



NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.

ANNUAL REPORT

2023





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Your Road Freight Partner.

**THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY
(REGISTRATION NUMBER LR2/6/6/55)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 2023**

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Road Freight and Logistics
Registered office	31 De Korte Street Braamfontein 2001
Bankers	FNB
Auditor	Ngubane & CO Chartered Accountant (SA) Registered Auditor Member firm
Secretary	Mr Shadrack Shilenge
Legal advisors	Tricker Incorporated Attorney
Company registration number	LR2/6/6/55
Tax reference number	9124509150

FINANCIAL SECTION

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The reports and statements set out below comprise the financial statements presented to the stakeholders of Council:

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COUNCIL APPROVAL

The Council members are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the provisions of the constitution relating to financial matters and in terms of section 53 (2) (b) of the Labour Relations Act. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the provisions of the constitution relating to financial matters and in terms of section 53 (2) (b) of the Labour Relations Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the Council members set 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 members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

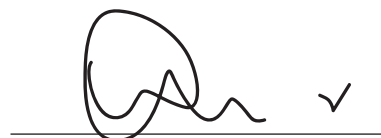
The Council members have reviewed the Council's cash flow forecast and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Council's financial statements. The financial statements have been examined by the Council's external auditor and their report is presented on pages 70 to 71.

The annual financial statements set out on pages 78 to 100 which have been prepared on the going concern basis, were approved by the Council members on 31 July, 2023 and were signed on its behalf by:



MUSAWENKOSI NDLOVU
National Secretary



FRED MEIER
Chairperson

EXTERNAL AUDITOR'S REPORT

To the members of The National Bargaining Council for the Road Freight and Logistics Industry

Opinion

I have audited the financial statements of The National Bargaining Council for the Road Freight and Logistics Industry set out on pages 7 to 29, which comprise the statement of financial position as at February 28, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of The National Bargaining Council for the Road Freight and Logistics Industry as at February 28, 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of section 53(2) (b) of the Labour Relations Act of South Africa.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Council Members are responsible for the other information. Other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The Council Members are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of section 53(2) (b) of the Labour Relations Act of South Africa, and for such internal control as the Members of Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Ngubane & Co. (Jhb) Inc.

NGUBANE & CO. (JHB) INC

Director: Keamogetswe Ruiters

Registered Auditor

8 September 2023



AUDIT AND RISK **COMMITTEE REPORT**

The Audit and Risk Committee ("the Committee") of NBCRFLI is pleased to present its report for the financial year ended 28 February 2023. The Committee complied with the Audit and Risk Charter and all relevant legislation, regulations and governance practices.



Audit and Risk Committee mandate

The Committee is an independent statutory committee whose membership is appointed at the annual general meeting. It is governed by a formal charter that incorporates the relevant clauses of the Companies Act of South Africa, No 71 of 2008 ("the Act"). This charter guides the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the NBCRFLI.

The Committee oversees finances, governance, risk management and internal and external assurance. It also monitors the effectiveness of systems of internal controls and compliance with NBCRFLI's policies, applicable laws and regulations that govern and impact the NBCRFLI.

Audit and risk committee charter and terms of reference

The Committee's terms of reference were reviewed and approved by Council, in line with the Council Governance Framework, Governance Policy and best practices.

The Committee discharged its responsibilities and conducted its affairs in compliance with the Committee's terms of reference, which regulate both its statutory duties and those assigned to it by the Council. The Committee's terms of reference, as outlined in the charter, conform to the provisions of Principle 8, Recommended Practice 51-59 of the King IV Report on Corporate Governance and Section 94 of the Companies Act 71 of 2008.

Roles and responsibilities

Enterprise risk management

The Audit and Risk Committee is responsible for the oversight of the risk management function. The Risk Management Committee reports to the Audit and Risk Committee on the NBCRFLI's management of risk, quarterly.

During the current reporting period, the Committee fulfilled its oversight role on financial reporting, internal financial controls, compliance, and

fraud risks, as they relate to financial reporting and information and communications technology (ICT) risks. The Committee is responsible for the oversight of NBCRFLI risk management systems and processes.

During the current reporting period, the Committee reviewed the risk management policy and framework. The Committee also reviewed the Council Risk Appetite and Tolerance Thresholds and recommended these to EXCO and Council for approval. The Committee participated in the annual strategic risk assessment workshop, which was attended by the Council members and senior management team. Representivity remains a major risk facing Council for the reporting period. The Committee was pleased with efforts made by Council - particularly the revision and enhancement of the risk mitigation strategies to address the risk of Representivity. The proposed risk response plans relating to Representivity risk aim at addressing the issue of membership, particularly on the labour side. The Committee also noted the progress made regarding the risk of financial sustainability; this area has seen significant growth as compared to the previous reporting periods.

The Committee is satisfied with the ongoing identification of emerging risks over and above those documented on the strategic risk register. The Committee is also satisfied with the oversight and reporting of the Risk Management Committee, in so far as the strategic and operational risks are concerned.

Internal audit

The Committee is responsible for the appointment, retention and oversight of the internal audit function, which includes reviewing and providing assurance on the adequacy and effectiveness of the NBCRFLI's internal control environment. This function was co-sourced with Outsourced Risk and Compliance Assessment (Pty) Ltd (ORCA), an independent, internal audit services provider,

for the period up to December 2022. The ARC and management ensured operational efficiencies and business continuity for the period when ORCA was no longer providing the service to Council.

The Committee approved the risk-based internal audit plan for the 2022/23 financial year.

The General Manager Internal Audit has unrestricted access to all records and to the Committee and management of the NBCRFLI, reporting regularly on the internal audit findings to the Committee. The Committee is satisfied that the internal audit function is operating in terms of the International Standards for the Professional Practice of Internal Auditing. It considers internal audit to be functioning effectively and to have addressed material risks pertinent to the NBCRFLI in its audits throughout the current year under review.

External audit and non-audit services

Ngubane Inc currently serves as the external audit firm appointed by the NBCRFLI. The Committee is satisfied with the independence and objectivity of Ngubane Inc, which includes consideration of compliance with criteria relating to independence and conflicts of interest, as prescribed by the Independent Regulatory Board for Auditors.

The Committee approved the external audit's terms of engagement, together with the audit plan, for the 2022/23 financial year end.

In addition, the Committee approved non-audit services for external auditors to conduct an agreed procedure on staff performance incentives for the year under review. The breakdown for both external audit fees and non-audit fees approved by the Committee as of the date of the report are as follows:

Nexia SAB&T	Actuals	Actuals
	Audit services	Non-audit
External audit work	R 871,031,68	0
Agreed upon procedures	0	R 29,068,84
	R 871,031,68	R 29,068,84

Statutory duties

Financial statements and accounting practices

The Committee has reviewed the annual audited financial statements for the year ended 28 February 2023. The Committee also reviewed the following:

- The consolidated organisational budget for the year ending 28 February 2023, which was recommended to EXCO and Council for approval.

- The external audit plan for the year ending 28 February 2023.
- The external auditor's management letter and management's comments on the findings.
- The external auditors' report for the year ending 28 February 2023.
- The annual audited financial statements.

Finance Department

The position of the General Manager Finance became vacant towards the end of the financial year in February/March 2023, as the General Manager was re-appointed to head up Enterprise Risk Management. In order to ensure continuity and a smooth handover,

the Finance Manager was appointed to act in the General Manager Finance position, with the full support of the ex-GM Finance. The Committee is satisfied that the acting General Manager: Finance had the appropriate expertise and experience to meet the responsibilities of the role. Furthermore, the Committee has considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the Finance function.

Internal controls

The system of internal controls showed great improvement, especially with regards to the implementation of the previous year's audit findings, based on audit work undertaken by the internal and external auditors. The audits performed in the financial year 2022/23, and the evidence obtained, indicated that the processes and related system of internal controls in the areas reviewed are reasonably adequate. However, in certain areas they were not always effective in providing reasonable assurance that the NBCRFLI's goals and objectives, in the areas reviewed, would be achieved efficiently and effectively.

However, Management undertook to make an effort and focus their attention on areas identified as not always effective in providing reasonable assurance.

Legal and regulatory compliance

During the period of reporting, the Audit and Risk Committee reviewed the NBCRFLI's compliance with applicable legislation and regulations that have an impact on NBCRFLI. The Committee also reviewed the NBCRFLI's Compliance Framework and related policy and recommended them to EXCO and Council for review and approval.

The Committee is satisfied with the work done on the regulatory universe of the Council. On a quarterly basis, the Committee reviewed compliance risk management plans for the Council's primary regulatory universe. During the year under review, the Committee, through the Risk Management Committee and the IT

Steering Committee, noted the progress made in addressing cyber risks within the organisation. In addition, the Committee noted efforts made by management in addressing recommendations from the POPIA gap analysis report.

Based on the information and explanations provided by Management, as well as the results of audits performed by the internal and external auditors, the Committee is of the opinion that there are no issues of non-compliance breaches with applicable laws and regulations.

Governance of information technology

The IT Steering Committee was in place throughout the financial year. It monitored IT governance and capital projects on a regular basis, and reported quarterly to the Audit and Risk Committee.

Business continuity management

During the reporting period, Council implemented the work from home approach, to support service delivery to Industry stakeholders, while balancing the need for the safety of its employees. The NBCRFLI activated its business continuity plans to ensure that Council remained fit for purpose and agile in an increasingly volatile macro-economic and operational context. The Committee commends Management for the successful and seamless re-location of the Cape Town Parow offices. The relocation was necessary to address safety incidents and concerns that were affecting Council Industry stakeholders and employees.

The Committee will continue to monitor the hybrid work arrangement study that is currently underway. The hybrid work arrangement study report is necessary to determine whether or not Council is ready for a hybrid working arrangement. The Committee will continue to closely monitor this area in the next financial reporting period.

Committee composition and attendance at meetings

The Committee consists of 5 members, with the majority being the independent members and 1 member representing employer parties and 1 member of trade union parties appointed at the AGM. The following members served on the Committee during the year under review:

<i>Committee member</i>	<i>Capacity</i>	<i>Meeting attendance</i>
CK Zama CA (SA)	Chairperson and independent member	6/6
G Mnguni CA (SA)	Deputy Chairperson and independent member	6/6
T Bekker	Independent member	6/6
R Mulamula	Independent member	6/6
T d'Almeida	Member (Councillor)	6/6
W Lekgoathi	Member (Councillor)	6/6

During the year under review, the Audit and Risk Committee meetings were held in accordance with the requirements of the approved Charter. Out of the 6 meetings held, 2 were special meetings. Induction was held for the new independent members appointed in the current financial year. The Committee met quarterly with internal and external auditors, without Management being present, to allow assurance providers a platform to raise any matters of concern independently.

Internal Audit Department

As part of functional reporting, the Committee reviewed the performance of the General Manager Internal Audit. The Department and its performance was found to be satisfactory. Part of the departmental review was to assess the viability of the co-source arrangement, which the Committee found to still be a viable option. Accordingly, these meetings were held in line with the approved year planner to ensure that its core work and reports were produced at the appropriate timeline to co-incide with the NBCRFLI's reporting cycles.

Committee evaluation

The Audit and Risk Committee developed specific annual key performance indicators (KPIs) in the prior year, in addition to those aspects dealt with in the annual plan. The aim was to set out annual objective measures for the Committee and internal audit function, so that they could effectively deliver on their mandate. The Committee continued to pursue the following KPIs as per the workplan:

- Greater oversight in implementing compliance governance.
- Greater oversight on information technology (IT) governance and its maturity.
- Improved use of the strategic dashboard to manage and monitor the risks and associated internal controls (including internal financial controls).
- Greater oversight in embedding a risk management culture.
- Greater oversight in strengthening the control environment, by ensuring that all policies that are due for review are updated and approved by the Council.
- Greater oversight on the implementation of COVID-19 measures and business resilience.

During the period under review, the performance evaluation of the Audit & Risk Committee was evaluated in line with the approved Charter and Annual Work Plan. The performance results were adopted by the Council in December 2022.

The Chairperson of the Committee is invited to attend the annual general meetings of the NBCRFLI, so as to table the Audit and Risk Committee Annual Report.

Approval of the report

Following the review by the Audit and Risk Committee of the annual financial statements of NBCRFLI for the year ended 28 February 2023 and the opinion of the external auditor, the Audit and Risk Committee is of the view that they fairly present in all material respects the financial position of NBCRFLI as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMME, the constitution relating to the financial matters and in terms of section 53 (2) of the Labour Relations Act 66 of 1995 . The Audit and Risk Committee has recommended that the NBCRFLI's Annual General Meeting approves the annual financial statements.

On behalf of the Audit and Risk Committee



CK ZAMA

*Chairman of the Audit and Risk Committee
July 2023*



STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at February 28, 2023

Note(s)	2023	2022 Restated	
	R	R	
Assets			
Non-Current Assets			
Property, plant and equipment	2	36,174,946	35,232,447
Intangible assets	3	1,774,128	2,464,633
		37,949,074	37,697,080
Current Assets			
Inventories	6	161,368	412,560
Trade and other receivables	5	14,901,258	17,463,080
Other financial assets	4	2,738,986,502	2,657,697,333
Cash and cash equivalents	7	118,860,009	96,636,687
		2,872,909,137	2,772,209,660
		2,910,858,211	2,809,906,740
Total Assets			
Equity and Liabilities			
Equity			
Reserves	8	7,067,450	7,067,450
Surplus funds		710,839,960	671,461,520
		717,907,410	678,528,970
Current Liabilities			
Trade and other payables	9	37,992,199	28,835,288
Industry trust and unclaimed benefit liability	10	2,134,152,179	2,083,153,429
Provisions	11	20,806,423	19,389,053
		2,192,950,801	2,131,377,770
		2,910,858,211	2,809,906,740
Total Equity and Liabilities			

STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income

	<i>Note(s)</i>	<i>2023</i>	<i>2022 Restated</i>
		R	R
Revenue	12	622,934,767	532,945,021
Other income	13	6,032,218	6,513,877
Employees costs		(177,336,803)	(163,860,402)
Computer hardware, leasing and software maintenance		(34,501,531)	(31,343,743)
Other expenses		(372,281,859)	(347,001,604)
Depreciation and amortisation		(5,468,352)	(6,962,189)
Surplus (Deficit) for the year		39,378,440	(9,709,040)
Total comprehensive Surplus (Deficit) for the year		39,378,440	(9,709,040)

STATEMENT OF CHANGES IN FUNDS

Statement of Changes in Funds

	<i>Revaluation reserve</i>	<i>Accumulated Surplus</i>	<i>Total Funds</i>
	R	R	R
Restated* Balance at March 1, 2021	7,067,450	681,170,560	688,238,010
Deficit for the year	-	(9,709,040)	(9,709,040)
Total comprehensive loss for the year	-	(9,709,040)	(9,709,040)
Restated* Balance at March 1, 2022	7,067,450	671,461,520	678,528,970
Surplus for the year	-	39,378,440	39,378,440
Total comprehensive income for the year	-	39,378,440	39,378,440
Balance at February 28, 2023	7,067,450	710,839,960	717,907,410

STATEMENT OF CASH FLOWS

Statement of Cash Flows

	Note(s)	2023	2022
		R	R
Cash flows from operating activities			
Cash generated from (used in) operations	17	58,226,698	(1,720,281)
Inflow of industry trust-collection received from Industry and increase of unclaimed benefit liability	10	2,835,306,033	2,644,811,230
Outflow of industry trust-payments made to Industry and decrease of unclaimed benefit liability	10	(2,784,307,284)	(2,573,095,447)
Net cash from operating activities		109,225,447	69,995,502
Cash flows to investing activities			
Purchase of property, plant and equipment	2	(4,856,392)	(2,380,705)
Proceeds from disposal of assets	13	164,105	8,299
Purchase of intangible assets	3	(1,020,669)	(1,056,506)
Inflow of other financial assets-matured funds used to fund Industry payments		985,847,099	886,824,648
Outflow of other financial assets-purchase of new investments		(1,067,136,268)	(997,118,160)
Net cash outflow from investing activities		(87,002,125)	(113,722,424)
Total cash movement for the year		22,223,322	(43,726,922)
Cash at the beginning of the year		96,636,687	140,363,609
Total cash at end of the year	7	118,860,009	96,636,687



ACCOUNTING POLICIES

General information

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) is an organisation registered as a bargaining council in terms of section 29 (15)(a) of the Labour Relations Act 1995. The Act allows for registered employer and employee organisations to establish a Bargaining Council for an industry. 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 Agreement concluded between the Parties to Council is called the Collective Agreement. The Agreement is 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 provisions of section 32 of the Labour Relations Act 1995, been extended to non-parties in the Industry by the Minister of Employment and Labour. The Parties signed a two-year agreement which was promulgated by the Minister of Employment and Labour and was extended to non-parties in the Government Gazette No.45905 of 11 February 2022. The promulgated Agreement came into effect from 1 March 2022.

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis, except for the revaluation of land and buildings, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty Critical judgements in applying accounting policies

Management is required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The Council reviews the estimated useful lives of property, plant and equipment and intangible assets when changing circumstances indicate that they may have changed since the most recent reporting date. The residual values and useful lives of property,

plant and equipment are based on historic performance, as well as expectations about future use and therefore require a degree of judgement to be applied by management. The useful economic lives and residual value are re-assessed annually. The assets that are fully depreciated and are still in use are set at R1. They are amended when necessary to reflect current estimates, based on technological advancements, future investments and physical condition of assets. See note 3 for the carrying amounts of property, plant and equipment and accounting policy 1.2 for the useful economic lives for each class of assets. As indicated in accounting policy 1.2, the estimated useful lives of items of property, plant and equipment range between 2-50 years however, the actual useful lives might be shorter or longer – depending on technical innovations and other factors.

Impairment testing

The Council reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs. During the physical verification of assets at year end, management assesses if there are any assets that must be impaired and they get retired from the assets register and for those assets that are still with book value, the loss is recorded in the Suplus and Deficit. The carrying amounts of assets other than assets carried at fair value, are assessed for impairment annually to identify if there is an indication of impairment of assets.

Provisions are recognised when Council has a present constructive or legal obligation as a result of a past event and when it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Provisions

1.1 Significant judgements and sources of estimation uncertainty (continued)

A provision is recognised when Council has a present constructive or legal obligation as as results of past events and when it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Council

ACCOUNTING POLICIES (continued)

holds for its own use and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the net revalued carrying amount. Any increase in an asset's

carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any remaining decrease in excess of such credit is recognised in surplus or deficit in the current year.

The revaluation surplus related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Council.

Land is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item

Buildings Office

Motor vehicles

Office equipment

Furnitures and fixtures

IT equipment

Containers

Land

<i>Depreciation method</i>	<i>Average useful life</i>
Straight line	50
Straight line	5
Straight line	5
Straight line	5
Straight line	3
Straight line	5
	Indefinite

ACCOUNTING POLICIES (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

1.2 Property, plant and equipment

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in deficit or surplus when the item is derecognised.

1.3 Intangible assets

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity and costs of assets can be measured reliably.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses. If intangible assets are acquired in an entity the costs of that intangible asset is measured at its fair value on the acquisition date. An intangible asset is derecognised on disposal or when no future economic benefits are expected from the use or disposal. Gains or loss arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of assets, are recognised in the surplus or deficit when the asset is derecognised.

Subsequent expenditure on capitalised intangible assets is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation of intangible assets is recognised in surplus or deficit on a straight line basis over the assets' estimated value.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	3

1.4 Inventories

Inventories comprise consumable stock and are valued at the lower of cost using the first-in, first-out (FIFO) basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their location and condition. When inventories are issued for use, the carrying amount of those inventories are recognised as an expense in the period in which it is issued. Inventories relate to stationery purchased and outstanding at year end. Stationery used during the year is expensed in the statement of comprehensive income.

1.5 Trade and other receivables

Trade and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the surplus or deficit when there is objective evidence that the asset is impaired.

1.6 Trade and other payables

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

1.7 Industry trust account and unclaimed benefits liability

The provisions of the agreement made and entered into by the parties to the Council, promulgated under Government notice 15 January 1971 sub clause of Holiday Pay Bonus, Leave Pay Fund and Sick Fund Pay Fund made the following provisions on the administration of benefits trust funds:

All the money paid into any of the benefits funds referred to in clause 24 must be deposited in a special bank account to be operated for and in the name of that benefit fund.

Income earned on invested money accrues to the Council.

Any money in a benefit fund that is not required for immediate use may be invested by the Council from time to time in terms of Section 53 (5) of the Act. Any contribution paid to a benefit fund which is not claimed or otherwise legally disposed of within five years of receipt of that contribution will be forfeited to the forfeiture liability of the contribution concerned.

ACCOUNTING POLICIES (continued)

Contributions not claimed or otherwise disposed of within 5 years after the date of receipt were forfeited to the general funds of the NBCRFLI in terms of the Main Collective Agreement. The policy was changed as of 1 March 2006 to transfer such receipts forfeited to the forfeitures liability account in this fund and will be applied prospectively.

1.8 Financial instruments

Initial recognition and measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar financial instrument. The classification of financial assets at initial recognition depends on the financial assets contractual cash flow characteristics and the Council business model for managing it. The business model determines whether cash flows will result from collecting contractual cash flow or selling the financial assets.

Financial instruments at amortised cost

The effective interest method is a method of calculating the amortised costs of financial instruments and allocating of interest income over the relevant period. These include other financial assets, cash and cash equivalents, industry trust liability, unclaimed benefit liability, trade receivables and trade payables. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Subsequent measurement

All recognised financial assets are subsequently measured at amortised cost.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rental amounts are expensed in the period they are incurred.

1.10 Impairment of assets

The Council assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.11 Provisions

Provisions are recognised when the Council has an obligation at the reporting date as a result of a past event, it is probable that the Council will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. At reporting period Council should recognise the costs of all employees benefits to which its employees have become entitled as a result of services rendered to the entity.

Council should recognise the expected costs of bonus payments when the entity has present legal or constructive obligations to make such payments as a result of past events and reliable estimates can be made. Provision for bonus is based on performance, moderate scores are used to determine the percentages that are applied to salaries to determine the bonus amount payable.

ACCOUNTING POLICIES (continued)

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

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

1.13 Revenue

Revenue is recognised, to the extent that the Council has rendered services as per the main collective agreement, provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Council. The Council's revenue comprises primarily Levy income, collected from Industry, as per the main collective agreement.

Interest income is accrued on a time proportion basis with reference to the principal amount received and effective interest rate applicable. Interest is recognised in surplus or deficit using the effective interest rate method. Interest is earned from other financial assets invested.

Levies are charged to the Industry for the services that the Council provides to the Industry as per the main collective agreement. Levies

are recognised on the cash basis based on the amounts received for the returns submitted and processed. Outstanding levies are accrued in the financial period where reasonable in the current period. Wellness relates to fees for the Wellness programme.

Admin fees are recognised on the accrual basis and recorded when they occur - regardless of whether payments have been received at that time. Admin fees are charged for the administration of the Holiday Pay Fund, Sick Pay Fund and Leave Pay Fund and any other funds administered as approved by the Department of Labour act and Council Board.

Arbitration costs income, interest and penalties are recognised on the cash basis, based on the amounts received where reasonable outstanding arbitration costs income, interest and penalties will be accrued for in the current period.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, as well as other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to a significant risk of changes in value. These are initially recognised at fair value and subsequently at amortised cost.

1.15 Other financial assets

These financial assets are initially recognised at fair value plus direct transactions costs, and subsequently measured at amortised cost using effective interest rate method.



NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

2. Property, plant and equipment

Statement of Financial Position as at February 28, 2023

	2023			2022		
	Cost of revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	12,000,000	-	12,000,000	12,000,000	-	12,000,000
Buildings office	18,500,000	(1,358,559)	17,141,441	18,500,000	(1,001,446)	17,498,554
Furniture and fixtures	8,978,929	(6,799,921)	2,179,008	7,705,485	(6,091,719)	1,613,766
Motor vehicles	4,625,582	(3,819,496)	806,086	4,178,826	(3,863,425)	315,401
Office equipment	2,727,436	(1,722,565)	1,004,871	2,374,122	(1,419,629)	954,493
IT equipment	11,358,710	(8,315,181)	3,043,529	10,128,503	(7,338,889)	2,789,614
Containers	1,776,361	(1,776,350)	11	1,776,361	(1,715,742)	60,619
Total	59,967,018	(23,792,072)	36,174,946	56,663,297	(21,430,850)	35,232,447

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing
Land	12,000,000	-	-	-	12,000,000
Buildings office	17,498,554	-	-	(357,113)	17,141,441
Furniture and fixtures	1,613,766	1,006,162	-	(440,920)	2,179,008
Motor vehicles	315,401	759,854	-	(269,169)	806,086
Office equipment	954,493	714,396	(10,634)	(653,378)	1,004,871
IT equipment	2,789,614	2,375,980	(146,077)	(1,975,988)	3,043,529
Containers	60,619	-	-	(60,608)	11
Total	35,232,447	4,856,392	(156,711)	(3,757,176)	36,174,946

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions		Depreciation	Closing
Land	12,000,000	-		-	12,000,000
Buildings office	18,500,000	-		(1,001,446)	17,498,554
Furniture and fixtures	1,876,768	563,696		(826,722)	1,613,766
Motor vehicles	671,665	-		(356,264)	315,401
Office equipment	974,494	504,613		(524,596)	954,493
IT equipment	3,780,415	1,312,396		(2,303,193)	2,789,614
Containers	106,87	-		(46,251)	60,619
Total	37,910,212	2,380,705		(5,058,472)	35,232,447

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

Revaluations

The Council's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value. There was no revaluation of the land and buildings for the period ended 28 February 2023. The next revaluation will be done in 28 February 2024. (The previous revaluation was performed as at 28 February 2021). The revaluation on the land and buildings was performed by an Independent Valuer, Mr Grant Fraser, who is not related to the Council. Mr Fraser is registered as a Professional Associated Valuer (without restriction) with the South African Council for the Valuer Profession (Certificate no.3682). The valuation stated was on the basis that the properties would be sold on the assumption of vacant possession. The Property is valued on the investment method of valuation. If Council decide to sell office buildings before 3 years then revaluation will be performed before we sell the buildings.

The carrying value of the revalued assets are as follows:

Land	12,000,000	12,000,000
Building offices	18,500,000	18,500,000
	30,500,000	30,500,000

Details of properties at revalued amounts

Erf 2915 29 De Korte Street Johannesburg

Revalued amount	7,914,865	7,914,865
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Erf 2914 31 De Korte Johannesburg

Revalued amount	3,966,350	3,996,350
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Erf 7498 Parrow 141 Voortreker Road

Revalued amount	6,618,785	6,618,785
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Carring Value at cost model had there been no revaluation

- Erf 2915 Purchase price and date: 2006	4,471,373	5,074,379
- Erf 2914 -Purchase price and date: 2006	2,168,876	2,461,369
- Erf 7498 Parrow 141 Voortrekker 2010	3,433,742	3,896,802
	10,073,991	11,432,550

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

3. Intangible assets

Statement of Financial Position as at February 28, 2023

	2023			2022		
	Cost of revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Computer software	7,773,310	(5,999,182)	1,774,128	6,752,641	(4,288,008)	2,464,633

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisations	Total
Computer software	2,464,633	1,020,669	(1,711,174)	1,774,128

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisations	Total
Computer software	3,311,843	1,056,506	(1,903,716)	2,464,633

4. Other financial assets

At amortised cost

	2023	2022
	2,738,986,502	2,657,697,333

Reconciliation of intangible assets - 2022

	Amortisations	Total
At amortised cost		
Wellness Fund investment	20,399,867	19,180,904
Sick Pay Fund investment	782,491,064	905,250,777
Main Council investment	615,666,973	578,494,174
Holiday pay fund investment	550,973,557	403,737,756
Leave fund investment	769,455,041	751,033,722
	2,738,986,502	2,657,697,333
Total other financial assets	2,738,986,502	2,657,697,333

The investments are held at a variety of financial institutions. These investments bear interest between 5.0% and 8.45% (2022 3.5% and 4.5% per annum.)

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

5. Trade and other receivables

	2023	2022
	R	R
Deposits-utilities and rentals	1,041,781	580,782
Sundry debtors	-	1,895
Accrued income	438,447	1,822,659
Industry PAYE	5,912,870	5,912,870
Trade unions	7,508,160	9,144,874
	14,901,258	17,463,080

6. Inventories

Inventory	161,368	412,560
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7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	118,813,257	96,591,692
Petty cash	46,752	44,995
	118,860,009	96,636,687

8. Revaluation

Opening balance	7,067,450	7,067,450
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9. Trade and other payables

Trade payables	24,879,868	16,887,841
Employees agency fees-unions	2,258	195,229
Leave pay accrual	4,715,837	3,896,917
Trust account	8,394,236	7,855,301
	37,992,199	28,835,288

Trust account relates to the enforcement cases by the Industry employees against the employer. The funds paid by the employer after the award by the Commissioner and settlement between Council and the employer regarding the enforcement cases are allocated to the trust account.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

10. Industry trust and unclaimed benefit liability

At amortised cost

Balance for the year

	2023	2022
	R	R
	2,134,152,179	2,083,153,429
	2,134,152,179	2,083,153,429

Movements during the year contribution received

Holiday Pay Fund investment

Leave Fund investment

Sick Pay Fund investment

	Amortisations	Total
	1,220,903,133	1,134,056,700
	926,065,588	862,292,378
	688,337,311	648,462,152
	2,835,306,032	2,644,811,230

Payout for the year

Holiday Pay Fund investment

Leave Fund investment

Sick Pay Fund investment

	Amortisations	Total
	(1,213,600,771)	(1,139,090,801)
	(890,777,358)	(777,578,110)
	(679,929,128)	(656,426,534)
	(2,784,307,283)	(2,573,095,447)

Current liabilities

At amortised cost

	2,134,152,179	2,083,153,429
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11. Provisions

Reconciliation of provisions - 2023

Incentive bonus

	Opening balance	Addition	Payment during the year	Total
	19,389,053	20,806,423	(19,389,053)	20,806,423

Reconciliation of intangible assets - 2022

Incentive bonus

	Opening balance	Additions	Amortisations	Total
	17,532,236	19,389,053	(17,532,236)	19,389,053

Provisions are recognised when the entity has a present constructive or legal obligation as result of past events and when it is probable that it will result in outflow of economic benefits that can be reasonably estimated. This provision relates to incentives bonuses raised at year end.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

12. Revenue

	2023	2022
	R	R
Interest received	194,882,775	131,360,581
Wellness Fund contribution	303,170,357	281,822,809
Levies received	124,881,635	119,761,631
	622,934,767	532,945,021

13. Other income

CCMA subsidy income	(252,007)	256,262
Services SETA Income	62,983	366,94
Sheriff fees legal arbitration	67,760	45,625
Income arbitration costs	1,488,958	1,723,155
Sundry income	564,797	47,770
Profit on sale of fixed assets	7,385	8,299
Income -arbitrations penalties	2,947,646	3,050,186
Abitration interest	1,144,696	1,015,640
	6,032,218	6,513,877

14. Operating expenses

Operating expenses for the year are stated after accounting for the following:

Amortisation on intangible assets	1,711,175	1,903,716
Depreciation on property, plant and equipment	3,757,177	5,058,473
Employee costs	177,336,803	163,860,402
Pension fund contribution	6,554,600	6,064,481

15. Taxation

No provision has been made for taxation as the fund is currently exempt from income taxation in terms of section 10(1)(cA)(l) of the Income Tax (Confirmed on 17 February 2003).

16. Auditor's remuneration

Audit fees	1,095,545	1,183,425
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NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

17. Cash generated from (used in) operations

	2023	2022
Surplus (Deficit) before taxation	39,378,440	(9,709,040)
Adjustments for:		
Depreciation and amortisation	5,468,352	6,962,189
Loss on scrapping of assets	156,711	-
Proceeds on sale of assets	(164,099)	(8,299)
Movements in provisions-Incentive bonus	1,417,370	1,856,817
Changes in working capital:		
Inventories	251,192	(283,991)
Trade and other receivables	2,561,822	(2,259,869)
Trade and other payables	9,156,910	1,721,912
	58,226,698	(1,720,281)

18. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	4,789,385	3,378,358
- in second to fifth year inclusive	9,411,523	5,602,600
	14,200,908	8,980,958

Operating lease payments represent rentals payable by the Council for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

19. Related Parties

Key executive management remuneration 2023

	Remuneration	Total
Executive management and Council members' remuneration	21,456,822	21,456,822

Key Executive Management Remuneration 2022

	Remuneration	Total
Executive management and Council members' remuneration	20,401,900	20,401,900

Key executive management personnel include 24 Council members who serve on Council board and various sub committees, 7 senior managers and the National Secretary who is the head of Council administration.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

20. Prior period errors

1. In prior year periods, other financial assets were incorrectly recognised as non-current assets instead of current assets. Net effect on the statement of financial position is nil. 2. Industry trust and unclaimed liability was incorrectly recognised under cash flows from financing activities. Net effects on the statement of cash flows is nil. 3. In the prior year period the other financial assets were incorrectly disclosed in the notes as measured at fair value through profit and loss instead of amortised costs. The net effect is nil. 4. In the prior year the leave pay accrual and trust accounts were incorrectly disclosed as financial instruments in the categories of financial instruments and non financial instruments. 5. In the prior year the industry trust and unclaimed liabilities note was incorrectly disclosed in the categories of financial instruments and non financial instruments as financial liabilities at amortised cost instead of non financial instruments. The effect is nil.

The correction of the error(s) results in adjustments as follows:

	28 Feb	28 Feb	Difference	28 Feb	28 Feb	Difference
Statement of Financial Position (Extract)	2022 (As previously reported)	2022 (Restated)		2021 (As previously reported)	2021 (Restated)	
Non Current Assets	-	-	-	-	-	-
Other	2,657,697,333	-	(2,657,697,333)	2,547,403,822	-	(2,547,403,822)
Financial Assets-Non Current assets	-	-	-	-	-	-
Current assets	-	-	-	-	-	-
Current assets	-	-	-	-	-	-
Other Financial assets-Current assets	-	2,657,697,333	2,657,697,333	-	547,403,822	2,547,403,822
Current assets	-	-	-	-	-	-
Statement of Cashflows (Extract)-Industry trust and unclaimed liabilities	2022 (As previously reported)	2022 (Restated)	Difference	2021 (As previously reported)	2021 (Restated)	Difference
Cash Flows from Financing Financing activities	-	-	-	-	-	-
Cash flows from financing activities - Inflow	2,644,811,230	-	(2,644,811,230)	2,401,741,655	-	(2,401,741,655)
Cash flow from financing from financing activities-Outflow	(2,573,095,447)	-	2,573,095,447	(2,468,031,990)	-	2,468,031,990
Cash Flows from operating activities	-	-	-	-	-	-
Inflow of industry trust collection	-	2,644,811,230	2,644,811,230	-	2,401,741,655	2,401,741,655
Outflow of industry trust payments made	-	(2,573,095,447)	(2,573,095,447)	-	(2,468,031,990)	(2,468,031,990)
	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

20. Prior period errors (continued)

Note 22 Categories of Financial Intruments and Non financial instruments	28 Feb	28 Feb	Difference	28 Feb	28 Feb	Difference
	2022 (As previously reported)	2022 (Restated)		2021 (As previously reported)	2021 (Restated)	
Other financial assets at fair value through profit or loss	2,657,697,333	-	(2,657,697,333)	2,547,403,822	-	(2,547,403,822)
Other financial assets at amortised cost	-	2,657,697,333	2,657,697,333	-	2,547,403,822	2,547,403,822
	-	-	-	-	-	-

Note 22 Categories of Financial Intruments and Non financial instruments	28 Feb	28 Feb	Difference	28 Feb	28 Feb	Difference
	2022 (As previously reported)	2022 (Restated)		2021 (As previously reported)	2021 (Restated)	
Other financial assets at fair value through profit or loss	28,835,288	17,083,070	(11,752,218)	27,113,376	17,668,269	(9,445,107)
Other financial assets at amortised cost	-	11,752,218	11,752,218	-	9,445,107	9,445,107
	-	-	-	-	-	-

Note 22 Categories of financial instruments and non financial instruments	28 Feb	28 Feb	Difference	28 Feb	28 Feb	Difference
	2022 (As previously reported)	2022 (Restated)		2021 (As previously reported)	2021 (Restated)	
Industry trust and unclaimed Benefits liability - financial Instruments at amortised Costs	2,083,153,429	-	(2,083,153,429)	2,011,437,644	-	(2,011,437,644)
Industry trust and unclaimed Benefits liability - non financial Instruments	-	2,083,153,429	2,083,153,429	-	2,011,437,644	2,011,437,644
	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

21. Categories of financial instruments and non financial instruments

Categories of financial instruments and non financial instruments - 2023	Notes	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non Financial Instruments	Equity and non financial assets and liabilities	Total
Assets							
Non-Current Assets							
Property, plant and equipment	2	-	-	-	36,174,946	-	36,174,946
Intangible assets	3	-	-	-	1,774,128	-	1,774,128
		-	-	-	37,949,074	-	37,949,074
Current Assets							
Inventories	6	-	-	-	161,368	-	161,368
Other financial assets	4	-	2,738,986,502	-	-	-	2,738,986,502
Trade and other receivables	5	-	13,859,477	-	1,041,781	-	14,901,258
Cash and cash equivalents	7	-	118,860,009	-	-	-	118,860,009
		-	2,871,705,988	-	1,203,149	-	2,872,909,137
Total Assets		-	2,871,705,988	-	39,152,223	-	2,910,858,211
Equity and Liabilities							
Equity							
Reserves		-	-	-	7,067,450	-	7,067,450
Accumulated surplus		-	-	-	710,839,960	-	710,839,960
		-	-	-	717,907,410	-	717,907,410
Total Equity		-	-	-	717,907,410	-	717,907,410
Current Liabilities							
Industry trust and Unclaimed benefit liability	10	-	-	-	2,134,152,179	-	2,134,152,179
Trade and other payables	9	-	-	24,882,125	13,110,073	-	37,992,198
Provisions	11	-	-	-	20,806,423	-	20,806,423
		-	-	24,882,125	2,168,068,675	-	2,192,950,800
Total Liabilities		-	-	24,882,125	2,168,068,675	-	2,192,950,800
Total Equity and Liabilities		-	-	24,882,125	2,168,068,675	717,907,410	2,910,858,210

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

21. Categories of financial instruments and non financial instruments (continued)

<i>Categories of financial instruments and non financial instruments - 2023</i>	<i>Notes</i>	<i>Financial assets at fair value through profit or loss</i>	<i>Financial assets at amortised cost</i>	<i>Financial liabilities at amortised cost</i>	<i>Non Financial Instruments</i>	<i>Equity and non financial assets and liabilities</i>	<i>Total</i>
Assets							
Non-Current Assets							
Property, plant and equipment	2	-	-	-	35,232,447	-	35,232,447
Intangible assets	3	-	-	-	2,464,633	-	2,464,633
Other financial assets	4	-	2,657,697,333	-	-	-	2,657,697,333
		-	2,657,697,333	-	37,697,080	-	2,695,394,413
Current Assets							
Inventories	6	-	-	-	-	412,560	412,560
Other financial assets	4	-	2,657,697,334	-	-	-	2,657,697,334
Trade and other receivables	5	-	16,882,299	-	580,781	-	17,463,080
Cash and cash equivalents	7	-	96,636,687	-	-	-	96,636,687
		-	2,771,216,320	-	580,781	412,560	2,772,209,661
Total Assets		-	5,428,913,653	-	38,277,861	412,560	5,467,604,074
Equity and Liabilities							
Equity							
Reserves		-	-	-	-	7,067,450	7,067,450
Accumulated surplus		-	-	-	-	671,461,520	671,461,520
		-	-	-	-	678,528,970	678,528,970
Total Equity		-	-	-	-	678,528,970	678,528,970
Current Liabilities							
Industry trust and Unclaimed benefit liability	10	-	-	-	2,083,153,430	-	2,083,153,430
Trade and other payables	9	-	-	17,083,070	11,752,218	-	28,835,288
Provisions	11	-	-	-	19,389,053	-	19,389,053
		-	-	17,083,070	2,114,294,701	-	2,131,377,771
Total Liabilities		-	-	17,083,070	2,114,294,701	-	2,131,377,771
Total Equity and Liabilities		-	-	17,083,070	2,114,294,701	678,528,970	2,809,906,741

DETAILED INCOME STATEMENT

Figures in Rand

22. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

23. Events after the reporting period

Notes

2023

2022
Restated

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report.

Revenue

Interest received		194,882,775	131,360,581
Wellness Fund contribution		303,170,357	281,822,809
Levies received		124,881,635	119,761,631
	12	622,934,767	532,945,021

Other income

CCMA subsidy Income		(252,007)	256,262
Services SETA Income		62,983	366,940
Sheriff fees arbitration		67,760	45,625
Income arbitration costs		1,488,958	1,723,155
Sundry income		564,797	47,770
Profit on sale of assets		7,385	8,299
Income - arbitration penalties		2,947,646	3,050,186
Arbitration interest		1,144,696	1,015,640
		6,032,218	6,513,877

Expenses (refer to page 25)

		(589,588,545)	(549,167,938)
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Surplus (Deficit) for the year

39,378,440

(9,709,040)

Operating expenses

Travel for Councillors		(298,057)	(38,911)
Advertising		(3,593,559)	(1,144,149)
Chairman's allowance		(92,719)	(3,990)
Auditors remuneration	16	(1,095,545)	(1,183,425)
Bank charges		(2,450,235)	(2,961,952)
Computer hardware, leasing and software maintenance		(34,501,531)	(31,343,743)
Consulting and professional fees		(5,310,958)	(4,055,537)
Depreciation, amortisation and impairments		(5,468,352)	(6,962,189)

DETAILED INCOME STATEMENT

Figures in Rand

23. Events after the reporting period (continued)

Operating expenses

	2023	2022 Restated
	R	R
Employee costs	(177,336,803)	(163,860,402)
Attendance fees	(4,124,005)	(3,820,560)
Pay card	(16,340)	(519,435)
Trucking Wellness funding	(16,619,052)	(15,813,479)
Arbitration expense	(24,773,093)	(25,495,697)
Bursary expense	(537,033)	(516,982)
Equipment hire	(4,185,785)	(4,228,055)
Exemption body expense	(1,965,545)	(1,468,473)
Lease rentals	(4,878,887)	(4,232,356)
Beneficiary verification	(291,307)	(112,822)
Insurance	(1,568,642)	(1,318,095)
Legal expenses	(4,001,845)	(5,057,125)
Meeting expenses	(603,072)	(104,981)
Medical expenses	(263,385,286)	(244,794,393)
Motor vehicle expenses	(2,988,251)	(2,018,785)
Management fee - wellness	(866,449)	(730,764)
Negotiation paradigm	(1,636,467)	(5,043,767)
Representivity campaign expenses	(6,943,515)	(5,100,794)
Postage	(307,711)	(366,063)
Printing and stationery	(2,832,278)	(3,125,650)
Seminars	(566,284)	(55,339)
Repairs and maintenance	(2,536,631)	(1,481,914)
Security	(4,550,245)	(3,871,488)
Staff welfare	(678,508)	(601,011)
Electricity and water	(4,547,120)	(4,324,221)
Telephone and fax	(2,347,820)	(2,398,468)
Staff training	(412,393)	(737,918)
Travel - local	(1,277,222)	(275,005)
	(589,588,545)	(549,167,938)