | 178 | 8,200 | 8,300 | 274 | |
| 6,900 | 181 | 8,300 | 8,400 | 279 | |
| 7,000 | 184 | 8,400 | 8,500 | 285 | |
| 7,100 | 187 | 8,500 | 8,600 | 290 | |
| 7,200 | 190 | 8,600 | 8,700 | 296 | |
| 7,300 | 193 | 8,700 | 8,800 | 301 | |
| 7,400 | 196 | 8,800 | 8,900 | 307 | |
| 7,500 | 199 | 8,900 | 9,000 | 312 | |
| 7,600 | 202 | 9,000 | | 317 | |

PLUS 6% of excess over \$9,000

accessible forms

ne, without pen

[Signature]

cy Representative Name

y Representative Signature



National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.



TABLE OF CONTENTS

| | |
|---|-----------|
| CHAIRMAN'S REPORT | 2 |
| NATIONAL SECRETARY'S REPORT | 4 |
| 2016 HIGHLIGHTS & ACCOMPLISHMENTS | 8 |
| ORGANISATIONAL PROFILE | 10 |
| NBCRFLI GOVERNING BODY/COUNCIL | 11 |
| COUNCIL BOARD MEMBERS | 14 |
| COUNCIL COMMITTEES & TASK TEAMS | 16 |
| ADMINISTRATIVE ORGANISATIONAL STRUCTURE | 19 |
| 2015/2016 ORGANISATIONAL PRIORITIES | 20 |
| DEPARTMENTAL REPORTS | |
| Operations Department | 22 |
| Funds Administration & Wellness Fund | 32 |
| Wellness Administration | 35 |
| Corporate Services | 43 |
| Committee Secretary | 46 |
| Information & Communications Technology | 47 |
| Finance | 48 |
| CHAIRMAN'S REPORT OF THE AUDIT & RISK COMMITTEE FUND | 54 |
| CORPORATE GOVERNANCE MATTERS | 56 |
| AUDITED FINANCIAL STATEMENTS | 57 |
| FINANCIALS | 58 |
| ACKNOWLEDGEMENTS | 75 |
| CONTACT DETAILS | 76 |
| PARTIES TO COUNCIL | 78 |



DR ZENZO MAHLANGU
Chairperson of the NBCRFLI

CHAIRMAN'S REPORT

The 2015/16 financial year was another successful one for the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). Throughout the year, we remained committed to serving the industry with loyalty, integrity and dedication, which has gone a long way in contributing to the stability of the industry. During the year under review, we continued to provide our members with numerous value-add services and provided our members with access to a range of remuneration packages, wellness and labour-related services through our 18 offices across the country.

I am proud to announce that we performed well financially during the year under review as noted in the financial statements for both the Council and the Wellness Fund. In April 2015 our administration fee income became exempt from VAT, which has had an incredibly positive impact on our revenue. In an attempt to maximise our fiscal stability, we have continued to focus on improving and expanding our revenue streams and implementing cost saving measures through a series of financial and other operational management strategies. On this note, I'm pleased to report that the Council again obtained an unqualified audit opinion for the year under review. This is yet another strong indication that the Council is committed to proper financial management and stability.

The beginning of 2015 marked the start of another wage negotiation process, during which we were hopeful to reach a similar type of long-term agreement.

After a productive negotiation process, another three year wage agreement was signed by the Parties to Council towards the end of 2015. As a result of the effort and determination of the Parties to Council and Council Administration who facilitated the process, the wage negotiations were highly efficient. We were able to adhere to negotiation timeframes for the signed agreement as well as request promulgation to ensure that the new wage agreement followed on from the expired wage agreement. Finally, we are pleased to announce that no industry strike occurred during the wage negotiation process.

This new three year wage agreement aids in adding a great deal of labour stability to the Road Freight and Logistics Industry.

I would like to extend a warm note of thanks to Parties to Council as well as the Council Administration for their perseverance in finalising the wage agreement.

The Parties to Council are committed to continue increasing their respective representiveness within the Industry. Meetings to discuss ways and means to increase party membership have been held on a regular basis. Their ultimate aim is to eventually reach and maintain representivity levels of 50% and above. The employer parties have managed to reach the goal of above 50% representivity, whilst the trade union parties are actively and tirelessly recruiting members in the Industry to do the same.

The Council constituted the Membership Verification Task Team to monitor and also ensure sufficient representivity of the Parties to the Council. This is yet another demonstration that the Parties to the Council are determined to increase their representivity to the required levels.

I am incredibly proud of how the Council, the Council's Sub-Committees and Council Administration has gone the extra mile in ensuring that we, as an organisation, continue to adhere to good governance principles. Bargaining Councils are service-oriented organisations, and therefore governance principles and good customer service are key to customer satisfaction and stability within the NBCRFLI.

In an effort to enhance good governance, the Council appointed the Governance Task Team to investigate and make recommendations to the Council on the best way to enhance and strengthen its Governance Framework and structures. The purpose of this Governance Framework is to clarify governance responsibilities within the NBCRFLI and to investigate and make recommendations to the Council on how best to incorporate the principles and practices enshrined in the King III Report on Corporate Governance, the Companies Act of 2008, the PFMA Act of 1995 and established standards and codes of best governance practice, locally and internationally. After much research and analysis by the Governance Task Team and Senior Management Team, the Governance Framework and Terms of Reference for the Council's Committees were approved by the Council during the year under review.

Additionally, for the first time in the history of the Council, we appointed an Independent IT Specialist for the Audit and Risk Committee to help us strictly abide by Corporate Governance principles, and specifically to strengthen IT Governance matters within the Council.

Furthermore, a IT Governance Framework - which includes the establishment of the IT Steering Committee - has been developed and is in the process of being reviewed and approved by the Council. Once approved, a separate and dedicated IT Steering Committee will be appointed that will drive IT-related Governance matters within the Council.

The stipulation in the Risk Management Policy which states that risk analysis forms part of the Council's strategic planning, business planning and project appraisal led to an organisational strategic and operational risk management assessment process where mitigating action plans were developed to ensure that organisational risk is managed to acceptable levels as defined by the Risk Management Framework. To further drive home the importance of risk management, key performance indicators were developed in all senior managers' performance contracts who, in turn, actively addressed mitigating actions in the year under review. Moreover, the Council strengthened its risk management systems by appointing a Compliance Officer to assist the Council with, amongst other responsibilities, the development and implementation of an Organisational Compliance Framework and Business Continuity Plan.

On behalf of the Board, I would like to extend a note of thanks to all our stakeholders, including the Department of Labour, Department of Transport, Department of Trade and Industry, Department of Health, the CCMA and the National Ports Authority, representatives of the NBCRFLI labour and employer organisations and the Council Administration, for their contribution to ensuring a well governed and stable Road Freight and Logistics Industry.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

MR MUSAWENKOSI NDLOVU
National Secretary for NBCRFLI

NATIONAL SECRETARY'S REPORT



The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) looks back on the 2015/16 financial year as a considerably prosperous one as many challenges were successfully overcome. During the year under review, progress was made in many areas of the organisation. We continued to make use of our existing business platforms and processes while also making use of new ones in order to keep up with the current trends in the industry and beyond.

The NBCRFLI performed well financially over the 2015/16 financial year. The income generated for the year under review was R208 400 287 (last year: R169 266 386), which is 6.7% above the targeted income. Our growth in return on investments increased by 30.3%, higher than the 21.6% achieved last year, while levies increased by 10.8% from last year. The increase in revenue is mainly attributed to the increase in industry wages, resulting in increased levy income; the changes in VAT legislation which exempted Bargaining Council activities from output VAT; as well as improved efficiencies in the investment process. The NBCRFLI is currently in the process of exploring other investment opportunities, including the establishment of the Investment Committee, in an attempt to maximise its income revenue stream.

The operational expenditure was 5.3% below the budget. Throughout the year, we kept a close watch on our expenditure without compromising on business continuity and quality service delivery. We focused heavily on implementing a cost-saving culture with regards to financial management and the procurement of goods/services.

According to Schedule 5 of the Main Collective Agreement, which expired on 29 February 2016, the prescribed minimum wages were increased from 1 March 2015.

In the year under review, the Parties to Council (representing both the industry employer and employee members) met in order to negotiate and agree on minimum wages, terms and conditions of employment, as well as settling on matters of mutual interest in

order to replace the expiring wage agreement. Before negotiations ensued, the Parties to Council agreed and signed the Negotiation Protocol, which guides parties on conduct and procedure during the negotiation process. Over the past years, the Negotiation Protocol has assisted in providing party members with a great deal of confidence and efficiency when engaging in wage negotiations.

Once the Wage Agreement was signed by the Parties to Council, it was submitted to the Department of Labour (DoL) on 11 December 2015. The Minister of Labour then published a notice in the Government Gazette on 3 February 2016 inviting the public to comment on the proposed promulgation of the Agreement. The Minister promulgated the Agreement on 18 March 2016, and we are really proud to report that the Parties to Council signed the Wage Agreement without any industrial action.

The gazetted Wage Agreement has been uploaded on our website at www.nbcrfli.org.za.

The Council always focuses on staying abreast of current trends, which is why the decision was made to automate the Enforcement Process. Following the implementation of this new system, the most mundane administrative duties have been automated. The project has been rolled out in phases and tested over the various regions, which has brought about encouragingly positive outcomes. This is a sterling example of how we, as an organisation, are willing and able to make any process easier and more efficient for our valued stakeholders.

At the NBCRFLI, our aim is to remain a credible and trusted partner amongst our stakeholders. During the year under review, we continued to make use of a multitude of communication channels to convey up-to-date and relevant information to our members.

In March 2015 an edition of Ziwapathi, which is targeted specifically at our employee members, was distributed. The newsletter provided our readers with valuable information including the appointment of the new NBCRFLI Health Plan service provider, increases in

minimum wages, relevant Trucking Wellness information and amendments to the Main Collective Agreement. Additionally, an entertainment section, which includes competitions and soccer news, was included to engage readers' interest. Our readers have provided us with very positive responses.

We continued to distribute the NBCRFLI News to our employer members' HR/Payroll personnel as we recognise the important role that they play in assisting our employer members to adhere to the Main Collective Agreement. The newsletter is useful in keeping this group of members up-to-date with changes and developments at the Council.

The NBCRFLI continued to make use of the mobi app which caters for both employer and employee members who do not have office access at all times. The mobi app, which has similar content to that found on the website, makes it easier for those who are constantly on the road to access Council related information anytime, anywhere.

The Council website continues to play an instrumental role in assisting our stakeholders to find Council-related information that is relevant to them. This emphasises our commitment to making sure that all members are kept up-to-date with relevant Council information.

During the year under review, a benefits communication campaign was rolled out whereby pamphlets outlining the NBCRFLI services were distributed to Council members through the Trucking Wellness Clinics, company-specific wellness days and NBCRFLI members' company control rooms. The benefits communication campaign has aided us in informing more members about the Council's activities as well as the benefits offered by the Council.

Moving ahead, we plan on exploiting further existing communication platforms to help us reach more stakeholders than ever before.

The 2015/16 financial year was a momentous one for Trucking Wellness, of which I am incredibly proud to have been a part of. Four of our Roadside Clinics were revamped, namely Colesburg, Hanover, Epping and Musina. These newly revamped clinics have been reconfigured to be more convenient, effective and efficient and have aided in providing improved healthcare to our valued members. Additionally, five new Ford Rangers were purchased and Mercedes-Benz generously donated a fleet of Mercedes-Benz Vito's, which act as Mobile Clinics. This addition to our existing fleet has added an incredible amount of value to the health and wellness within the trucking industry.

The highly successful Wellness Fund Health Plan has continued to help look after the wellbeing of the Road Freight and Logistics workforce during the past year. The plan is available to all active NBCRFLI members

who are contributing to the Wellness Fund and meet the stipulated eligibility criteria. Affinity Health was appointed at the beginning of 2015 as the new service provider, which allows for NBCRFLI members as well as two eligible spouses to be covered by the plan. An incredible array of medical benefits are available, including GP visits, acute medicines, radiology, pathology and funeral assistance. We have received positive feedback from industry members regarding the services provided by Affinity Health, and hence the Council took a decision in February 2016 to extend its service level agreement with Affinity Health for another year.

As an organisation, we realise that a major part of our success is due to being proactive in ensuring that all our stakeholders are educated and trained in terms of our systems and processes. That being said, since 2008 we have been providing our employer members with free online training to ensure that all our online users are confident when using the system. The 2015/16 financial year was a successful one with regards to our online training. More employer members were trained and educated than ever before and have in turn become more confident when making use of our systems.

Since we received our accreditation from the Commission for Conciliation, Mediation and Arbitration (CCMA) in 2013, we have been successful in assisting to resolve labour disputes within the Road Freight and Logistics Industry. We are proud to announce that during the year under review, we managed to achieve an outstanding 86% settlement rate. The NBCRFLI was one of the first Bargaining Councils to adjudicate on Section 198 matters after Labour Relations Act Amendments came into effect early in 2015. We are pleased to report that the CCMA always appreciates the quality of work that we do as well as the calibre of awards issued by our Commissioners.

I am pleased to announce that the daily pay-outs application processes were highly successful over the past year. With the introduction of automation, pay-outs procedures have become far more organised. That being said, we are unfortunately still struggling to verify all employee banking details. Many employees change their banking details very close to the closing date for pay-outs, which makes it difficult for us to ensure that the payment goes to the correct account. We have, however, embarked on an ongoing communication campaign to highlight the importance of submitting the correct banking details.

At the NBCRFLI we understand that it is our duty to ensure that all stakeholders within the Road Freight and Logistics Industry comply with the provisions of the Council's Main Collective Agreements. In an attempt to ensure this, as well as to reduce the number of complaints and non-payment of monthly returns, our designated agents conducted regular educational inspections during the year under review. I am proud

of the work done by our designated agents over the past year and their commitment to ensuring that road freight and logistics industry member organisations are compliant with the Main Collective Agreement for the benefit of the industry.

Regarding our “Be Heard” disclosure service, we have continued to encourage all members to voice their suspicions of fraud, theft, corruption and untoward/unethical behaviour to the Council anonymously. Members can contact 0800 000 904 (toll free), SMS us on 44666 or send an email to nbcrlfi@beheard.co.za. The information received is used as a basis for investigation into illegal activities.

I am pleased to announce that during the year in review, a total of 22 bursary scheme applications were accepted which amounted to a total of R 660 277. These awards will go a long way to improving staff training and development at the Council. This is one of the Council initiatives to help ensure that we strive to be a caring, learning and transformative organisation.

In December 2015, an organisational job grading exercise for all staff was embarked on to ensure that our staff members are placed within correct and appropriate salary grades while also addressing any salary disparities. The exercise was not completed in the year under review, however, there are plans in place to complete the process during the following year in order to ensure continued equitable payment of staff members which will ultimately contribute to staff morale.

I would like to take this opportunity to thank each staff member who participated in the job grading exercise during the year in review.

During the year in review, the Council focused heavily on stabilising the company's IT infrastructure. In order to achieve this, a number of projects were completed such as, but not limited to, various infrastructure upgrades, implementation of a firewall cluster, as well as web content filtering. I am pleased that the stabilisation of our infrastructure has provided us with incredibly positive outcomes and we look forward to rolling the project out further in the upcoming financial year.

Although we are still in the process of documenting our IT policies to meet governance requirements, we are proactively ensuring that the IT department adheres to governance principles whilst awaiting the finalised policy.

A new IT Governance framework has been developed and should be finalised in the coming year. Once this framework has been approved, a separate IT Steering Committee will be appointed to drive IT governance and actively oversee all major IT related risks.

Moving ahead, our main focus will be on the implementation of the organisational strategic objectives as stipulated in the Council Strategy, which was

developed by the Council in February 2016. Further, we also focussed on ensuring that the Main Collective Agreement is extended to non-parties for the remaining period ending in 2019.

In closing, I would like to thank the Office Bearers, Exco Members, Council Members, Members of the Council's Sub-Committees, Senior Management Team, staff members and our strategic stakeholders for their continued hard work, unwavering support, guidance and commitment to the Council. As we embark on the year ahead, we pledge to continue serving the Road Freight and Logistics Industry with loyalty and high quality service. I am confident that we have a strong team in place that will continue to grow our organisation into a pillar of strength throughout the industry.



2016 HIGHLIGHTS & ACCOMPLISHMENTS



In April 2015 our administration fee income became **exempt from VAT**



No industry strike occurred during the wage negotiation process



Employer parties managed to reach the goal of **above 50% representivity**



The Governance Framework and Terms of Reference for the Council's Committees were **approved** by the Council



The Council appointed an **Independent IT Specialist** to the Audit and Risk Committee



The Council **strengthened its risk management systems** by appointing a Compliance Officer



The income generated for the year in review was **6.7% above** the targeted income



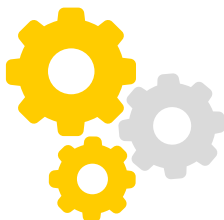
22 bursary scheme applications were accepted
which amounted to R 660 277



The growth in return on investments **increased by 30.3%**



Levies **increased by 10.8%** from last year



Operational expenditure was **5.3% below** the budget



5 new Ford Rangers were purchased and Mercedes-Benz generously donated a fleet of Mercedes-Benz Vito's, which act as **Mobile Clinics**



Four Roadside Clinics **were revamped**

ORGANISATIONAL PROFILE

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) was first established in 1946 and is governed by the Labour Relations Act of 1995. The Act allows for registered employer and employee organisations to establish a Bargaining Council for an industry and area.

The organisation is led by a Governing Body made up of an equal number of members from the employer and employee parties. Twenty-four Councilors in total are appointed proportionally according to the representation.

The Council is headed by the Chairperson and Deputy Chairperson assisted by the National Secretary. The National Secretary heads the Council Administration, which has a national footprint of 18 offices spread across all 9 provinces.

The Council facilitates collective bargaining whereby unions and employer organisations, which are party to the Council, are able to negotiate matters of mutual interest in the Road Freight and Logistics Industry. The agreements concluded between the Parties to the Council are called Collective Agreements. These agreements are applicable and binding to the Parties to Council who concluded the agreement, as well as to non-parties, if the agreement has, in terms of the provisions of Section 32 of the Labour Relations Act, 1995, been extended to non-parties in the industry by the Minister of Labour. This approach allows for better regulation of matters relating to the Road Freight and Logistics Industry as a whole, such as minimum standards and conditions of employment. The effective regulation of these matters ultimately contributes to labour stability and development within the South African economy as a whole. The NBCRFLI is proactive with regards to promoting peaceful and sound labour relations, which has a stabilizing influence on the Road Freight and Logistics Industry.

The Council supports industry members through a number of value-add service offerings, including:

- Setting minimum standards and conditions of employment as outlined in the Collective Agreements.
- Ensuring all employers and employees who fall within the scope of the NBCRFLI adhere to the Collective Agreements by conducting proactive and on-going educational inspections, investigating complaints or by any other means that the Council may adopt.
- Resolving disputes between employers and employees in the Industry.
- Managing the Industry's annual, sick leave and holiday bonus funds.
- Providing Wellness Services to the Industry, such as Trucking Wellness and the NBCRFLI Health Plan.
- Employers are obliged, in terms of the Main Collective Agreement, to ensure that deductions are made from the wages of their employees in respect of retirement (provident/pension) funds to be paid over to the fund concerned, as per the Financial Services Laws Amendment Act of 2013 which makes the non-payment of retirement fund contributions by employers a criminal offence.

NBCRFLI'S GOVERNING BODY/COUNCIL

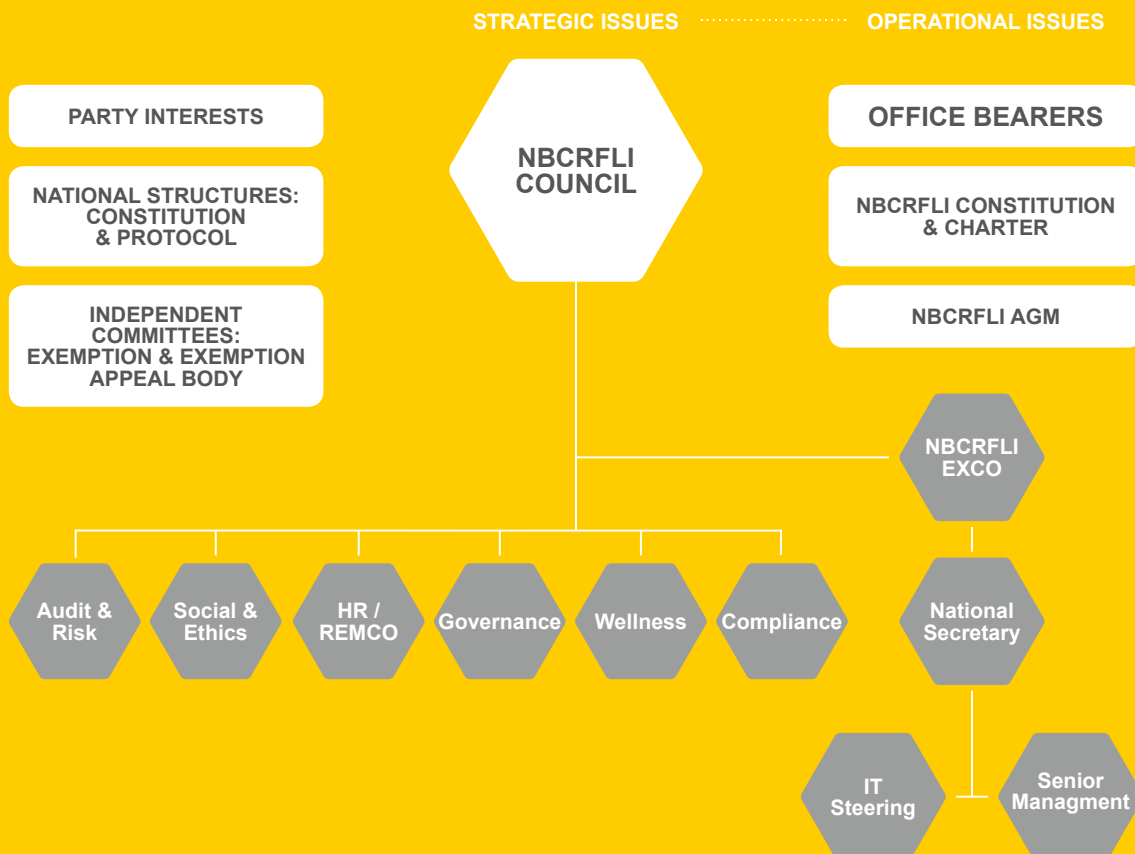
The main purpose of the NBCRFLI's Council is to oversee and provide strategic direction to the Council's management and administration staff. The Council ultimately guides and supports staff members to willingly provide an excellent service to the Industry, which is achieved through the adoption of strategic plans and policies to ensure the integrity of the Council's management and internal controls.

The Council is headed by the Chairperson and the Deputy Chairperson, and assisted by the National Secretary to execute its mandate in terms of the Council's Constitution and the Labour Relations Act. Councilors are nominated by parties to the Council and are thereafter appointed at the Council's AGM. This process, as stipulated by the Constitution of the Council, occurs annually.

CORPORATE GOVERNANCE AND NBCRFLI GOVERNING BODY

Recognising that the NBCRFLI is not bound by the prevailing governance practices and legislations, the Council still acknowledges that with regards to Corporate Governance it is critical that substance prevails over form. As a result, the Council will be guided by the principles and recommendations contained in the King Report on Corporate Governance for South Africa ("King III"), PFMA Act of 1995, Companies Act 2008 and established standards of best governance practice, locally and internationally.

COUNCIL GOVERNANCE AND DELEGATION STRUCTURE



PARTIES TO COUNCIL

The Parties to Council include the four member unions, namely the South African Transport and Allied Workers' Union (SATAWU), Motor Transport Workers' Union (MTWU), Transport and Allied Workers' Union of South Africa (TAWU of SA) and the Professional Transport and Allied Workers' Union (PTAWU) as well as the two employer members, the Road Freight Employers' Association (RFA) and the National Employers Association of South Africa (NEASA).

The number of representatives each party has to Council for the year ending February 2016 is as follows:

| | |
|-------------------------------------|----|
| SATAWU | 8 |
| MTWU | 3 |
| TAWU of SA & PTAWU (acting jointly) | 1 |
| RFA | 10 |
| NEASA | 2 |

GOVERNANCE STRUCTURES

THE COUNCIL

The Council is the highest decision making body and is made up of 24 councillors appointed proportionally from all parties to the Council. It meets three times a year, in terms of the Constitution. The Chairperson and Deputy Chairperson are appointed at the AGM each year.

EXCO

The Executive Committee or Exco is made up of five members appointed proportionally from the employer parties, and five members appointed proportionally from labour parties to the Council. In addition, the Chairperson, Deputy Chairperson and National Secretary serve as members of Exco. The Executive Committee meets four times a year in terms of the Constitution.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is constituted as a statutory committee of the NBCRFLI, which includes three independent members, and is a committee of the Council. It performs the duties assigned to it by the Council. The primary role of the Audit and Risk Committee is to assist the Council in discharging its duties relating to:

- Safeguarding the organisation's assets;
- The operation of adequate systems;
- Ensuring the continued independence of the external auditor;
- Overseeing the external audit process;
- Applying the combined assurance model to ensure a coordinated approach to all assurance activities;
- Reviewing the expertise, resources and experience of the finance function;
- Considering the appropriateness of the expertise and experience of the General Manager Finance and the finance department;
- Overseeing the internal audit process;
- Ensuring that the Council has implemented an effective policy and plan for risk management that will enhance the Council's ability to achieve its strategic objectives; and
- Ensuring that the disclosure regarding risk is comprehensive, timely and relevant.

These are essential in providing reasonable assurance about the integrity and reliability of the Council's financial information as well as safeguarding Council assets.

It achieves this by overseeing management's role in creating and maintaining an effective control environment within the organisation.



WELLNESS FUND STEERING COMMITTEE

The Wellness Fund Steering Committee was established to take care of the Council's Wellness Fund Projects delivered through Trucking Wellness, which consists of clinics offering free primary healthcare and HIV/AIDS management services and the Wellness Fund Health Plan. The Committee is made up of five members appointed by the employer parties, and five appointed from the labour parties.

MEMBERSHIP VERIFICATION TASK TEAM

The Membership Verification Task Team is a Council subcommittee established to monitor and ensure representativity of parties to the Council. It is made up of eight members who are representative of all parties to the Council.

INDEPENDENT EXEMPTIONS BODY AND INDEPENDENT EXEMPTIONS APPEAL BODY

The Exemptions Body is made up of three independent members who have expertise in law, human resources and finance. It meets every month to determine all applications for exemptions made to the Council from any provision of the Collective Agreement. Aggrieved applicants may appeal to the Independent Exemptions Appeal Body, which is made up of a senior counsel and attorneys. The Exemptions and Dispute Resolution Collective Agreement stipulates the processes to be followed during the hearings.

REMCO/HR COMMITTEE

The role of the Committee is to assist the Council to ensure that Councillors, Committee Members and Council Administration staff are remunerated fairly and responsibly with the long-term interests of the Council in mind and to ensure that the Council's HR Policies are in place, reviewed on a regular basis, aligned with the Council's strategy, and applied consistently throughout the NBCRFLI at all employee levels.

Remco is made up of eight members who are representative of all parties to the Council.

GOVERNANCE TASK TEAM

The Governance Task Team was set up to ensure that the Council is compliant with all relevant and applicable laws and governance requirements in South Africa, as guided by the Principles of Good Governance.

COMPLIANCE REVIEW COMMITTEE

The Committee reviews existing systems and processes relating to enforcement. It then recommends and implements enhancements to existing systems and processes to ensure effective enforcement of the Council's Collective Agreements.

BUILDING ACQUISITION TASK TEAM

The Building Acquisition Task Team is an interim structure that was formed to establish the adequacy and safety of buildings owned by the Council, as well as those leased to the Council by different service providers. It is also made up of ten members appointed equally from employer parties and labour parties.



COUNCIL BOARD MEMBERS



RFA

1. Graeme Barnard
2. Dave Behrens
3. Magretia Engelbrecht
4. Louis Hollander
5. Lucky Kolobe
6. Pauline Legodi
7. Penwell Lunga
8. Peter Mathapo
9. Fred Meier
10. Chantal Schoombie

NEASA

11. Jaco Swart
12. Dewaldt Potgieter



SATAWU

1. Zenzo Mahlangu
2. Betty Mashiyane
3. Tabudi A Ramakgolo
4. Thandanani Ngwane
5. John Hlungwane
6. Wayne Bridgens
7. Wiseman Ngwezana
8. Mavhayisi Shivuri

MTWU

9. Mdumiseni Mabaso
10. Solomon Mothibedi
11. Petros Mthembu

TAWU of SA & PTAWU (acting jointly)

12. Zack Mankge

Alternates

RFA

Trevor Short
Anthony D'Almeida

NEASA

Gretchen Anker
Johann Preiss

SATAWU

Johnson Gamede
Justice Mosiakoko
Jack Mazibuko
Levison Tshivande

MTWU

Makhanya Zodwa
Zakhele Mathenjwa

TAWU of SA & PTAWU

(acting jointly)
Lovemore Masango

EXECUTIVE COMMITTEE (EXCO)



RFA

1. Dave Behrens
2. Magretia Brown-Engelbrecht
3. Lucky Kolobe
4. Penwell Lunga
5. Fred Meier

NEASA

6. Jaco Swart
- Alternate*
Gretchen Anker

SATAWU

7. Tabudi A Ramakgolo
8. Thandanani Ngwane
9. Mavhayisi Shivuri
10. Betty Mashiyane
11. Zenso Mahlangu

Alternate
Johnson Gamede

MTWU

10. Mdumiseni Mabaso
- Alternate*
Solomon Mothibedi

COMPLIANCE REVIEW MEMBERS

| UNIONS | EMPLOYERS |
|---|---|
| SATAWU John Hlungwane (Chairperson) Thandani Ngwane Wayne Bridgens | Tony d'Almeida (Deputy-Chairperson) Trevor Short Chantal Schoombie Graeme Barnard Jaco Swart |
| MTWU Solly Mothibedi | |
| PTAWU Lovemore Masango | |

BUILDING ACQUISITION TASK TEAM

| UNIONS | EMPLOYERS |
|---|--|
| TAWU Zack Mankge (Chairperson) | Lucky Kolobe (Deputy-Chairperson) Peter Mathapo Pauline Legodi Tony d'Almeida Trevor Short Jaco Swart Chantal Schoombie (Alternate) |
| SATAWU Thandani Ngwane John Hlungwane Betty Mashiyane | |
| MTWU Petros Mthembu | |

AUDIT AND RISK COMMITTEE

| UNIONS/EMPLOYERS | INDEPENDENT MEMBERS |
|---------------------------------|--|
| Johnson Gamede Penwell Lunga | Maemili Ramataboe Oupa Mokgoantle Modise Motloba |

WELLNESS FUND STEERCOM

| UNIONS | EMPLOYERS |
|--|---|
| SATAWU Tabudi Ramakgolo (Chairperson) Wiseman Nkwezana Wayne Bridgens | Louis Hollander (Deputy-Chairperson) Magretia Engelbrecht Tony D'Almeida Louis Hollander Graeme Barnard Jaco Swart Chantal Schoombie (Alternate) |
| MTWU Solly Mothibedi | |
| TAWU Zack Mankge | |

MEMBERSHIP VERIFICATION TASK TEAM

| UNIONS | EMPLOYERS |
|--|--|
| SATAWU Tabudi Ramakgolo (Chairperson) Thandani Ngwane Alternate: Zenzo Mahlangu | Chantal Schoombie (Deputy -Chairperson) Magretia Engelbrecht Graeme Barnard Jaco Swart Tony d'Almeida (Alternate) |
| MTWU Mdumiseni Mabaso | |
| TAWU Zack Mankge | |

GOVERNANCE

UNIONS

SATAWU

Tabudi Ramakgolo (Chairperson)

Thandani Ngwane

MTWU

Mdumiseni Mabaso

PTAWU

Lovemore Masango

TAWU

Zack Mankge

EMPLOYERS

Graeme Barnard (Deputy-Chairperson)

Fred Meier

Magretia Brown

Lucky Kolobe

Jaco Swart

REMCO

UNIONS

SATAWU

Johnson Gamede (Chairperson)

MTWU

Mdumiseni Mabaso

PTAWU

Lovemore Masango

TAWU

Zack Mankge

EMPLOYERS

Penwell Lunga (Deputy-Chairperson)

Magretia Engelbrecht

Fred Meier

Jaco Swart

OUTSTANDING WAGE MATTERS

UNIONS

SATAWU

Tabudi Ramakgolo

Betty Mashiyane

Thandani Ngwane

Mavhayisi Shivuri

MTWU

Solly Mothibedi

PTAWU

Lovemore Masango

TAWU

Zack Mankge

EMPLOYERS

Lucky Kolobe

Magretia Engelbrecht

Graeme Barnard

Hennie De Villiers

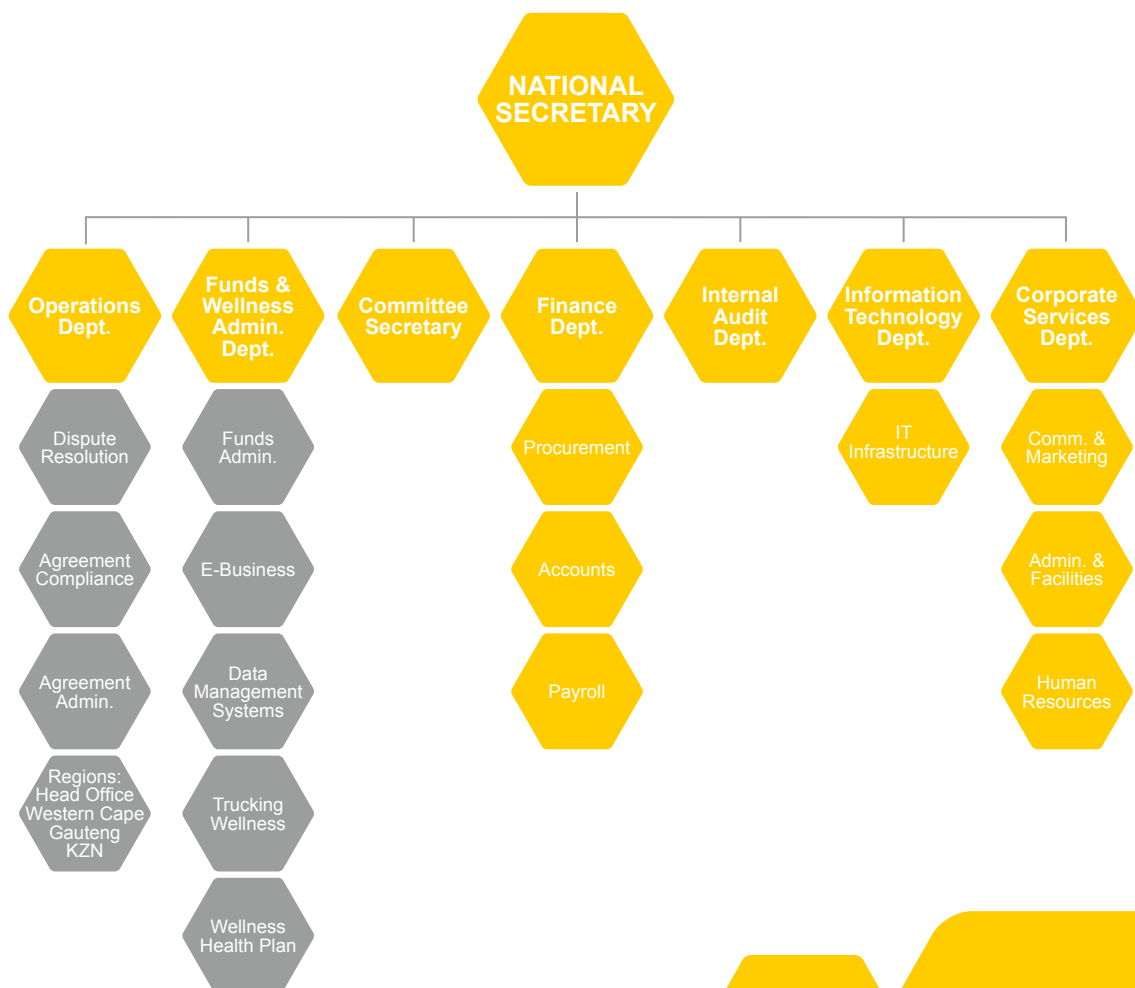
Nico Badenhorst

Chantal Schoombie

Fred Meier

Tony D' Almeida

ADMINISTRATIVE ORGANISATIONAL STRUCTURE





2015/2016 ORGANISATIONAL PRIORITIES

| KEY PERFORMANCE AREA | PERFORMANCE RATING |
|---|--------------------|
| Ensure fiscal stability of the organisation | Target Exceeded |
| Facilitate successfully wage negotiations | Target Exceeded |
| Value add to the Industry to ensure relevance of a Bargaining Council | Target Achieved |
| Ensure that the Parties to the Council are sufficiently represented | Target Achieved |
| Promote Industry benefits and schemes | Target Exceeded |
| Improve and maintain customer and stakeholder satisfaction | Target Achieved |
| Strive to be a caring, accountable, transparent, inclusive, learning and transformative organisation | Target Exceeded |
| Improve and maintain compliance with the Collective Agreements within the Road Freight and Logistics Industry and ensure effective and efficient enforcement systems and administrative processes | Target Exceeded |
| Ensure that effective governance structures and policies are established to comply with guiding principles for Corporate Governance, the NBCRFLI's Delegation of Authority and the Governance Framework | Target Achieved |
| Develop and maintain a stable IT environment | Target Achieved |

DEPARTMENTAL REPORTS



OPERATIONS DEPARTMENT

AGREEMENT ADMINISTRATION

COLLECTIVE BARGAINING, AGREEMENT ADMINISTRATION AND COMPLIANCE

How do industry wage negotiations come about?

Approximately a year prior to the expiry of the current Main Collective Agreement, parties to the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) came together to negotiate a new wage agreement. The current Main Collective Agreement expired on 29 February 2016. Parties started by drawing up a negotiations protocol which seeks to guide parties on what they need to do and expect during the negotiation process.

Who is involved in these negotiations?

There are six parties to Council involved in the negotiation process, namely the Road Freight Association (RFA) and the National Employers' Association of South Africa (NEASA), the employer parties, as well as four unions – the South African Transport and Allied Workers' Union (SATAWU), the Motor Transport Workers' Union (MTWU), the Transport and Allied Workers' Union of South Africa (TAWU) and the Professional Transport and Allied Workers' Union (PTWU) [the last two are acting jointly in terms of clause 6.14 of Council's Constitution]. The Council officials provide information, logistics and any necessary support to the parties during negotiations.

What happens during the negotiation process?

During the negotiation process, parties (as per the negotiations protocol) first exchange their needs (commonly called 'demands'). During the process, parties may seek to go back to their constituencies to seek fresh mandates.

What commitment is expected of both parties during the negotiation process?

- To work as partners to create an environment for prosperity and success in the Road Freight and Logistics Industry.
- To drive decisions that ensure the future of the NBCRFLI.
- To deliver effective and efficient representation and service to those they serve.
- To reach a settlement that serves social justice, labour peace and economic growth.
- To combat conflict.
- To place the maximum premium on time and its management.
- To communicate meaningfully, with every option to be explored in reaching settlement without resorting to industrial action.
- To recognise and utilise this negotiation process as

an opportunity to understand the needs of both sides and to build relationships so that representatives walk away together, once settlement is achieved, with a strong bond which ensures that the agreement is adhered to and "brought to life".

- To ensure that the wage negotiations in the coming year are conducted in accordance with this negotiation protocol.
- To abide by the settlement reached.
- To create a "model industry".

Steps of the negotiation process

In terms of the negotiations protocol, the parties will follow this process:

1. The Council will provide them with information requested in the Protocol.
2. A facilitated workshop will then follow.
3. Parties will go to their constituencies to seek a mandate.
4. Needs are then exchanged.
5. Negotiations start.
6. In the event of a deadlock, disputes are facilitated by an accredited Commissioner.
7. If the dispute remains unresolved, Section 64 of the LRA may be invoked.

How do involved parties reach a fair negotiation decision?

The following general needs that have been identified in prior engagements between the parties are taken into account:

- Essential needs for both parties
 - Economic and job stability
 - A profitable, competitive enterprise
 - Industrial peace
- Employer needs
 - A stable and efficient workplace
 - Competitive labour cost
 - Productivity
 - Industrial peace
 - Compliance with labour legislation in the RSA
 - The ability to adapt rapidly to change (flexibility)
 - To be perceived as a just employer
- Labour needs
 - Justice and protection in the workplace
 - Security of employment
 - Prevention of exploitation
 - A living wage
 - Recognition of individual/family aspirations and commitments
 - Recognition for contribution/productivity
 - A power structure to recognise these needs

ALIGNMENT OF COLLECTIVE AGREEMENTS TO THE PROPOSED AMENDMENTS OF LABOUR LEGISLATION

The Minister of Labour promulgated amendments to the Council's Main Collective Agreement in Government Gazette No. 39229 of 16 October 2015. The promulgated amendments were applicable from 26 October 2015.

The following clauses were amended:

Clause 44: Retrenchment Procedures

This amendment states that all employers must, within 72 hours of notifying an employee or employees that he/she/they have been selected for retrenchment, notify the Council in writing of such retrenchment(s).

Clause 45: Registration of and Particulars to be furnished by Employers

In the event that an employer transfers his/her business and his/her employee(s) in part or in whole to another business in the Road Freight and Logistics Industry, the employer must notify the Council, in writing, within 30 days of the transfer.

Clause 54: Trade Union subscriptions

Employers must deduct trade union subscriptions from the wages of employees who are members of the trade unions that are party to the Council.

The total amount deducted from the wages of party trade union members must be indicated on the Council's prescribed monthly return form and transmitted on the Council's on-line system, but not later than the 20th of each month following that to which it relates.

Clause 74: Exemptions by the Council

The purpose of this amendment is to bring the provisions of the Main Collective Agreement in line with the provisions of the Act.

- a. Exemption applications must be decided by the Council's Exemptions Body within 30 days of receipt thereof.
- b. The Appeals Body, that considers appeals against the refusal by the Council's Exemption Body to grant an exemption(s), must be independent and must hear, decide and inform the applicant and the Council of the outcome no later than 30 days after the appeal has been lodged.

If you would like to view these amendments in greater detail, please visit www.nbcrfli.org.za.

GENERAL COMPLIANCE MANAGEMENT AND ENFORCEMENT

Agents of the Council

In terms of the Labour Relations Act, the Council's duty is to ensure that all stakeholders in the Road Freight and Logistics Industry comply with the provisions of the Council's Collective Agreements. At the request of a Bargaining Council, the Minister of Labour appoints Designated Agents who play a vital role in ensuring adherence. In other words, they help to promote, monitor and enforce compliance with any Collective Agreement negotiated by the Parties to Council and which has been published in the Government Gazette. They achieve this by conducting regular educational inspections, which ultimately helps to decrease the number of complaints and non-payment of returns as well as ensure that those who fall under the Council's jurisdiction are registered.

Council Agents receive training on an ongoing basis and are evaluated on a regular basis each year. Training includes the application of the Council's Collective Agreements as well as applicable provisions of the Labour Relations Act, 1995. During the period under review, the respective regions averaged the following totals during evaluation sessions:

| | |
|-----------------------|--------|
| Gauteng region: | 78.51% |
| Western Cape region: | 78.87% |
| KwaZulu-Natal region: | 87.79% |
| Head Office region: | 81.52% |

Compliance orders issued for the period under review totaled 10 891.



Automation of Enforcement Services

In staying relevant as an organisation, the Council began making use of an internal enforcement system during the year in review. The Enforcement Plan was developed in compliance with Section 33A of the Labour Relations Act, 1995, where provision is made for a Bargaining Council to monitor and enforce compliance with collective agreements concluded by Parties to the Council.

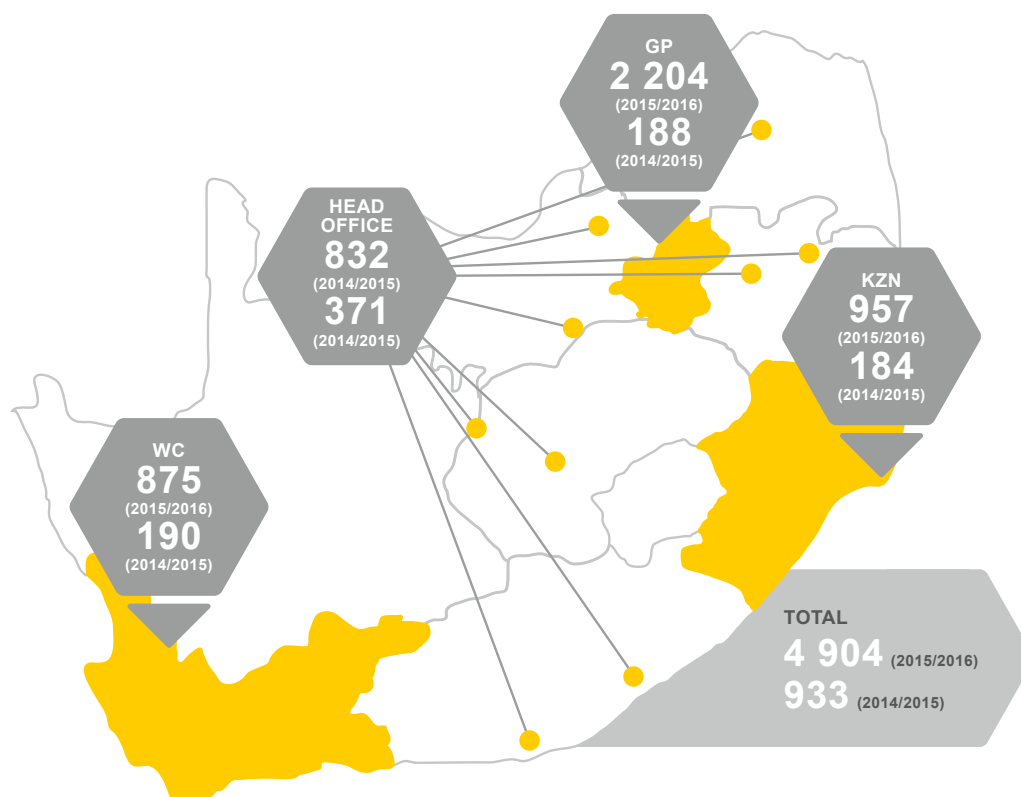
The first phase of the new enforcement system (that supports the business operations with the registration, management and tracking of complainant cases) has successfully been rolled out to all regions. The system is stable and performing as required. The second phase of development will continue in the next year and will include a levy and invoice compliance enforcement system, which will enhance and enable the core business' enforcement processes.

During the year in review, the only major enforcement challenge faced was with regards to the Section 143 applications. The applications initially only needed to be certified by the CCMA, however, in May 2015, the Judge President of the Court ruled that all applications should be certified by the Labour Court as well.

Enforcement numbers were up from 9 233 during the previous year to 12 902 during this current year.

New registrations

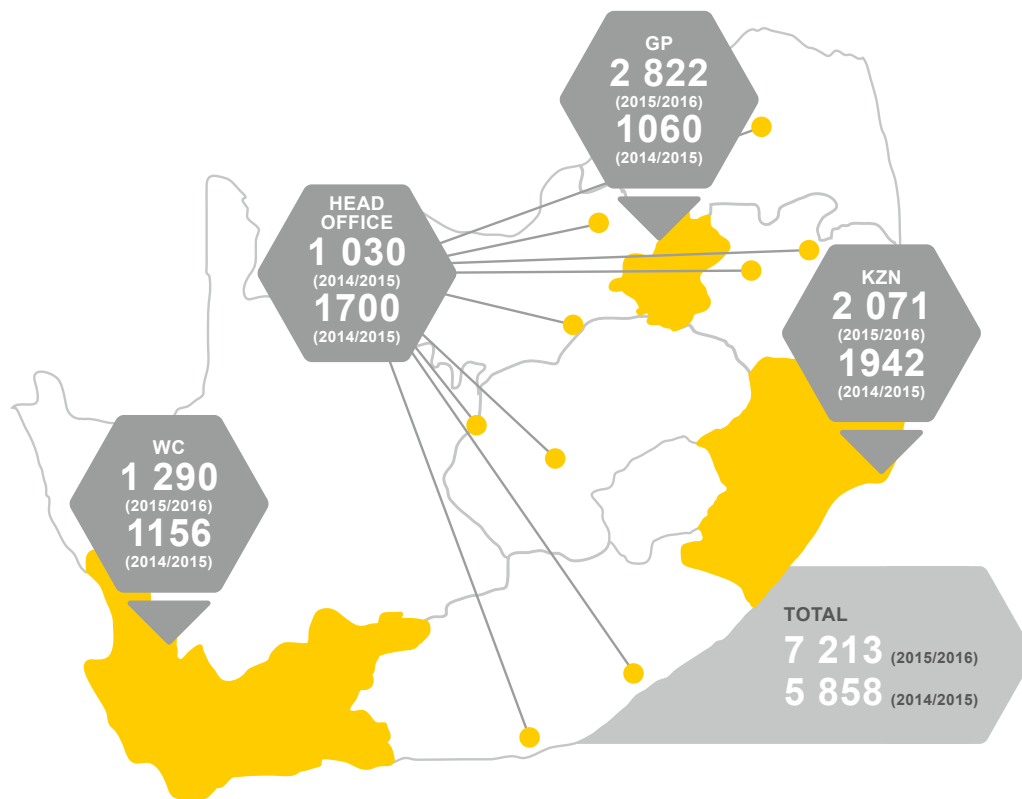
At financial year-end, 4 904 ordinary employers were registered with the Council. Of the 4 904 ordinary employers, 639 were secured during the year in review. A breakdown of these employers per region is as follows:



A total of 3 034 owner drivers were also registered as at financial year end which comes to a grand total of 7 938 employers.

Inspections completed

During the year in review, a total number of 7 213 inspections were conducted. The breakdown is as follows:



Key statistics falling under the Council's Enforcement Role during the year under review

| | |
|---|-------|
| Number of employers that ceased to operate | 1 104 |
| Number of employers under liquidation | 46 |
| Number of complainant cases received | 1 520 |
| Number of complainant cases settled | 203 |
| Number of cases referred to arbitration | 807 |
| Number of cases where the Council had no jurisdiction | 42 |
| Number of section 143 applications (Enforcement of Arbitration Awards) sent to the CCMA for certification | 5 737 |

Arbitration

The Arbitration section of the Council deals with the arbitrations of Agreement contraventions, such as the enforcement of complainant cases, invoices and late payment of monthly returns.

During the year in review, the Council dealt with 1 520 complainant arbitration cases as opposed to 1 722 during the previous year. The slight decrease is mainly attributed to the number of educational inspections that were conducted.

There was a substantial increase in the number of Agreement contravention cases heard by the Council during the year in review. The total number came to 12 902 as opposed to 9 233 in the previous year. The increase is largely attributable to the non-payment of Council contributions, as well as the slump in the economy.

EXEMPTIONS

The Independent Exemptions Body received and dealt with 48 exemption applications from 1 March 2015 to 29 February 2016 pertaining to parties and non-parties. A total of 47% of the applications were withdrawn, 10% refused, 28% approved and 15% under consideration. Out of all the applications that were received, 6 were postponed sine die. No exemption licenses were revoked.

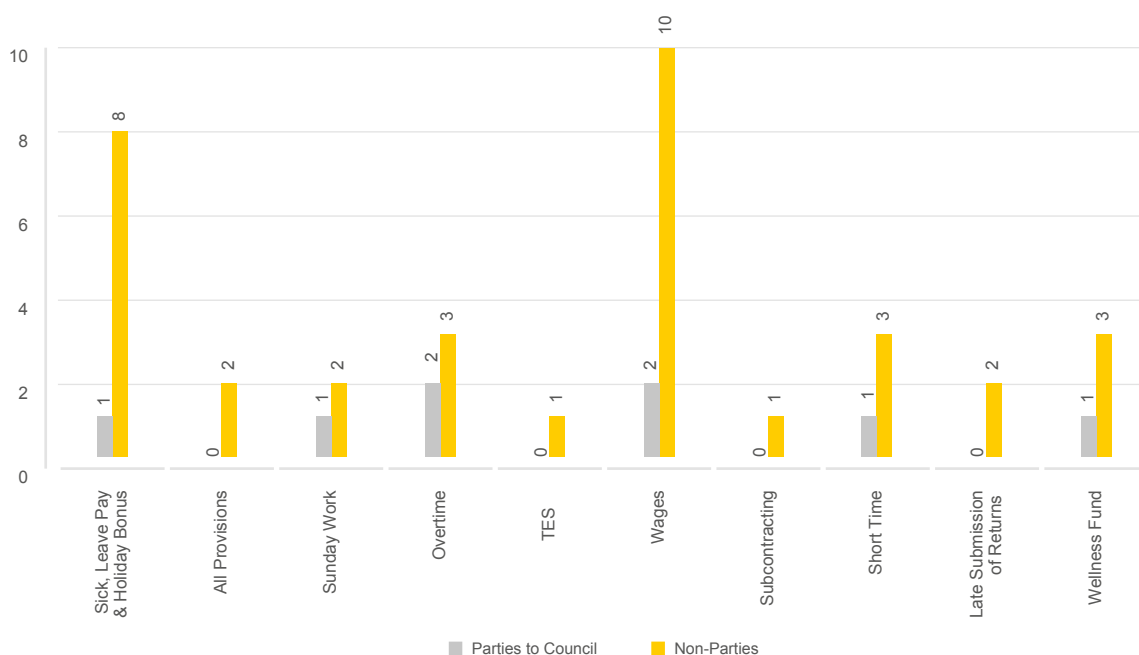
Number of applications for exemption by parties to the Council:

| | |
|--|---|
| Number of exemption applications granted: | 3 |
| Number of exemption applications refused: | 0 |
| Number of exemption applications withdrawn: | 6 |
| Number of exemption applications placed under consideration: | 3 |
| Number of exemption applications postponed: | 1 |

Number of applications for exemption by non-parties:

| | |
|--|----|
| Number of exemption applications granted: | 10 |
| Number of exemption applications refused: | 5 |
| Number of exemption applications withdrawn: | 17 |
| Number of exemption applications placed under consideration: | 4 |
| Number of exemption applications postponed: | 5 |

Type of exemptions applied for



CONSTITUTIONAL ATTACK ON THE EXTENSION PROVISIONS IN THE LABOUR RELATIONS ACT (SECTION 32)

FREE MARKET FOUNDATION VS THE MINISTER OF LABOUR AND OTHERS

In 2013, the Free Market Foundation (FMF) lodged an application in the North Gauteng High Court in Pretoria against the Minister of Labour, Minister of Justice and Constitutional Development and registered Bargaining Councils (including the NBCRFLI). The Free Market Foundation, in its application, seeks to impugn the constitutionality of section 32 of the Labour Relations Act, 1995. Section 32 of the Act provides that the Minister of Labour may, under certain conditions, extend the provisions of collective agreements negotiated between parties to Bargaining Councils to non-parties operating within the scope of a specific Bargaining Council.

The matter was eventually set down for argument in the High Court, Pretoria from 22 to 25 February 2016. The following is a summary of what transpired in Court:

The Applicants outlined their case as foreshadowed in their Responding Heads of Argument. They emphasised that they only persisted in attacking the constitutionality of Section 32(3) of the Constitution on the grounds that it amounted to the impermissible delegation of public power to a Bargaining Council. The point being made was that Bargaining Council agreements are (according to the Applicant) concluded by the parties acting in their own self-interest and the extension of such agreements to non-parties did not take into account the general public interest. The Applicant's argument, however, was severely curtailed by the Presiding Judge who was of the view that both a Bargaining Council's decision to request an extension and the Minister's decision to promulgate an extension were subject to review and thus subject to considerations of legality.

Flowing from this, most of the balance of the argument in Court centred around the extent to which public interest or public purpose was relevant to the exercise of the Minister's powers under Section 32(3).

Each of the Respondents then also presented an argument on their own particular stances. The Council's Advocates concentrated their arguments on the effect of the exemption requirements and the scope of review and how this demonstrated the Section was constitutionally compliant. They also addressed foreign case law.

Judgment has been reserved and the Council is now waiting for the judgement to be delivered.

(Judgment has been delivered during April 2016 and the full Judgment may be viewed on the Council's website.)



DISPUTES AND DEMARCATIONS BETWEEN SECTORS AND AREAS

Section 62 of the Labour Relations Act, 1995 provides for disputes about demarcations between sectors and areas. A demarcation is a process whereby a CCMA Commissioner (Bargaining Councils may not perform this function) determines:

- Whether any employee, employer, class of employers is or was engaged in a sector or was engaged in a sector or area.
- Whether any provision of any arbitration award, collective agreement or wage determination made in terms of the Wage Act is or was binding on any employee, employer, class of employees or employers.

The Council was involved in a few demarcation disputes in the course of the year in review. A breakdown is as follows:

Gauteng

| | |
|---|---|
| Number of demarcations involving Council: | 8 |
| Ruled in favour of Council: | 1 |
| Not in favour of Council: | 2 |
| Withdrawn: | 0 |
| Settled: | 0 |
| Under consideration: | 5 |
| Postponed: | 0 |
| On Appeal: | 0 |

Western Cape

| | |
|---|---|
| Number of demarcations involving Council: | 2 |
| Ruled in favour of Council: | 1 |
| Not in favour of Council: | 1 |
| Withdrawn: | 0 |
| Settled: | 0 |
| Under consideration: | 0 |
| Postponed: | 0 |
| On Appeal: | 2 |

KwaZulu-Natal

| | |
|---|---|
| Number of demarcations involving Council: | 1 |
| Ruled in favour of Council: | 0 |
| Not in favour of Council: | 0 |
| Withdrawn: | 0 |
| Settled: | 0 |
| Under consideration: | 1 |
| Postponed: | 0 |
| On Appeal: | 0 |

Head Office

| | |
|---|---|
| Number of demarcations involving Council: | 5 |
| Ruled in favour of Council: | 1 |
| Not in favour of Council: | 0 |
| Withdrawn: | 0 |
| Settled: | 0 |
| Under consideration: | 4 |
| Postponed: | 0 |
| On Appeal: | 0 |



DISPUTES RESOLUTION

CCMA ACCREDITATION

The Commission for Conciliation, Mediation and Arbitration (CCMA) accredited the NBCRFLI from 1 June 2013 to 29 February 2016 to conduct conciliations and arbitrations (including pre-dismissal arbitrations), subject to the agreed terms. The prestigious award was granted following the outstanding disputes resolution service offered by the Council, which is in line with the CCMA's requirements for all stakeholders within the Road Freight and Logistics Industry. During the year in review, the Council continued to provide a high standard of disputes resolution services, while paying strict attention to only using CCMA panel accredited commissioners.

SUBSIDIES

For each closed case from the CCMA, the Council receives a subsidy of R548, which will be increased to R576.49 in the financial year ahead. During the year under review, the Council received a total of R835 816 from the CCMA, which is a considerable increase from last year's R529 528.

CASE MANAGEMENT SYSTEM

The Case Management System for the CCMA supplies monthly statistical reports, case numbers and information such as the length of service, monthly earning (i.e. lower, middle and higher group) and age of the applicant. The Case Management System, which is a webmail-based format, is used by the CCMA to objectively measure the Council's efficiency.

Council administrators from all 18 offices countrywide make use of the Case Management System to assist members with the progress of their cases and to communicate with the CCMA. This system is extremely user friendly and efficient and has gone a long way in assisting the Council and the CCMA to effectively hear cases.

REFERRALS

During the 2015/16 financial year, the Council received a total number of 6 045 conciliation referrals, which is an enormous increase from last year's 5 276.

Referrals 2014/2015

| Regions | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | TOTAL |
|-------------|-----|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|
| Gauteng | 263 | 263 | 195 | 224 | 169 | 169 | 224 | 222 | 222 | 132 | 214 | 267 | 2564 |
| WC | 57 | 57 | 88 | 62 | 76 | 57 | 75 | 75 | 78 | 47 | 60 | 108 | 840 |
| KZN | 80 | 80 | 71 | 70 | 75 | 72 | 95 | 95 | 62 | 67 | 46 | 96 | 909 |
| Head Office | 154 | 150 | 104 | 176 | 174 | 144 | 180 | 179 | 121 | 73 | 137 | 140 | 1732 |
| | 527 | 550 | 458 | 532 | 494 | 442 | 574 | 571 | 483 | 319 | 457 | 611 | 6045 |

CONCILIATIONS HEARD 2015/16

A total of 3 637 conciliation hearings were conducted during the past year. This is a slight increase from 3 225 for the previous year.

The Council also continued on a campaign highlighting conciliation as the preferred method of dispute resolution. The reasons why conciliation is preferable are as follows:

- It is far more beneficial for parties to resolve disputes at the lowest level of resolution. By attending the hearing, both parties are able to avoid the unnecessary costs involved in the arbitration process. These costs are due to the length of the process, the possible attendance of witnesses, the time that the parties need to take from work to attend the arbitration and the extra administration that is involved.
- The conciliation process is private, confidential and without prejudice.
- It is less time consuming than arbitration.
- The conciliation hearing is a process where a CCMA accredited commissioner, selected by the NBCRFLI, meets with the parties in dispute, separately and/or together, and explores ways to settle the dispute by agreement.
- The NBCRFLI has 18 offices countrywide, thereby making it more convenient for Council stakeholders to resolve their disputes through the conciliation process.

ARBITRATIONS HEARD 2015/16

The total number of arbitration hearings conducted during the year in review was 4 364, a notable increase from last year's 3 923.

| Regions | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | TOTAL |
|-------------|-----|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|
| Gauteng | 163 | 167 | 164 | 185 | 180 | 164 | 190 | 190 | 192 | 67 | 133 | 185 | 1980 |
| WC | 24 | 43 | 29 | 39 | 45 | 36 | 41 | 41 | 38 | 15 | 38 | 47 | 436 |
| KZN | 76 | 62 | 66 | 58 | 49 | 56 | 61 | 61 | 72 | 27 | 52 | 72 | 712 |
| Head Office | 72 | 73 | 86 | 86 | 95 | 104 | 132 | 132 | 142 | 67 | 142 | 105 | 1236 |
| | 335 | 345 | 345 | 368 | 369 | 360 | 424 | 424 | 444 | 176 | 365 | 409 | 4364 |

SETTLEMENT RATE 2015/16

The settlement rate at conciliation and arbitration was 86% for the year in review, a 1% decrease from the previous year.

| Regions | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | TOTAL |
|-------------|-----|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|
| Gauteng | 83 | 83 | 83 | 80 | 79 | 85 | 77 | 77 | 76 | 74 | 80 | 84 | 80% |
| WC | 86 | 89 | 100 | 91 | 91 | 91 | 93 | 93 | 81 | 92 | 95 | 91 | 91% |
| KZN | 94 | 94 | 89 | 96 | 85 | 91 | 88 | 88 | 84 | 82 | 90 | 83 | 89% |
| Head Office | 84 | 82 | 80 | 59 | 81 | 82 | 83 | 83 | 85 | 82 | 91 | 81 | 81% |
| | 87% | 87% | 88% | 79% | 84% | 88% | 86% | 86% | 82% | 83% | 89% | 85% | 86% |

REFERRALS BY ISSUE

Unfair dismissals disputes continued to account for the largest percentage of issues of disputes. During the year in review, these disputes came to 84% of the caseload.

| Regions | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | TOTAL |
|--------------------|-----|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|
| Unfair Dismissals | 455 | 455 | 389 | 434 | 430 | 384 | 477 | 477 | 404 | 293 | 383 | 536 | 84% |
| ULP | 54 | 54 | 50 | 65 | 50 | 30 | 64 | 64 | 64 | 39 | 48 | 86 | 11% |
| Mutual Interest | 35 | 35 | 13 | 20 | 18 | 17 | 13 | 13 | 14 | 3 | 9 | 16 | 5% |
| Non Jurisdictional | 3 | 3 | 0 | 1 | 2 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0% |
| Collective | 4 | 4 | 4 | 3 | 1 | 1 | 5 | 5 | 0 | 2 | 3 | 3 | 0% |
| Other | 3 | 1 | 6 | 9 | 7 | 9 | 13 | 13 | 9 | 5 | 13 | 11 | 0% |
| TOTAL | 554 | 552 | 462 | 532 | 508 | 441 | 572 | 572 | 492 | 342 | 457 | 652 | |

LITIGATION

The litigation section keeps strict control over non-compliance in general. This includes reviewing post arbitration agreement contravention cases.

The statistics around litigation processes are as follows:

- Total number of Section 143 applications sent to the CCMA for accreditation: 6 771
- Number of writs of execution to sheriffs: 1 475
- Number of queries to tracing agents: 1 097
- Number of writs of execution to Labour Court: 3 953
- Number of matters referred to the Council's attorneys: 3 909
- Number of Nulla Bona (Section 65) matters: 2 568

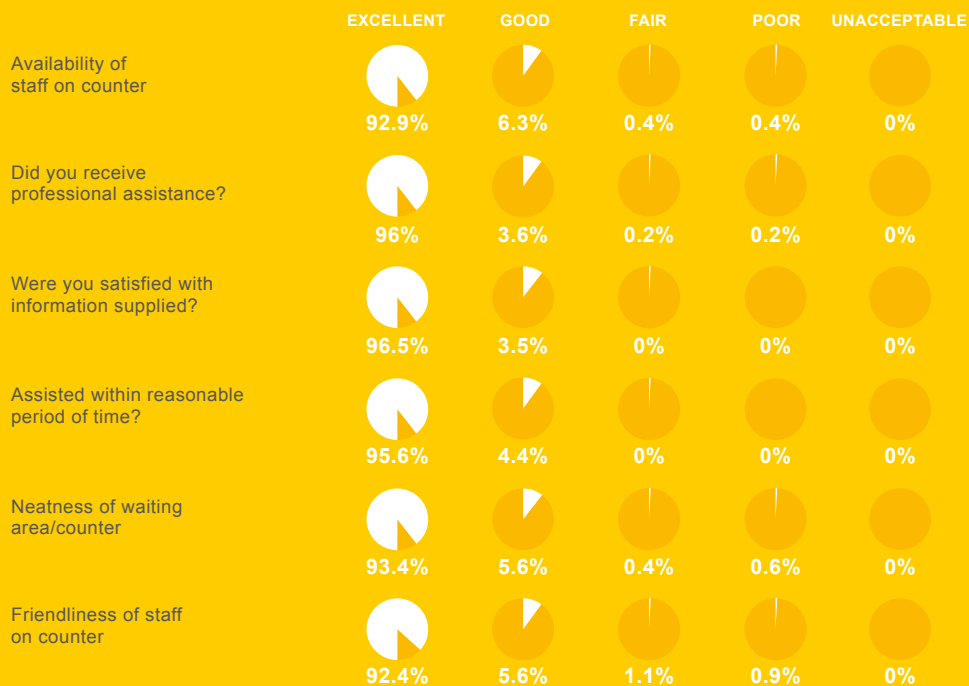


STAKEHOLDER RELATIONSHIP MANAGEMENT

One of the main priorities for the Council during the year in review continued to be the establishment of strong stakeholder relationships despite being under-staffed. The Council is highly aware that sound relationships play a big role in the success of its overall mandate to provide a high level of service to the Road Freight and Logistics Industry, as well as an atmosphere of co-operation amongst all stakeholders.

During the past year, numerous training sessions regarding the Main Collective Agreement at company level were held on request by the Unions and Company Representatives. Additionally, meetings were held in the KwaZulu-Natal region with Party Trade Unions to discuss issues of concern. Unfortunately, the Council did not have as many meetings as planned because it was often unable to reach a consensus on dates for the meetings and training sessions.

SURVEY: CLIENT SERVICES 2015/16



FUNDS ADMINISTRATION & WELLNESS FUND

FUNDS ADMINISTRATION

The Council's Funds Administration department effectively and efficiently processes all funds on behalf of the NBCRFLI. This includes annual leave, sick leave, 13th cheque funds and levy payments.

E-BUSINESS ONLINE AND THE FUNDS ADMINISTRATION SYSTEM

During the year in review, the Online Returns System continued to provide faster search options and uploading of data. The efficiency was further improved by upgrading the search options and focusing more on the stability of the system and addressing user requirements. Unfortunately there was a decrease in both the number of employers using the system as well as the number of online submissions received. See alongside:

Online Returns System



The Council intends to implement an ID verification process for employee members during the year ahead. The additional process will confirm identity number, surname and initials, as registered with the Department of Home Affairs. Although this project was initially supposed to be implemented in the previous financial year, it was placed on hold for various reasons.

During the year under review, the application process for holiday bonuses was enhanced to make it far more efficient. Instead of employers having to complete holiday bonus/ 13th cheque applications, they now simply submit a payment release date. Once this is done, the application is automatically generated and the employer confirms the calculations.

PAYOUTS PROCESS

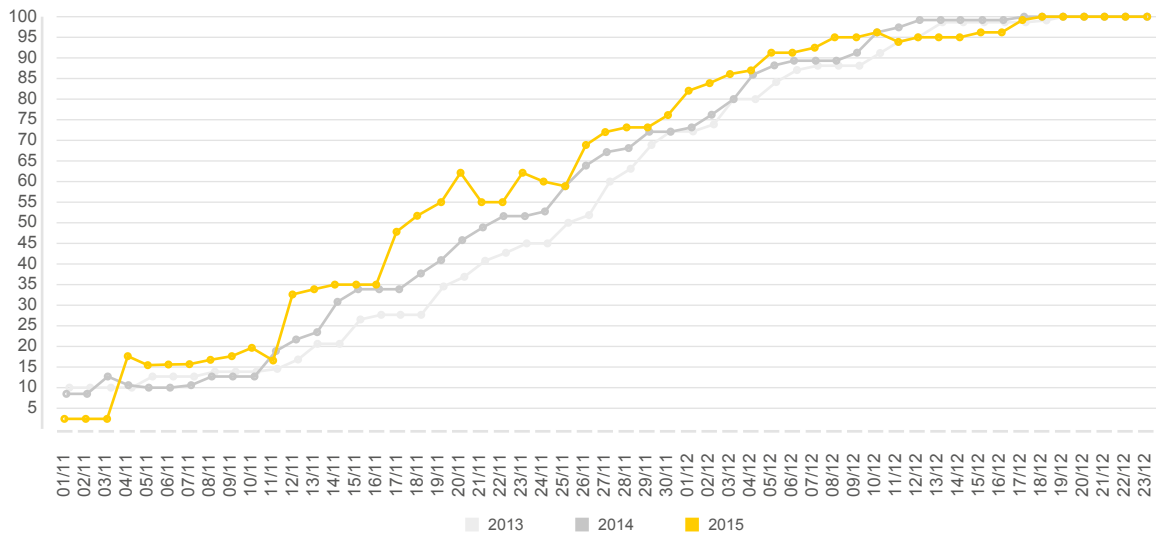
Statistically, the 2015/16 financial year was an excellent one in terms of the year-end payouts process. Yet, despite the success, outdated banking details continued to pose a great challenge to the process. Obtaining foreign employees' correct banking details has also become increasingly difficult, as many of them have continuously failed to provide the correct and valid documents.

One of the major highlights for the year under review is the change in the payouts process, which has drastically improved the levels of efficiency. This is due to the fact that the system now automatically confirms the payout calculation if the employer does not do so within 72 hours. Payments are also only made to employees

listed on the October monthly return, provided that the employer has submitted valid banking details. This change is in line with the Main Collective Agreement and, through reducing human error and speeding up bonus payment finalisation times, has gone a long way to improving the accuracy and efficiency of holiday bonus payouts.

| | | |
|--|-----------------|-------------------|
| Leave and Sick applications received: | 1 975 Employers | 59 181 Employees |
| 13 th Cheque applications received: | 3 321 Employers | 124 904 Employees |

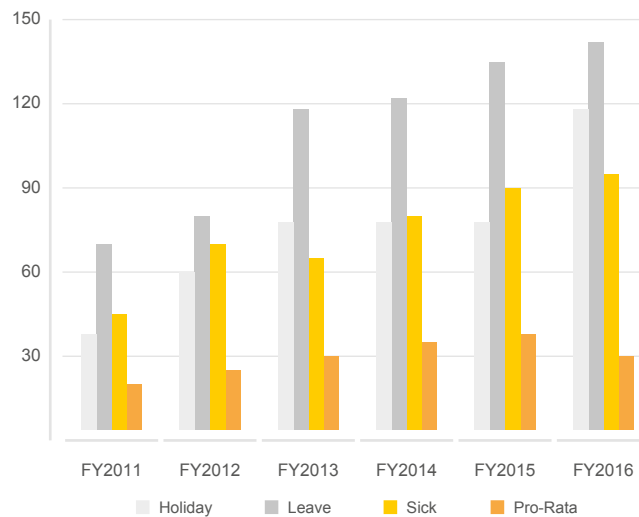
Holiday bonus payment monitoring graph



FUNDS ADMINISTRATION

Over the past financial year, IT has been working together with the Funds Administration department to further develop the Telnet system/process to make funds administration simpler, better and faster. It is important to note that the development of the system is never complete, as it is an ongoing process.

Applications processed comparison 2011-2016



PARTY TRADE UNION AND EMPLOYER ORGANISATION MEMBERS

Representivity of Parties to Council still remains a challenge. The requirement for representivity is 50+1% for both trade unions and employer's associations. These numbers are regulated by the Labour Relations Act, and the representation by unions is based on their membership.

Membership figures of the Parties to Council for the period ending 28 February 2016 are as follows:

| | |
|--------------------|--------|
| SATAWU | 26 316 |
| MTWU | 10 081 |
| TAWU of SA & PTAWU | 5 323 |

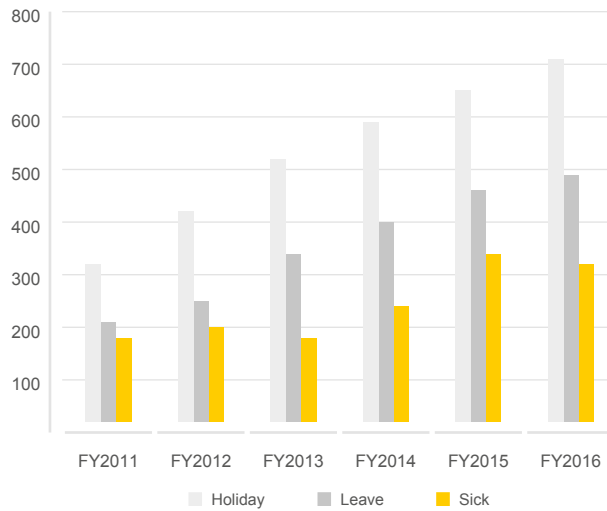
Employer's Associations

| | |
|---|--------|
| Number of RFA members in the industry | 550 |
| Number of employees employed by RFA members | 58 178 |
| Number of NEASA members in the industry | 311 |
| Number of employees employed by NEASA members | 5 622 |

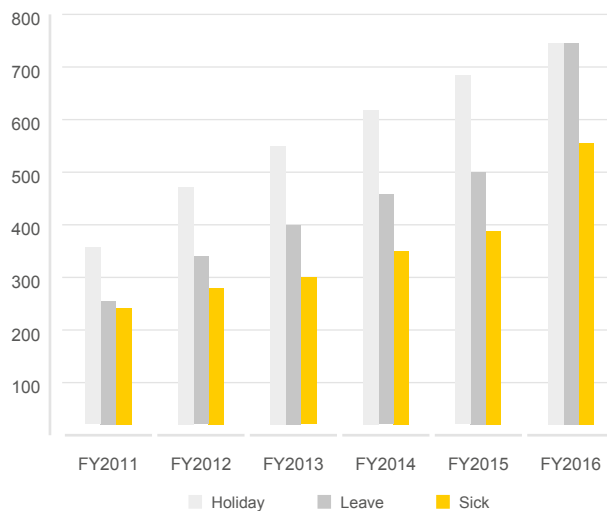
IN THE YEAR AHEAD

The Council will be implementing the compulsory Paycard for all foreign nationals, while implementation for South African citizens will be voluntary. Although work on the project has already commenced, the Council will only be rolling it out in July 2016. This, along with the successful year-end payouts, has been a huge milestone for both the Funds Administration department as well as the Council as a whole.

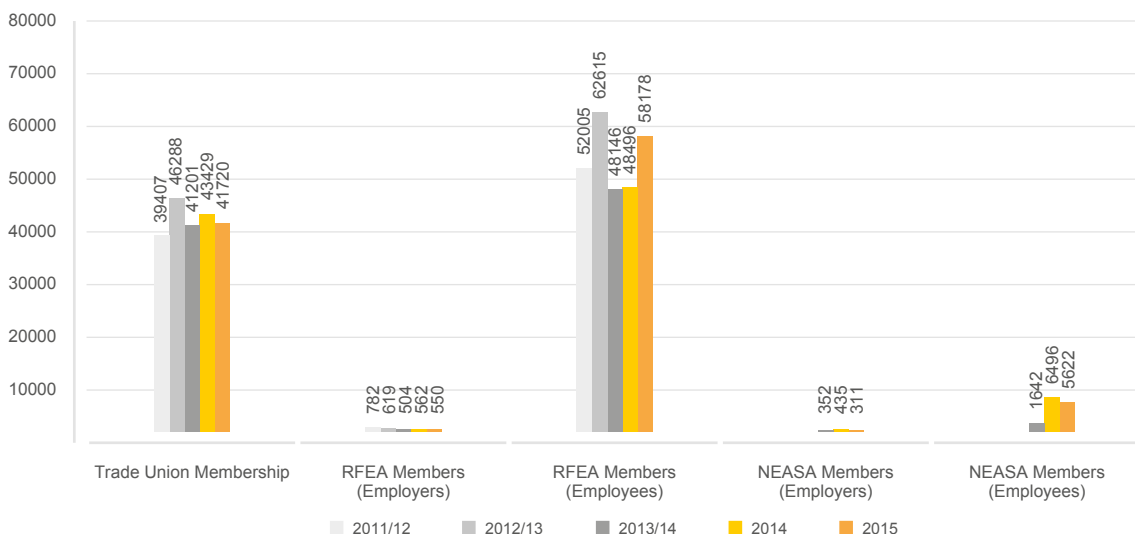
Funds distributed comparison 2011-2016



Funds collected comparison 2011-2016



Party Trade Union and Employer Organisation Members



WELLNESS ADMINISTRATION

FUNDS ADMINISTRATION

BACKGROUND

Since 1999, the Trucking Wellness Programme has worked in collaboration with industry partners, local government and various health departments to deliver high quality HIV/AIDS management services to long distance truck drivers, commercial sex-workers and those at risk, such as driver spouses and partners. Apart from offering free HIV/AIDS management services, it also offers free primary health care services mainly to our members, such as testing for TB and high blood pressure.

THE YEAR IN REVIEW

During the year in review, Trucking Wellness continued to contribute to the wellbeing of employees within the Road Freight and Logistics Industry. Over the years it has come to realise that an improvement in the wellbeing of our drivers positively impacts the wellbeing of South Africa's economy. This is simply because more than 80% of South Africa's goods are transported via trucks around the country. Thus a healthy workforce equals a healthy economy.

During the year, the Council continued to build solid relations with the nine Provincial Departments of Health in order to improve its access to medication and supplies. Additionally, various Roadside Clinics were revamped and upgraded to improve their efficiency whilst several Ford Rangers were purchased for the purpose of acting as mobile clinics. Mercedes-Benz also generously donated a fleet of Vito's for additional mobile clinics.

IN THE YEAR AHEAD

The main focus for the Trucking Wellness programme for 2016 will be to improve the quality of care to industry members, and to ensure the highest level of professionalism amongst Wellness Centre personnel.

22 NATIONAL ROADSIDE
WELLNESS CENTRES



THE TRUCKING WELLNESS SERVICE OFFERING

The free health care services offered through Trucking Wellness include the following:

- Condom use education and distribution.
- STI screening, diagnosing, treatment and education.
- HIV awareness, information, education, counselling and testing.
- Referrals to appropriate service providers for ART as well as HIV and AIDS treatment and care.
- TB awareness, information, education, screening and referrals for treatment and care.
- Malaria awareness, information, education, screening and referrals for treatment and care.
- Screening tests for blood pressure, blood sugar, blood cholesterol and body mass index.
- Diagnosis, treatment, care and support of any primary health problem or concern.

THE REVAMP OF COLESBERG, HANOVER, EPPING, AND MUSINA CLINICS / ROADSIDE WELLNESS CENTERS

In 2015, Trucking Wellness made the decision to revamp a number of Roadside Clinics throughout South Africa. These newly revamped Clinics have aided in providing improved healthcare to our valued members and have been reconfigured to be more convenient, effective and efficient. The following Clinics were upgraded during the year under review:

The Colesberg (Northern Cape) N1 Wellness Centre, which is situated at the Shell Ultra City, 5km outside of Colesberg was revamped and re-opened on 7 September 2015.

The Hanover (Eastern Cape) N1 Clinic was upgraded and re-opened on 15 October 2015. This Clinic can be found at the Excel Truck Stop in Hanover.

The Epping (Western Cape) N1 Clinic, which is situated at Shell Truck Stop at 7 Bofors Circle, Epping 2, Cape Town was moved to Engen 1 stop, Winelands 1 Stop, N1 National Road, Joostenbergvlakte, Kraaifontein, Cape town and was re-opened on 17 November 2015.

The Musina (N3) Wellness Centre, which was established in 2003, is situated at the Gateway Truck Stop, Beit Bridge, Border Post, Musina. This Wellness Centre was also upgraded during 2015 and re-opened on 12 August 2015.

SEVEN NEW MOBILE CLINICS PURCHASED

During 2015, Trucking Wellness was fortunate enough to be able to purchase a number of Ford Rangers to enhance / expand its Mobile Clinic reach. Mercedes-Benz also donated numerous Mercedes-Benz Vito's to add to the fleet. As a result, the Trucking Wellness Mobile Clinic service has become more efficient as it now simply books a vehicle for ten days at a time and services all the companies within that region during the ten-day period. The Trucking Wellness team is incredibly proud of the work being done by its Mobile Clinic staff and how they are contributing towards a better informed, healthier and more vibrant trucking industry. **TRAINING**

TRUCKING WELLNESS ANNUAL WORKSHOP

The annual Trucking Wellness employee workshop was held in Johannesburg from 16 – 19 March 2015. A total of 42 health workers from the 22 Roadside Wellness Centres attended the 4-day workshop.

The following topics were presented and discussed:

- NBCRFLI HR issues.
- Wellness Fund benefits for members.
- CD4 testing and data collection through the use and care of Alere Pima machines.
- Sexually Transmitted Infections treatment and new National Department of Health (NDoH) guidelines.
- HIV infected employee referrals to CareWorks.
- Standard Operating Procedures.
- Working Wellness Committee re-election.
- Improvement process of all operational aspects and issues.



Roadside Wellness Centre HIV Counseling and Testing

| Jan - Dec 2015 | Total Tested | Positive | Negative | Indeterminate | Male | Female | Industry Member | Non Industry Member |
|----------------|--------------|------------|-------------|---------------|-------------|------------|-----------------|---------------------|
| Alrode North | 64 | 2 | 61 | 1 | 56 | 8 | 60 | 4 |
| Alrode South | 71 | 6 | 65 | 0 | 61 | 10 | 63 | 8 |
| Beaufort West | 241 | 12 | 226 | 3 | 211 | 30 | 213 | 28 |
| Cape Town | 415 | 26 | 388 | 1 | 394 | 21 | 320 | 95 |
| Colesburg | 261 | 14 | 246 | 1 | 234 | 27 | 225 | 36 |
| East London | 228 | 11 | 214 | 3 | 223 | 5 | 207 | 21 |
| Hanover | 211 | 16 | 194 | 1 | 166 | 45 | 144 | 67 |
| Harrismith | 489 | 27 | 456 | 6 | 469 | 20 | 411 | 78 |
| Kokstad | 602 | 68 | 514 | 20 | 585 | 17 | 518 | 84 |
| Komatipoort | 500 | 72 | 424 | 4 | 372 | 128 | 306 | 194 |
| Marianhill | 403 | 13 | 358 | 32 | 391 | 12 | 257 | 146 |
| Mooi River | 662 | 14 | 646 | 2 | 618 | 44 | 507 | 155 |
| Mthatha | 102 | 0 | 100 | 2 | 94 | 8 | 77 | 25 |
| Musina | 1206 | 40 | 1156 | 10 | 1070 | 136 | 362 | 844 |
| Port Elizabeth | 453 | 32 | 415 | 6 | 434 | 19 | 380 | 73 |
| Roodekop | 581 | 21 | 552 | 8 | 528 | 53 | 386 | 195 |
| Tugela | 388 | 23 | 361 | 4 | 364 | 24 | 294 | 94 |
| Ventersburg | 242 | 7 | 229 | 6 | 240 | 2 | 207 | 35 |
| Villiers | 759 | 37 | 704 | 18 | 697 | 62 | 596 | 163 |
| Wadeville | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Warden | 286 | 22 | 261 | 3 | 273 | 13 | 218 | 68 |
| Zeerust | 537 | 16 | 509 | 12 | 465 | 72 | 292 | 245 |
| TOTAL | 8701 | 479 | 8079 | 143 | 7945 | 756 | 6043 | 2658 |

Roadside Wellness Centre HIV Counseling and Testing

| Month | Total Sites Visited | Total Tested HIV | Total HIV - | Total HIV + | Health Screening HIV - | Health Screening HIV + | Estimated Employees | Male | Female | Members | Non Members |
|----------------|---------------------|------------------|-------------|-------------|------------------------|------------------------|---------------------|--------------|-------------|--------------|-------------|
| January 2015 | 1 Site | 35 | 34 | 1 | 10 | 45 | 68 | 38 | 7 | 45 | 0 |
| February 2015 | 27 Sites | 1019 | 991 | 28 | 242 | 1261 | 654 | 1057 | 204 | 1261 | 0 |
| March 2015 | 43 Sites | 1299 | 1252 | 47 | 580 | 1879 | 1915 | 1606 | 273 | 1809 | 70 |
| April 2015 | 25 Sites | 819 | 801 | 18 | 261 | 1080 | 2520 | 782 | 298 | 1080 | 0 |
| May 2015 | 17 Sites | 463 | 446 | 17 | 211 | 674 | 854 | 541 | 133 | 674 | 0 |
| June 2015 | 23 Sites | 790 | 770 | 20 | 263 | 1053 | 1047 | 906 | 147 | 929 | 124 |
| July 2015 | 9 Sites | 507 | 496 | 11 | 106 | 613 | 1470 | 445 | 168 | 613 | 0 |
| August 2015 | 6 Sites | 145 | 138 | 7 | 76 | 221 | 360 | 182 | 39 | 192 | 29 |
| September 2015 | 43 Sites | 1418 | 1378 | 40 | 551 | 1969 | 2935 | 1606 | 363 | 1830 | 139 |
| October 2015 | 57 Sites | 1843 | 1776 | 67 | 941 | 2784 | 1687 | 2273 | 511 | 1716 | 1068 |
| November 2015 | 53 Sites | 1518 | 1478 | 40 | 491 | 2009 | 4339 | 1634 | 375 | 1834 | 175 |
| December 2015 | 14 Sites | 326 | 318 | 8 | 133 | 459 | 1837 | 360 | 99 | 385 | 74 |
| TOTAL | 318 | 10182 | 9878 | 304 | 3865 | 14047 | 19686 | 11430 | 2617 | 12368 | 1679 |



Roadside Wellness Centre Primary Healthcare

| Combined | Training | Male & Female | STI | Condoms Distributed |
|----------------|--------------|---------------|-------------|---------------------|
| Alrode North | 8 | 1748 | 53 | 440 |
| Alrode South | 0 | 559 | 5 | 425 |
| Beaufort West | 2299 | 1993 | 142 | 144158 |
| Cape Town | 1128 | 1329 | 72 | 12390 |
| Colesburg | 0 | 1461 | 54 | 16000 |
| East London | 928 | 1070 | 15 | 60602 |
| Hanover | 1255 | 1126 | 81 | 39584 |
| Harrismith | 1682 | 1563 | 204 | 78822 |
| Kokstad | 2467 | 1803 | 369 | 28555 |
| Komatipoort | 3304 | 3193 | 474 | 632020 |
| Marianhill | 811 | 515 | 8 | 18860 |
| Mooi River | 1856 | 2139 | 358 | 28621 |
| Mthatha | 3638 | 1961 | 93 | 79909 |
| Musina | 6598 | 3591 | 177 | 115728 |
| Port Elizabeth | 2207 | 2241 | 110 | 39964 |
| Roodekop | 1714 | 1471 | 114 | 9048 |
| Tugela | 1499 | 1853 | 110 | 22550 |
| Ventersburg | 3427 | 1575 | 209 | 7080 |
| Villiers | 1893 | 1643 | 111 | 99045 |
| Wadeville | 232 | 422 | 8 | 370 |
| Warden | 954 | 1123 | 32 | 64473 |
| Zeerust | 1515 | 1502 | 54 | 27245 |
| TOTAL | 39415 | 35881 | 2853 | 1525889 |

Network Achievement Since Inception - December 2015

| Location | Year Launched | Awareness Education: Truck Drivers & Women at Risk | Patients: Truck Drivers & Women at Risk | No of STI Treatments: Truck Drivers & Women at Risk |
|------------------------------|---------------|---|--|--|
| Beaufort West (N1) | 2000 | 100370 | 15255 | 6593 |
| Harrismith (N3) | 2001 | 47145 | 24327 | 4764 |
| Beit Bridge Border Post (N1) | 2001 | 104209 | 33259 | 9829 |
| Ventersburg (N1) | 2002 | 42029 | 17957 | 6069 |
| Tugela (N3) | 2002 | 52713 | 36401 | 16287 |
| Port Elizabeth (N2) | 2002 | 49597 | 24784 | 6445 |
| Hanover (N1) | 2003 | 46051 | 15015 | 2769 |
| Mooi River (N3) | 2004 | 46298 | 18698 | 3121 |
| Komatipoort (N4) | 2003 | 49714 | 33702 | 9527 |
| Zeerust (N4) | 2005 | 35120 | 12474 | 1070 |
| East London (N2) | 2005 | 19335 | 11407 | 931 |
| Kokstad (N2) | 2006 | 23086 | 10635 | 2965 |
| Marianhill (N3) | 2008 | 15891 | 9701 | 526 |
| Colesburg (N1) | 2009 | 4141 | 7326 | 656 |
| Mthatha (N2) | 2009 | 24100 | 8105 | 691 |
| Villiers (N3) | 2010 | 28270 | 11693 | 1247 |
| Gauteng | 2010 | 270 | 14510 | 1239 |
| Cape Town | 2010 | 3395 | 40673 | 420 |
| Warden | 2011 | 7386 | 6704 | 570 |
| Roodekop | 2011 | 7852 | 8189 | 976 |
| TOTAL | | 706972 | 360815 | 76695 |

ARV PROGRAMME

Over the years, the Council's Trucking Wellness Programme has successfully worked together with CareWorks to deliver sustainable HIV solutions by managing HIV/AIDS in the workplace and by treating HIV-positive people. The experienced Trucking Wellness counsellors support and educate patients and their families about HIV, and related diseases, provide HIV/AIDS counselling and refer HIV-infected employee members of the NBCRFLI to CareWorks for ARV treatment.

The NBCRFLI strives to combat the spread of HIV/AIDS effectively by:

- Encouraging those who test HIV negative to remain HIV negative.
- Keeping those who test HIV-positive, healthy and productive for as long as possible.
- Positively influencing attitudes to breakdown stigma surrounding the disease.

From March 2015 to February 2016:

- 3 562 active members remain enrolled as at the end of February 2016 (up 12.8% from previous year). This includes 637 spouses (up 24% over the previous year's 513).
- The number of employees on ARVs has grown by 28% (previous year 18%). Currently 55% of people are on ARVs and 45% are classified as Pre-ARV.
- More importantly, 90% (previous year 88%) of those already on ARVs for over one year are adherent and have achieved viral suppression. Further, the number of non-adherent/ non-compliant people on the programme has decreased by 32%.
- Through pro-active telephonic counselling, 96% of people on ARVs have been maintained on more cost effective 1st line regimens.
- 470 non-NBCRFLI members who tested HIV positive at Trucking Wellness testing sites were referred into the NDoH ARV programme for treatment.

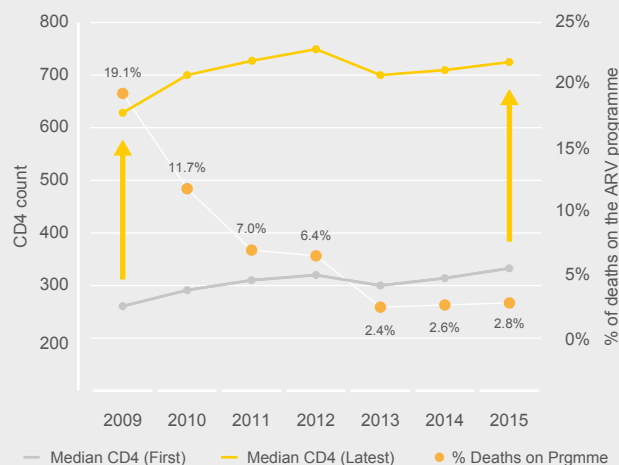
Current Status

| Current Status | Feb 2016 | Mar 2015 | Change/yr |
|---|-------------|-------------|------------|
| ARV Category | 2344 | 1740 | 604 |
| Referred to MA, State or Occ Health | - 432 | - 249 | - 183 |
| On ARVs from CareWorks | 1912 | 1 491 | 421 |
| Pre-ART monitoring | 1218 | 1385 | - 167 |
| Registered on the CareWorks Programme | 3130 | 2876 | 254 |
| Active beneficiaries processed by CareWorks | 3562 | 3125 | |
| Resignations from Scheme/Company | 1571 | 1150 | 421 |
| Deaths (4% of all enrollments) | 215 | 161 | 54 |
| Total number known to CareWorks | 5348 | 4436 | 912 |

ARV Adherence

| | Adherence Overall | Adherence by Category | CW ART | % |
|---|--------------------|-----------------------|--------------|-----|
| Adherence (VL <200, or 1 Log ↓ in 3m) | 84% of 1848 | | 1 912 | |
| On ARVs for more than 1 year | 1100 | 90% | 1100 | 58% |
| On ARVs for 6-12 months | 291 | 81% | 291 | 15% |
| On ARVs for 3-6 months | 97 | 56% | 97 | 5% |
| On ARVs for <3 months | 66 | 74% | 66 | 3% |
| Partial Adherence (200 < VL < 1 000) | 78 | | 78 | 4% |
| Non Adherent/Non Compliant | 216 | | 216 | 11% |
| Awaiting 1st Viral Load after starting ARVs | | | 64 | 3% |

This graphic alongside draws on CareWorks data over the past 7 years and depicts the improved death outcomes of a proactive HIV programme. The arrows indicate the improvement in immunity as measured by the CD4 count.

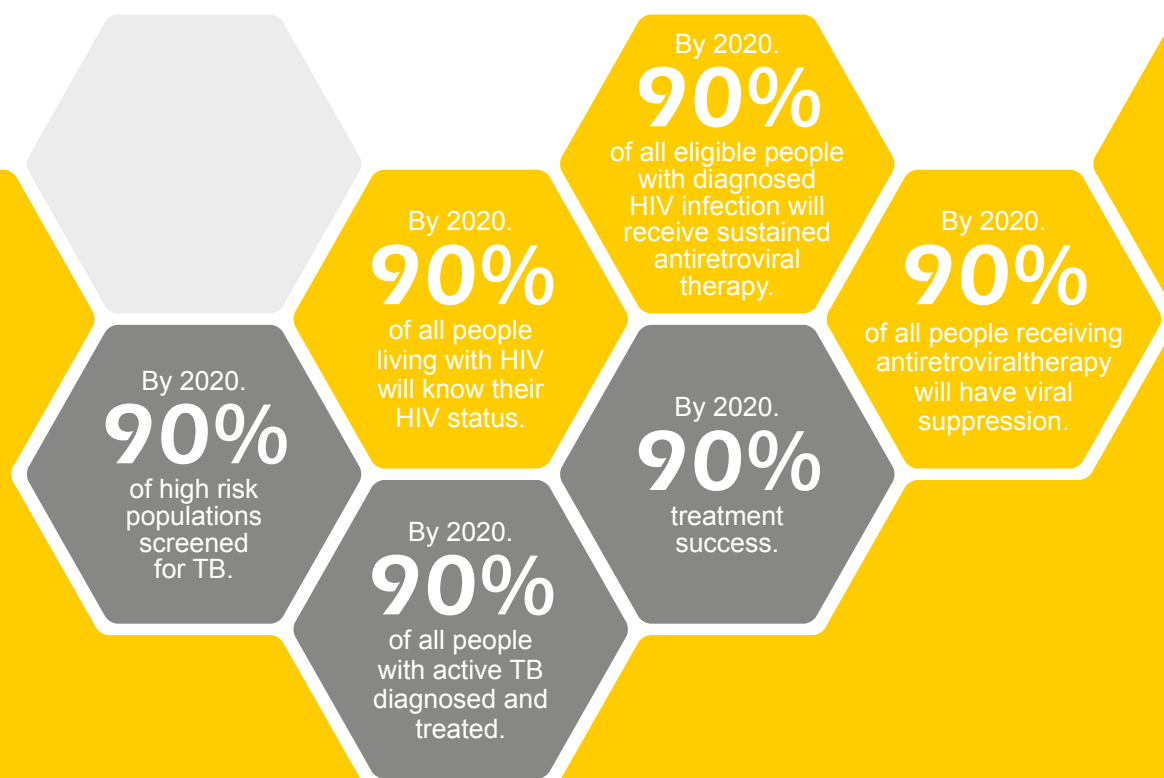


As depicted, a substantial reduction in mortality has been achieved. The return on investment to the industry is dependent on how far and wide the intervention is taken. Additionally, to maximise the impact of the programme, Trucking Wellness and CareWorks have to ensure that the “value chain” is not broken. The HIV value chain consists of:

1. Intensive case finding of HIV positive people;
2. Pro-active linking of HIV positive people into Care and Treatment; and
3. Maintaining their treatment adherence on ARVs.

These outcomes reinforce the importance of a comprehensive HIV programme in the industry that reaches everybody.

The NDoH has introduced a goal of achieving “90-90-90” by 2020. This involves having 90% of HIV positive people knowing their status, 90% of these people placed on ARV treatment, and 90% of these people adherent with viral suppression. Hitting these targets translates into an AIDS free generation by 2030. The same applies to the Road Freight and Logistics Industry.



WELLNESS FUND HEALTH PLAN

The NBCRFLI Wellness Fund Health Plan protects the wellbeing of employees within the Road Freight and Logistics Industry, and is available to all active NBCRFLI members who are contributing to the Wellness Fund and meet the stipulated eligibility criteria.

During 2015, the Wellness Fund Health Plan benefits were as follows:

- Eligible membership of employees is determined by the Council and up to two spouses qualify for primary care benefits.
- Unlimited network GP consultations, provided that pre-authorisation is required from the sixth consultation in a year for a member and/or each eligible spouse.
- Acute medication up to R1 000 per member per annum, according to the formulary and at network pharmacies.
- Chronic medicine for 23 conditions (HIV / AIDS not included) for registered patients according to the formulary and at network pharmacies.
- Basic dentistry limited to R500 per incident and R1 500 per 24 months per member and eligible spouse.
- Specified basic optometry including spectacles with network optometrists.
- Basic radiology as referred through other service providers at radiology network.
- Basic pathology as referred through other service providers at radiology network.
- Nutraceutical and wellness benefits.
- Direct (inbound) medical consultations.
- Hospital in-patient indemnity benefit due to an accident with a maximum of R75 000 per incident to member, eligible spouses and eligible children.
- Hospital emergency unit out-patient accidental injury benefit of the cost of treatment limited to R12 000 per incident.
- Medical emergency benefits to the member, eligible spouses and eligible children.
- Hospital cash benefit to the member, as well as eligible spouses.
- Funeral benefit of R10 000 upon death of the member only.

STATISTICS FOR 2015



Membership numbers averages around **103 500** (100 000 for 2014) plus **15 200** spouses (19 000 for 2014).



A total of **R88.9 million** was paid out in 2015 for benefits, which was **52% more** than in 2014. On average, 12 200 members or spouses used the benefits of the Health Plan for visits to primary healthcare practitioners each month during 2015. This is up by 4% from 2014. These do not include inbound (telephonic) medical consultants to the service provider's healthcare call centre.

Please see next page for more statistics.

The total benefits paid for during 2015 are calculated by adding the specific types of benefits as follows:

| Total Benefits paid for 2015 | |
|---|---------------------|
| Visits to primary healthcare practitioners | R 53 693 639 |
| Other primary healthcare benefits (inbound) | R 24 435 511 |
| Accident & funeral benefits | R 2 060 315 |
| Emergency benefits | R 8 720 992 |
| TOTAL BENEFITS | R 88 910 457 |

The amounts paid in primary healthcare benefits by discipline, excluding the inbound medical consultants, were as follows:

| Discipline | 2015 Claims Incurred | % | 2014 Claims Incurred | % |
|--------------------------|----------------------|-------------|----------------------|-------------|
| General Medical Practice | R 38 468 749 | 72% | R 37 421 778 | 66% |
| Optometry | R 7 292 045 | 14% | R 8 792 568 | 15% |
| Dental | R 2 746 125 | 5% | R 6 489 514 | 11% |
| Pharmacy | R 1 765 669 | 3% | R 2 016 224 | 4% |
| Pathology | R 1 233 692 | 2% | R 1 276 306 | 2% |
| Radiology | R 717 056 | 1% | R 597 392 | 1% |
| Other | R 1 470 303 | 3% | R 165 836 | 0% |
| TOTAL | R 53 693 639 | 100% | R 56 759 618 | 100% |

IN CLOSING

Over the years, the Council has continued to see a significant reduction in HIV and STI infections as a result of the efforts of all its stakeholders. A special word of thanks goes to all employers and employees who fall within the jurisdiction of the Road Freight and Logistics Industry as well as the following donors for their contributions in 2015:



CORPORATE SERVICES

HUMAN RESOURCES / PEOPLE AT COUNCIL

EMPLOYMENT EQUITY

During the year in review, the NBCRFLI continued to implement affirmative action measures. These measures were put in place to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in all occupation categories and levels in the workforce.

23 vacancies became available during the financial year, however only 11 positions were successfully filled. As at February 2016, females held 61% of the Council's positions while men held 39% of the positions. This represents a ratio of 5/6 and is the same as the previous financial year.

These figures align with the Council's Employment Equity Plan.

Roadside Wellness Centre Primary Healthcare

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|--|-----------|-----------|----------|----------|------------|-----------|----------|-----------|-------------------|----------|------------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 2 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 6 |
| Professionally qualified and experienced specialists and mid-management | 14 | 2 | 0 | 3 | 13 | 2 | 0 | 1 | 0 | 0 | 35 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 35 | 7 | 2 | 3 | 43 | 15 | 4 | 11 | 0 | 0 | 120 |
| Semi-skilled and discretionary decision making | 23 | 2 | 1 | 0 | 30 | 7 | 0 | 8 | 0 | 0 | 71 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 14 | 1 | 0 | 0 | 0 | 0 | 15 |
| TOTAL PERMANENT | 75 | 11 | 3 | 7 | 101 | 26 | 5 | 20 | 0 | 0 | 248 |

COMPENSATION & BENEFITS

During the year in review, the pay scale was updated and pay anomalies were also identified. By updating the pay scale and addressing pay anomalies the Council was able to create alignment with its remuneration philosophy of internal equity and external parity, as outlined in the Council's Remuneration Policy while also creating compliance with the Employment Equity Act with specific reference to equal pay for work completed of equal value.

According to the Council's internal equity stance, it strives to remunerate all staff fairly and consistently according to their role and individual value. The consistent application of remuneration principles throughout the organisation is applied through the Paterson Grading System. In terms of external parity, the Council will, every three years, take national and sectoral remuneration trends into consideration through a salary survey; so as to ensure competitive total remuneration within the parameters of affordability, as far as is achievable and sustainable.

HEALTH & WELLBEING

The Council is dedicated to supporting the health and wellbeing of its employees and engages in many activities and programmes to ensure this. The Council contributes 66.6% towards employees' medical aid, and contributes the same amount when an employee retires.

In 2011, the NBCRFLI entered into a partnership with ICAS, an award winning industry leader in employee wellness programmes. ICAS has designed a solution specifically aligned with NBCRFLI employee wellness needs. The goal of the programme is to maintain a healthy, dedicated, responsive and productive workforce at the NBCRFLI. ICAS offers employees a range of core services such as:

- Psychological counseling services
- Life management services
- eCare online services
- Account management and service promotion
- Reporting and in-depth analysis
- Critical incident and trauma management
- HIV/AIDS support services
- Managerial consulting services

TRAINING & DEVELOPMENT

The Council is dedicated to creating opportunities for skills development and implementing measures to retain skills, as per its Skills Development Plan. During the year in review, staff members were sent on a number of training courses in accordance with their individual learning plans.

These training courses are as follows:

- Quality Customer Service
- Business Communication and Report Writing
- Practical MS Office 2007 & 2010
- Management Skills for Supervisor
- Call Centre Management
- MS EXCEL ADVANCED
- Collective Labour Law Practise and Jurisdiction
- Labour Arbitration
- Disciplinary Hearing
- The Supervisor
- Perfect Personal Assistant
- Relationship Management
- CMS Training
- SALLR Seminar
- Mastering Business Communication
- Problem Solving & Decision Making
- Quality Customer Service
- Conflict Management
- Time Management
- Negotiation Skill
- Telephone Excellence
- Minute Taking
- Agreement Compliance
- Stakeholder Engagement Management
- Communication Management
- Risk Management Champion

PERFORMANCE MANAGEMENT

The NBCRFLI Performance Management Policy enables the Council to monitor and assist in the continuous improvement of its performance, from an individual to departmental and finally an organisational level. During the year in review, the policy was adhered to, where performance contracts were developed and bi-annual assessments were completed for each employee.

STAFF PENSION FUND

All eligible permanent Council employees are required to join the Sanlam Umbrella Pension Fund as a condition of their employment. Those who are members of this Fund are also invested in the Sanlam Lifestage portfolio, which is the Fund's trustee approved investment strategy. The strategy aims to meet each member's savings requirements by working towards a target date, which would be the Normal Retirement Age or the Planned Retirement Age.

The investment strategy consists of two phases and members are automatically switched from one phase to another as they near retirement. The two phases are:

- Accumulation phase
- Preservation phase

By making use of the Umbrella Fund, employees have access to a packaged and flexible retirement savings plan at a reduced cost. Eligible employees are able to take advantage of the following benefits:

- Retirement
- Death
- Accident
- Family funeral
- Burial repatriation
- Disability
- Trauma benefits
- Spouse life cover

The Fund is managed by a board of six Trustees. Sanlam appoints three of the Trustees and the other three are elected by Pension Fund members from a panel of suitably qualified industry professionals. All professionals are independent of Sanlam, meaning they have not worked for Sanlam in the last ten years. The Trustees put the Fund structure in place, allowing the Council to select the most appropriate benefits and options for their members. The trustees are ultimately responsible for the running of the Fund and must ensure that members' interests are protected at all times.

The underlying portfolio's returns for the 1st quarter for 2016 are as follows:

Fund performance

| Sanlam Lifestage | 3 Months | 6 Months | 1 Year | 3 Years (% p.a.) | 5 Years (% p.a.) |
|---------------------------------|----------|----------|--------|---------------------|---------------------|
| Accumulation Portfolio | 3.5% | 6.1% | 4.5% | n/a | n/a |
| Preservation Portfolios: | | | | | |
| Capital Protection | 1.8% | 4.3% | 10.7% | n/a | n/a |
| Inflation-Linked | 2.1% | 3.5% | 5.0% | n/a | n/a |
| Living annuity (ILLA) | 3.4% | 6.1% | 6.3% | n/a | n/a |

COMMUNICATIONS & MARKETING

During the year in review, key messages were successfully communicated to the Council's stakeholders via the Communications & Marketing Department. The Council understands that informed industry members are key to industry success and have therefore put many resources together to ensure that the necessary messages consistently reach the relevant stakeholders.

The mobi app, which was launched in 2013, was used extensively during the year in review. The user-friendly app ensures that Council members have access to information anytime, anywhere. Over the past few years, the app has proven to be highly effective, especially among those who do not have access to computers, as the information found on the app is very similar to that found on the website. When comparing the previous financial year with the current financial year in review, one can see a notable increase in the number of mobi app users. During 2014/15, the mobi app had 1 467 unique users whereas the 2015/16 financial year had 2 154 unique users. The average visitor duration also increased from 00:02:46 to 00:03:03.

The NBCRFLI website www.nbcrfli.org.za has become a strong point of communication for the Council, with regular updates being provided on a continuous basis. As a result, stakeholders have access to a multitude of information ranging from Main Collective Agreement amendments to specific service area telephone numbers. Over the years, the Council's website has grown into an extremely valuable information hub for all its members.

The NBCRFLI News, an electronic newsletter which caters specifically for the Road Freight and Logistics Industry's HR/ Payroll personnel, was distributed on a monthly basis. The newsletter is a valuable information

source in that it highlights Council-related issues and decisions that impact directly on them.

During the year in review, the Communications and Marketing Department distributed Ziwapathi on the Road, which is an information rich newspaper aimed at employees. The information guide provided readers with important information about the Council's services, including their Wellness Fund Health Plan, competitions, contact details, how to resolve a dispute, and so forth. Ziwapathi has added tremendous value to the Marketing & Communications Department, as the Council is now able to distribute large amounts of meaningful information in one document.

During the year in review, the Council continued to build its relationship with Road Ahead, which is a very popular industry-related publication. Through the numerous adverts and advertorials that were placed in the magazine, insightful Council news was delivered to leaders within the Road Freight and Logistics Industry on a continuous basis.

With the appointment of Affinity Health as the new Health Plan service provider in January 2015, the Council exploited all communication platforms to ensure that all members were made aware of the change.

During the year in review, the Council continued to have issues with obtaining the correct contact details from both employer and employee members, however the Council set out on a continuous campaign to improve the situation. As a result, the 2015/16 financial year showed an improvement in the number of contact details being made available to the Council. As a result, Council was able to continuously notify members of relevant information without having to deal with time constraints.

ADMINISTRATION & FACILITIES

ACCOMPLISHMENTS

The Administration & Facilities Department achieved many objectives during the year in review. The Klerksdorp and Newcastle offices were moved and the office upgrades in Polokwane, Nelspruit, East London and Rustenburg continued to go forth. This was done in an attempt to maintain the ideal office branding. The Department also replaced all faulty Haier air conditioning units, as the parts are no longer available in South Africa. Finally, a security and cleaning tender was awarded to the winning company and the process was conducted smoothly without any service interruptions.

CHALLENGES

The availability of parking continued to be a problem during the financial year as the Council struggled to find a large enough area to rent. However, the Council is currently liaising with South Point Tower who may have numerous parking bays available for Council staff in the near future. The Council is also facing a space issue in terms of office space. A recommendation for moving the filing room as well as the print room off-site on a 1-year lease has been handed to the BA committee. This will aid in creating office space for Disputes Resolution and Internal Audit. That being said, the Department also experienced a relatively high resource shortage during the year in review but is in the process of filling all available positions.

OHASA

The Corporate Services Department ensures that the NBCRFLI is in compliance with the Occupational Health and Safety (OHAS) Act of 1993, which effectively ensures the safety, health and welfare of all Council staff members.

During the year in review, the Department appointed two new safety representatives for the existing Committee, one in November 2015 and another in January 2016. An OHAS file was created during the financial year, which is used to store information obtained by monthly OHAS reports and checks submitted to the secretary by the representatives. This is done in order for the Administration and Facilities section to action identified risks to ensure a healthy and safe working environment. The evacuation route and plan was redrafted whereby procedures were outlined regarding what to do when faced with bomb threats and tremors.

RECORD KEEPING

The NBCRFLI has started with the implementation of the offsite filing process (closed files only- archive) in order to safeguard all Council documents. This is an ongoing process of which we are currently drafting and finalising an SOP and Archiving Policy.

COMMITTEE SECRETARY

The General Manager: Secretariat assists the National Secretary with providing an administrative and support service to the NBCRFLI in terms of the functioning of its Committees and Board, thereby improving the overall level of governance and effectiveness of the Council.

In terms of the Governance Framework, the General Manager: Secretariat is critically important to the proper governance of the NBCRFLI and it is the responsibility of the Council to ensure that the General Manager: Secretariat remains capable of fulfilling the function for which he/she has been appointed. The National Secretary should satisfy himself that the appointee has the requisite attributes, experiences and qualifications to properly discharge his/her duties.

The General Manager: Secretariat shall work closely with the Office Bearers and the National Secretary to ensure the proper and effective functioning of the NBCRFLI and the integrity of the NBCRFLI governance process.

INFORMATION & COMMUNICATIONS TECHNOLOGY

The Council's IT department plays a crucial role in enabling the NBCRFLI to deliver an effective and efficient service to all its stakeholders. The department does this by adopting IT governance, management control, service management frameworks based on industry good practice, developing business systems to support and enable the Council's core business processes, and developing and maintaining IT infrastructure based on IT best practices.

The IT infrastructure turnaround strategy, which started in February 2014, consists of the following three phases:

Phase 1: Remediate & Stabilise (FY 2015)

Phase 2: Transform (FY2016)

Phase 3: Govern, Manage & Optimise (FY2017)

The implementation is progressing well with the first two phases being completed in the 2015 and 2016 financial years.

As was reported in the previous year (2015), the major activities in Phase 1 consisted of appointing a single core IT infrastructure service provider, consolidating all infrastructure services, implementing a centralised service and implementing an automated infrastructure-monitoring platform for proactive alerts. A number of infrastructure remediation projects were completed to stabilise the IT infrastructure, improve security and enhance compliance to good IT practice. This included the installation of a new anti-virus, patch management and a centralised back-up solution, a new secure VPN solution, as well as the remediation of the Active Directory, firewall and network assessment. All Toshiba multi-functional printers (MFPs) were at the end of their lifespan and were therefore replaced by Xerox MFPs. Some of the old physical servers were also migrated to the core IT infrastructure service provider's cloud base platform, leading the way for the Council's future server virtualisation and cloud based strategy.

The above remedial actions lead to a significant improvement in the stability and reliability of the IT environment and created a solid foundation for the second phase of transformation.

During the year in review, the focus was on bringing about infrastructure and service transformation to the IT Department. A number of IT infrastructure upgrade and transformation projects were completed, the perimeter security architecture was reviewed and a firewall cluster (consisting of two new firewalls) was implemented to replace the existing firewall. Additionally, the rules base was reviewed, new web content filtering was implemented and the Local Area Networks and WI-FI of the three regional offices were also upgraded. On the desktop front Microsoft Office 365 was deployed, including Skype and One-Drive for business, while some other desktop standardisations were performed. The virtualisation of applications on the dated physical server continued and SAP Production, SAP DR and other applications were virtualised and moved onto the service provider's cloud platform.

From a business perspective, the email compliance and archiving solution that was deployed to ensure email traceability and improve mail security has proven itself during the negotiations. As a result, it has further been extended to include emails sent from the new enforcement system. The first phase of the new enforcement system (that supports the business operations with the registration, management and tracking of complainant cases) has successfully been rolled out to all regions. The system is stable and performing as required. The second phase of development will continue in the next year and will include a levy and invoice compliance enforcement system, which will enhance and enable the core business' enforcement processes.





FINANCE

INTRODUCTION

During the year under review, the Council continued to maintain and improve its financial stability by exercising prudent spending while also preserving discipline in investing funds timeously. Emphasis was also placed on encouraging compliance by industry.

During the year in review, the culture of cost-saving was encouraged and promoted. This was achieved by assisting Council employees to understand what is important and critical when making financial decisions where there are competing priorities. Furthermore, improvement in controls regarding the procurement of goods and services was also introduced whereby employees need to substantiate the need for the good and/or services as well as the preferred service provider/supplier.

PERFORMANCE OVERVIEW

The Council performed better than last year as revenue and surplus increased while expenditure was managed within budgeted constraints. Actual expenditure increased by 17% compared to the previous year, while Main Council income increased by 23% to R208.4m (FY2015: R169.3m). Main Council admin fees increased by 39% to R110.7m (FY2015: 79.7m), which is attributed to the increased level of funds available to invest, the frequency of investments and the output VAT exemption on admin fees. Levies increased by 11% to R75.6m (FY2015: R68.2m). This is attributable to, among other things, the increase in the industry wage rate by 9% as well as the improved levels of compliance. In addition, there was a change in VAT legislation which exempts Bargaining Council activities from output VAT. This resulted in VAT on admin fees being exempted.

During the year under review, the Council faced numerous challenges. Firstly, many companies within the industry either closed down or downsized due to unfavourable economic conditions. This unfortunately resulted in a reduction in revenue for the Council. Secondly, a very low interest rate was earned as a result of market volatility. Lastly, some industry companies are still not registered with the Council, which has resulted in a major loss of revenue.

Levies increased by 11% to R75.6m (FY2015: R68.2m). This can be attributable to, among other things, the increase in the industry wage rate by 9% as well as the improved levels of compliance. Main Council admin fees increased by 39% to R110.7m (FY2015: R79.7m) during the year in review. This is attributable to the increased level of funds available to invest, the frequency of investments and the output VAT exemption on admin fees. Wellness contributions increased by 9% to R180.2m (FY2015: R165.1m) and is attributable to the industry wage increase.

Revenue

R383.1m

NBCRFLI group revenue

R200.8m

Main Council revenue

Income

R391.8m

NBCRFLI group income

R208.4m

Main Council income

Surplus for the period

R57.2m

NBCRFLI group surplus

R48.2m

Main Council surplus

Capital expenditure

R8.4m

Group Capital expenditure

R5.5m

Main Council Capital expenditure

Operating expenditure

R334.6

NBCRFLI group operating expenditure

R160.2m

Main Council operating expenditure

Operating surplus

R57.2m

NBCRFLI group operating surplus

R48.2m

Main Council operating surplus

Property value

R26m

Property value



INVESTMENT FIGURES, REVENUE AND INCOME

The Group investment balance was R1.6b (FY2015: R1.5b). Main Council Investments balance was R158m (FY2015: R147m). The return on Group investments was 8.3% (FY2015: 7.6%) and the return on Main Council investments was 7.7% (FY2015: 9.5%). The CCMA subsidy income came to a total of R1m (FY2015: 0.5%).

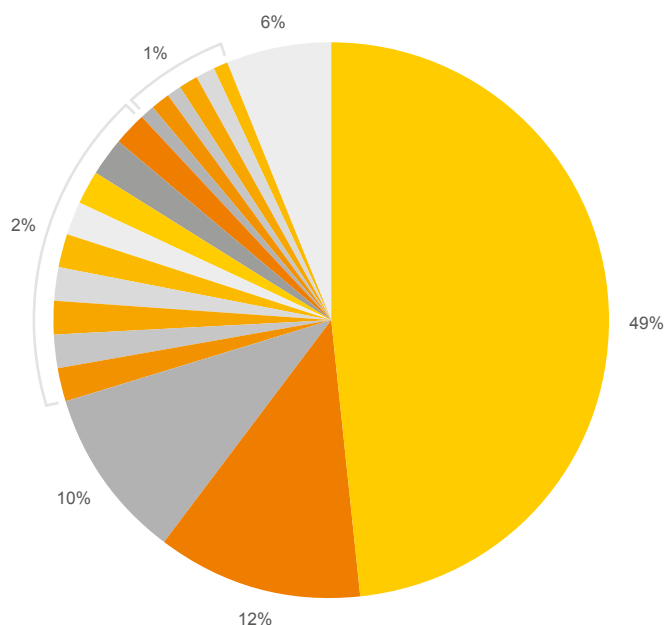
The Council did not create new avenues of income generation during the year in review, however, strategies are in place to set up a Revenue Committee/Investment Committee which will drive income generation initiatives for revenue.

EXPENDITURE

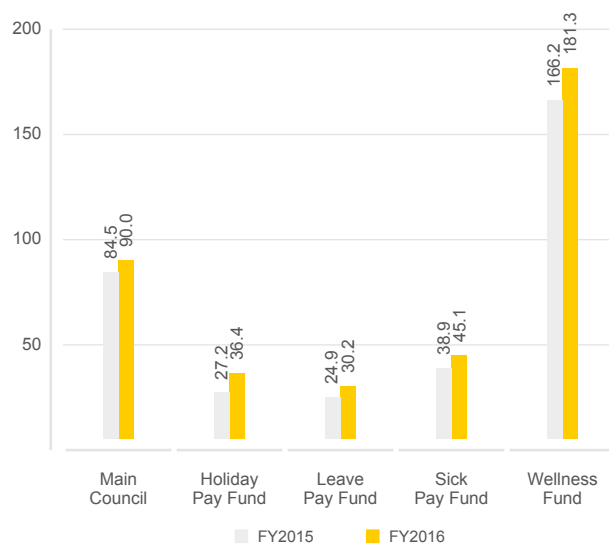
The operational expenditure for the year was 5.3% below the budget. The Council maintained the expenditure tightly without compromising business continuity and service delivery.

Main Council Expenditure Analysis

| | |
|--|-----|
| Employee costs | 49% |
| Computer Hardware Leasing and Software Maintenance | 12% |
| Arbitration Expenses | 10% |
| Depreciation Amortisation and Impairments | 2% |
| Attendance Fees | 2% |
| Repairs and Maintenance | 2% |
| Utilities | 2% |
| Negotiation Paradigm | 2% |
| Legal Expenses | 2% |
| Lease Rentals on Operating Lease | 2% |
| Equipment Hire | 2% |
| Advertising | 2% |
| Non-reclaimable VAT | 1% |
| Bank Charges | 1% |
| Telephone and Fax | 1% |
| Consulting and Professional Fees | 1% |
| Security | 1% |
| Motor Vehicle Expenses | 1% |
| Other | 6% |



NBCRFLI Group Revenue (Rm)



| Rm | Main Council | Holiday Pay Fund | Leave Pay Fund | Sick Pay Fund | Wellness Fund | TOTAL |
|---------------|--------------|------------------|----------------|---------------|---------------|-------|
| FY2015 | 84.5 | 27.2 | 24.9 | 38.9 | 166.2 | 341.7 |
| FY2016 | 90.0 | 36.4 | 30.2 | 45.1 | 181.3 | 383.1 |

BALANCE SHEET & CASH FLOWS

Capital Expenditure

Capital expenditure for the year increased by 8% to R5.5m (FY2015: R5.1m). The increased capital expenditure is attributable to improvements in the IT infrastructure and systems geared to increase administrative efficiency while also enforcing compliance. Property value remained unchanged at R26m.

Financial Assets

The NBCRFLI Main Council and trust funds investments are held with major banks in South Africa. The investments yielded returns of 6.9% and 7.7% (2015: 5.9% and 7.1%). The market value of the Main Council investments was R158.4m (2015: R R147.4m), a growth of 7% from 2015.

The consolidated market value of the Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund was R1.4bn (2015: R1.35bn). The balance of the investments grew by 3% which is primarily attributable to an increase in contributions received from trust funds (i.e. in respect of Holiday, leave and Sick pay Funds); increased frequency of investments; and reinvestments of interest yielded during the period.

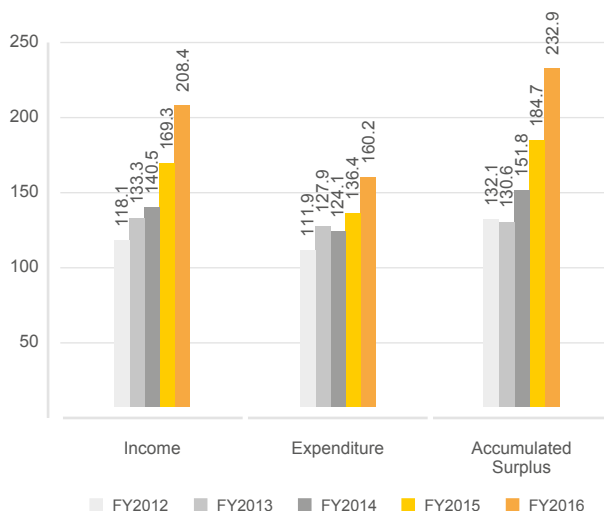
Trade and Other Receivables

Trade and other receivables of the Main Council decreased by 77% to R1.1m (FY2015: R5m). The balance is attributable to lease rental and other connected party receivables, deposits made for leases on rented premises and pre-paid expenditure.

Cash Flow

The Main Council bank balance increased by 497% to R185.1m (FY2015: R31m) during the year in review. Most of the balance at year-end are amounts which were in the process of being invested. The Council experienced positive cash flows from operations of R64m (FY2015: R40.3m). This is attributable to cash generated from normal operations of R37.7m (FY2015: R20.4m), changes in working capital of 12m (FY2015: R3.6m) and interest received of R14.4m (FY2015: 16.3m).

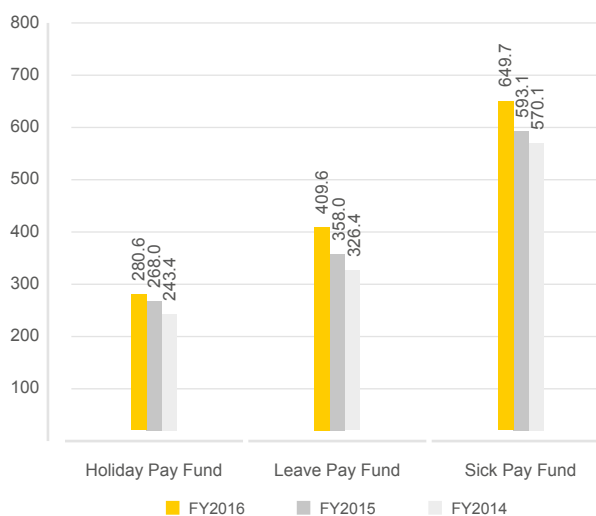
Main Council Five-Year Performance



Trust Fund Liabilities

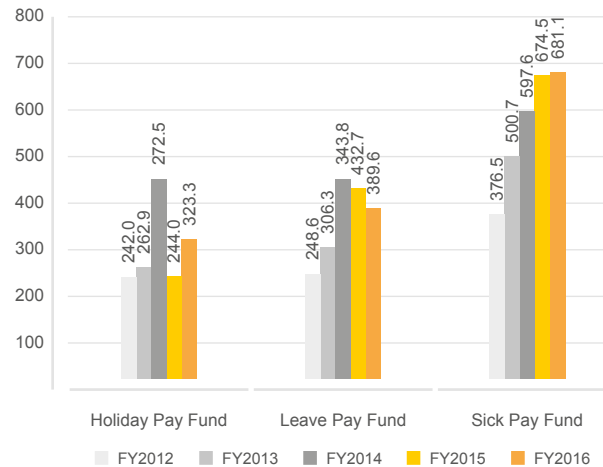
The movement and balances in the trust fund liabilities are highlighted in the graph below (amounts in Rm):

Trust Fund Liabilities (Rm)



| Trust Fund Liabilities (Rm) | Holiday | | | Leave | | | Sick | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY2016 | FY2015 | FY2014 | FY2016 | FY2015 | FY2014 | FY2016 | FY2015 | FY2014 |
| Accumulated Funds - beginning of the year | 268.0 | 243.4 | 240.5 | 358.0 | 326.4 | 297.4 | 593.1 | 570.1 | 493.3 |
| Contributions Received | 747.1 | 681.4 | 613.6 | 550.0 | 501.7 | 450.8 | 416.9 | 379.5 | 341.3 |
| Total Payments | -718.2 | -651.4 | -594.2 | -489.0 | -463.2 | -405.4 | -343.8 | -347.1 | -246.5 |
| Payments | -718.2 | -651.4 | -594.2 | -489.0 | -463.2 | -405.4 | -343.8 | -347.1 | -246.5 |
| Contributions forfeited during the year | -16.3 | -5.4 | -16.5 | -9.4 | -6.9 | -16.4 | -16.5 | -9.4 | -18.0 |
| CLOSING BALANCE | 280.6 | 268.0 | 243.4 | 409.6 | 358.0 | 326.4 | 649.7 | 593.1 | 570.1 |

Trust Fund Investments



PROCUREMENT AND PAYROLL

PROCUREMENT

Introduction

The Procurement Section is a centralised function operating within the Finance Department. Its existence has been driven by its key objectives that consist of supporting the operational requirements; managing the procurement process and supply base effectively and efficiently; developing and maintaining strong relationships with all departments; and developing integrated strategies that support the organisation's strategy, goals and objectives. To live up to this purpose, the Procurement Section is also aiming to continuously adopt best practices and adhere to all prevailing regulations.

Legislative requirements

Even though the NBCRFLI is not a state entity, its existence falls under the requirements of the Labour Relations Act and its activities are governed under the Department of Labour, and ultimately the Minister of Labour. It therefore follows that the NBCRFLI, in terms of its operations, will be informed by best practice in both the public and private sectors in order for the Council to effectively serve its stakeholders.

Procurement Activities

Procurement Activities Key activities include:

- Stock Management.
- Supplier Database Management.
- Tender Management.
- Service Level Agreement Management.
- Insurance /Risk Covers.
- Daily processing of Orders through SAP.
- Regular review of Risk and Strategy.
- Regular review of Policy and Procedures.

Other activities

The Procurement Section has successfully completed a project charter to address the concern of appropriately accruing for expenses. The project is currently in the implementation stage and will be closely monitored accordingly.

PAYROLL

Introduction

The primary mission of the Payroll Section is to ensure that all employees and other stakeholders are paid accurately and timeously with the correct withholdings and deductions, and to ensure the withholdings and deductions are remitted in a timely manner. This includes salary payments, tax withholdings, and deductions from earnings. The Payroll Section's mission is accomplished by working with all the other departments within the NBCRFLI, as well as the Human Resources section.

Legislative requirements

- The Payroll Section is required to comply with the following legislative requirements:
 - Employee Tax incentive (ETI).
 - SARS requirements (EMP201 and EMP501).
 - BCEA.
 - Department of Labour requirements (UIF, Maternity).
 - StatsSA.
 - Workman's Compensation.
 - Pension Fund Act.

Third party requirements

- The Payroll Section also has to comply with third party requirements which include:
 - Garnishee implementation – Court orders.
 - Medical aid requirements – Registration and payment of contributions.
 - Pension fund – Registration and payment of contributions.
 - IEMAS payment of the contributions.

Key payroll activities that occurred during the year under review include:

- Monthly payment of staff, Board members and commissioners.
- Processing monthly accruals such as leave and other payroll related provisions.
- Processing of payroll and other statutory deductions.
- Payment of all third party payments and statutory deductions.
- Monthly submissions to relevant authority.
- EMP201 recon monthly.
- EMP501 recon bi-annually.

FUTURE OUTLOOK

The future looks optimistic as the Council has a healthy financial standing in terms of its assets and investments. It expects a positive surplus from its financial forecast for the year ahead; however, the industry wage agreement is a huge determining factor as to whether this goal will be achieved or not. Over the past five years the Council has managed to grow the Council's accumulated surplus by 75% to R232.9m from R132.7 in the financial year ended 28 February 2011.

In the year ahead, the strategy of the organisation will be instrumental in providing guidance amidst challenging economic conditions. The establishment of an investment committee will assist in making decisions on increasing the returns on funds invested, especially where expert advice is required. Internal cost control measures will also be introduced to ensure that funds are expended in line with business requirements.



CHAIRMAN'S REPORT OF THE AUDIT AND RISK COMMITTEE FUND

We are pleased to present our report for the financial year ended 31 March 2016.

The Audit and Risk Committee has adopted appropriate formal terms of reference as per its Audit and Risk Charter.

MEMBERSHIP AND ATTENDANCE

The Audit and Risk Committee consists of the following members:

| Members | Designation | Period |
|--------------------------|---|---------------------------------|
| Mr. Melusi Ntumba CA(SA) | Appointed as Independent Chairperson | February 2009 to June 2015 |
| Mr. Johnson Gamede | Labour Representative | |
| Ms. Maemili Ramataboe | Independent Member | |
| Mr. Penwell Lunga | Employer Representative | |
| Mr. Oupa Mokgoantle | Appointed as an Independent Member and Acting Chairperson | Effective from 1st July 2015 |
| Mr. Modise Motloba | Appointed as an Independent Member | Effective from 1st October 2015 |

Five (5) meetings were held during the 2015/16 financial year.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Committee reports that it has complied with its responsibility arising from the recommendations of the King Code on Corporate Governance Requirements. The Committee also reports that it continued to regulate its affairs according to the Audit and Risk Committee Charter that it adopted at the beginning of the financial year 2015/16. Its affairs and responsibilities were performed in compliance with this Charter.

THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT

The system of control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the Companies Act and the King III Report on Corporate Governance requirements, Internal Audit and External Audit provide the Council, the committee and management with assurance that the adequacy and effectiveness of internal controls are appropriate. This is achieved by means of audit reviews, implementation of the risk management process, as well as recommendation of corrective actions and control enhancements to the policies, procedures and processes.

INTERNAL AUDIT

The Committee is satisfied that the NBCRFLI Internal Audit provided independent and objective assurance, and that the Internal Audit plan was risk-based and covered key risks of the Council. We further confirm that good progress was made by management in addressing material internal control weaknesses identified by Internal Audit.

EXTERNAL AUDIT

The Committee is responsible for recommending to the Council the appointment (subject to member ratification), compensation, retention and oversight of the independent external auditors. The Committee has satisfied itself that the external auditors of the NBCRFLI are independent as defined by the Act. The Committee, in consultation with executive management, agreed to an audit fee for the 2015/16 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

The External Auditors for the year under review were Deloitte and Touche.

RISK MANAGEMENT

During the year under review, the NBCRFLI strengthened its risk management systems by appointing a dedicated Risk Official and reviewing the ERM strategy to ensure that it is robust and embedded within the organisation. This process is ongoing, and expected to be rolled out throughout the Council going forward. The NBCRFLI risk register is continuously updated and reviewed annually to ensure that management is addressing relevant issues. The Committee is satisfied that the risks identified are receiving adequate attention from management.

With regard to Information Technology Risk Management, an IT Governance Framework - which includes the establishment of an IT Steering Committee - has been developed and is in the process of being reviewed and approved by the Council. Once approved, a separate and dedicated IT Steering Committee will be appointed that will drive IT-related Governance matters within the Council.

The IT Steering Committee will monitor all IT risks related to the Council's IT major projects. The Council is still in the process of documenting and reviewing its IT policy to meet governance requirements. IT best practices and frameworks like Cobit 5, ITIL, ISO 38500 and ISO 27000 have been adopted to improve and mature the overall Governance and Control landscape.

The Council has appointed an Independent IT Specialist at the Audit and Risk Committee to strengthen IT Governance matters within the Council.

FINANCE

The Committee reviews the budget, management accounts, financial statements and the other financial and procurement matters of the NBCRFLI in order to make appropriate recommendations to the Council.

ANNUAL FINANCIAL STATEMENTS

The Committee has reviewed and recommended the annual financial statements to be included in the integrated annual report for approval by the Council. The Committee confirms that it has:

- Reviewed and discussed the draft annual financial statements, to be included in the annual report, with the external auditors and the management;
- Reviewed significant judgements made by management as well as material adjustments resulting from the audit;
- Discussed the performance information with management;
- Reviewed changes in accounting policies and practices; and
- Reviewed the entity's compliance with legal and regulatory provisions.

The Committee has subsequently approved the financial statements which will be open for discussion at the annual general meeting which is scheduled for 29 June 2016.



MR OUPA MOKGOANTLE

Acting Chairman of the Audit and Risk Committee



CORPORATE GOVERNANCE MATTERS

FINANCIAL GOVERNANCE

The Council is in a financial stable position with a considerable amount of reserves. The Council utilises Deloitte and Touche as its external auditors. For the year under review, the Council obtained an unqualified audit. The Council used its external audit firm to assist with a process to apply for VAT exemption as well as to provide guidance on best practice corporate governance requirements.

To ensure that the Council's expenditure is spent appropriately and is in line with the approved budget, the Council has introduced a Delegation of Authority stipulating governance structures authorized to approve budget and expenditures. Furthermore, all goods/services must be procured according to the approved Supply Chain Policy.

INFORMATION TECHNOLOGY GOVERNANCE

An IT Governance Framework, which includes the establishment of an IT Steering Committee, has been developed and is in the process of being reviewed and approved by the Council. Once approved, a separate and dedicated IT Steering Committee will be appointed that will drive IT-related governance matters within the Council.

The IT Steering Committee will monitor amongst all IT risks and the Council's IT major projects. The Council is still in the process of documenting and reviewing its IT policy to meet governance requirements. IT best practices and frameworks like Cobit 5, ITIL, ISO 38500 and ISO 27000 have been adopted to improve and mature the overall Governance and Control landscape.

The Council has appointed an Independent IT Specialist at the Audit and Risk Committee to strengthen IT Governance matters within the Council.

REMUNERATION OF COUNCIL MEMBERS AND COUNCIL ADMINISTRATION

The Council, through its Remuneration Committee, oversees the Council's remuneration structure and makes decisions regarding the remuneration of Councillors, Executives, Committee members and Council Administration staff members.

COUNCIL GOVERNANCE FRAMEWORK

The Council has approved the Council Governance Framework, which is guided by the Principles of Good Governance. Furthermore, the Council has put in place the Delegation of Authority which prescribes powers and responsibilities of Council Governance Structures and Council Administration respectively. Its purpose is to give defined authority to Council Governance Structures and Council Administration.



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 | 25 846 299 | 25 846 299 | |
| 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 R | 2015 R | 2016 R | 2015 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 | 2015 | 2016 | 2015 |
| | R | R | R | 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 |

ACKNOWLEDGEMENTS

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.



CONTACT DETAILS FOR THE NBCRFLI

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Fax: 011 403 1555

Pretoria

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Street, Arcadia, Pretoria, 0083
PO Box 55625, Arcadia, 0007
Tel: 012 440 8454
Fax: 086 766 3716

HEAD OFFICE REGION

Bloemfontein

2nd Floor Room 208, 2 President
Brand Street, Bloemfontein, 9301
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Fax: 051 448 9480

East London

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34 Western Avenue, Vincent,
East London, 5247
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Fax: 043 726 8531

Kimberley

M Floor MBA Building, 20 Currey
Street, Kimberley, 8301
PO Box 3000, Kimberley, 8300
Tel: 053 831 6352
Fax: 053 832 1081

Klerksdorp

Room 204 2nd Floor Jade, Square
Corner, Margaretha, Prinsloo & Oliver
Tambo Avenue, Klerksdorp, 2571
PO Box 10053, Klerksdorp, 2570
Tel: 018 462 8311
Fax: 018 462 8909

Nelspruit

Beacon Corner Building, 2 Rothery
Street, Cnr Rothery & Parkin Street,
Nelspruit, 1200
PO Box 1561, Nelspruit, 1200
Tel: 013 752 7420
Fax: 013 753 2386

Polokwane

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23B Thabo Mbeki Street,
Polokwane, 0699
PO Box 3602, Polokwane, 0700
Tel: 015 291 1533
Fax: 015 291 2531

Port Elizabeth

1st Floor Fiveways Centre,
62/64 Cape Road,
Port Elizabeth, 6001
PO Box 20119, Humewood, 6013
Tel: 041 374 1786/041 374 1859
Fax: 041 374 1748

Rustenburg

1st Floor, Room 103, Biblio Plaza
Building, Cnr Nelson Mandela &
President Mbeki Road,
Rustenburg, 0299
PO Box 5010, Rustenburg, 0300
Tel: 014 597 1320
Fax: 014 597 1547

Witbank

208(A) Parkmed Building,
64 Mandela Street, Witbank, 1034
PO Box 1731, Witbank, 1035
Tel: 013 656 1503
Fax: 013 656 1509

WESTERN CAPE REGION

Cape Town

Absa Building, 141 Voortrekker Road,
Cnr Voortrekker Road & Van Eysen
Street, Parow, 7499
Private Bag X22, Parow, 7499
Tel: 021 930 7720
Fax: 021 930 6032

George

Ground Floor Liberty Building,
98 Meade Street, George, 6530
PO Box 9753,
George, 6530
Tel: 044 874 3098
Fax: 044 874 4839

Clanwilliam

1st Floor Spar Complex,
6 Main Road, Clanwilliam,
PO Box 205,
Clanwilliam, 8135
Tel: 027 482 1620
Fax: 027 482 1920

KWAZULU-NATAL REGION

Durban

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Newcastle

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PO Box 2604, Newcastle, 2940
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Pietermaritzburg

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Fax: 033 396 3948

Richards Bay

2nd Floor Office 14, 7 Trinidad
Parkade, Lakeview Terrace,
Richards Bay, 3900
PO Box 61, Richards Bay, 3900
Tel: 035 789 3847
Fax: 035 789 3849

PARTIES TO THE COUNCIL

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MOTOR TRANSPORT WORKERS' UNION (MTWU)

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www.mtwu.co.za

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