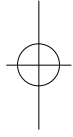




LABOUR RESEARCH SERVICE

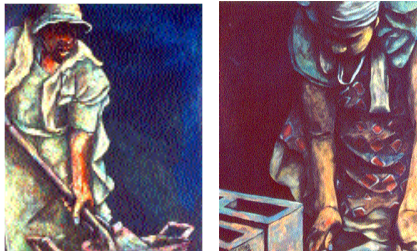
ANNUAL REPORT



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No 7 Community House

41 Salt River Road, Salt River.

PO Box 376, Woodstock 7915

Telephone: +27 21 447 1677

Fax: +27 21 447 9244

Email: lrs@lrs.org.za

Website: www.lrs.org.za

Contributors: LRS staff and board of directors. Thanks must be given to Helga Jansen for her role in interviewing staff and board and compiling this report.

Editor: Sahra Ryklief

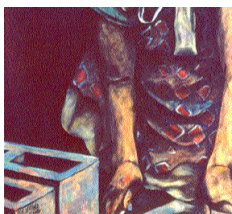
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The LRS wishes to thank the above contributors for their partnership, and all member unions for their subscription fees.



VISION OF LRS

The Vision of LRS is to work towards an egalitarian society, which treats all people with dignity and respect. All shall have equal access to political, legislative and economic resources and activities of society.

Such a society shall eradicate poverty and all forms of exploitation and foster:

- A political environment of participative democracy which is fully transparent and accountable
- A social environment where labour is valued and rewarded
- A social environment where inter alia the young, old and physically weak are protected
- A social environment where elitism in all forms is discouraged

MISSION OF LRS

To promote and enhance the full and active participation of working women and men in the political and socio-economic activities of South Africa.

We do this through developing organisation and leadership capacity of trade unions and labour focussed social organisations, to enable collective bargaining on incomes and social livelihood issues.

OBJECTIVES OF LRS

- To promote the public image and interests of labour in a non-sectarian South African Society
- To contribute towards the development of an informed trade union constituency
- To contribute toward the development of a skilled trade union leadership
- To promote the development of women in trade unions
- To strengthen trade union bargaining capacity so as to improve the living conditions of workers and their extended families
- To assist trade unions and their allied constituencies with policy formulation and alliance building
- To regularly evaluate and assess the role of trade unions in society
- To encourage inter-union solidarity and alliances between unions, NGOs, social movements and campaign groups
- To ensure organisational sustainability for LRS



Message from the Chairperson

The LRS has undergone growth and development in the past year, and is gearing for change in the year ahead. This strategic and organisational change is necessary because the environment in which the LRS has been operating has changed so significantly since ten years ago. The key word to answer why change was necessary is "relevancy". Changes to the political, labour and economic environment, and even the donor environment has meant that change was the only way to go if we were to remain relevant. We have become more focussed, we have assessed the value and relevancy of projects and in some cases made some hard decisions about the future and status of a project. I think that after the past year, we have succeeded in ensuring that the LRS remains relevant, not only for trade unions, but also social movements.

I must congratulate the board in their role in facilitating and responding to the need for change. They have overseen the organisational development process, made the necessary adaptation, and also helped the unions to understand the necessity of changes to the LRS. There are many challenges to the labour movement, and the LRS is now in a position to provide information which will assist unions in engaging with the current environment.

The most important challenges to trade unions in the period ahead are long-term wage agreements, casualisation and the restructuring of state assets. The LRS is instrumental in unions understanding the impact of financial indicators on wages. This is a real issue for negotiators. But casualisation and restructuring means that workers are not always protected by the labour legislation. The loss of jobs have far reaching consequences for trade unions. They lose members and members are the true strength of the union. Job losses also have a terrible social effect, they increase the levels of poverty in our communities and with this comes a long list of socio-economic problems. The LRS strategy will help unions to remain socially relevant and organisationally strong.

I feel that the future is very bright for the LRS. Our goal as the board of directors and as member unions is to make sure that we appreciate the importance of the services that the LRS provides, and show our support for the activities. It is our responsibility to also recruit new members to the LRS. I am proud to be associated with the LRS and thank the staff for their continued commitment to the labour movement.

Chairperson

Nicholas Maziya

South African Transport and Allied Workers' Union.

Board of directors



Nicholas Maziya



Sandra van Niekerk



Sahra Rykklief



Andre Cleophas



Gary Wilson

Gary Wilson – LRS Treasurer, TOWU

The merger between TULEC and LRS ensured that a high level of services could be developed for workers, trade unions and now social movements. The trade unions have high expectations in terms of delivery of research and education services. Funders also have their expectations. Before 1994, they just funded an organization in opposition to apartheid – now after the fall of apartheid – these funders don't just give money, we have to prove that we can manage the money in an ethical way. The irony now is that before money was freely available, now funding goes directly to government, this is a big challenge for us. It has become more difficult to access money.

The critical issues facing trade unions are integration into the new economic system. While as South African workers we want to see our economy succeed, we must continue to protect the rights of workers. These rights have been achieved through hard work and struggle. We must protect it from new economic strategies such as Foreign Direct Investments and pressures from Multi-national Companies. These are new struggles for workers.

My vision for the LRS is that it must become a global player, not seen to only cater for the South African market, but the continent and globally. We are working hard, and soon our research and products will be of a global standard. In the next three years I hope that more and more people will draw on the resources of the LRS.

Michael Sinclair – NUMSA

The period of change has been a challenge to LRS in that they have had to strive to provide added to support to trade union education. The education support has had to reflect the changes in the workplace. We are dealing with a new kind of shop-stewards who only has gone through Basic Shop-stewards training. They need this educational support if they are to make sense of things such as the BCEA (Basic Conditions of Employment Act), the LRA (Labour Relations Act) collective bargaining and globalization. In addition to this the research into the social responsibility issues of companies has also been important. The biggest challenge of the board is to ensure that the LRS remains focused. Fortunately the LRS board focuses on the task at hand and works together as a team. The issues we deal with cuts across unions, federations and sectors.



Michael Sinclair

We as workers are faced with critical issues such as workplace restructuring and the uncertainty this means for workers. It is important that we build the leadership and bargaining capacity among shopstewards and union officials and office bearers at all levels so that they can deal with this. There still exists a big skills gap between officials and shopstewards, and this gap must be bridged.

My vision for the LRS is for it to continue to work closely with trade unions, NGOs and government departments. Social movements and trade unions should forge closer alliances because the issues that affect trade unions also affect communities, and good examples of this is the HIV/AIDs epidemic.





Sahra Ryklief

Director's overview

The three year cycle that began in 2001 has come to an end in 2003. The year 2003 was a challenging one for us. We had reached the point where review of our previous plan was possible and forward planning essential. We began in 2002, by reviewing and improving our strategic vision, mission and objectives, and designed the broad framework of a delivery model with core programmatic themes, building on our existing resources. We settled on an organisational approach which seeks to encourage inter-action amongst unions; between unions and their social allies; between South Africa and the continent.

In 2003, with this framework as our guide we then asked ourselves and our member unions two critical questions – have we met the objectives we set at the start of this period, and what should we change to better improve our role as a service provider to the labour movement?

At the start of the year we commissioned an external evaluator to review our performance and make recommendations on our future strategic and organisational development. Representatives from staff, board, donors, member unions and NGO clients were interviewed. The review concluded that:

- The LRS has been dedicated in not only carrying out its agreed plans but consciously being aware of new opportunities and developments;
- The LRS has met most of its objectives and has made strides in consolidating its inner resources;
- The LRS is structuring itself towards a southern African focus and international profile by developing projects that expand beyond national boundaries;
- The LRS is committed towards working more closely with social organisations;
- The LRS is working towards gender equity and needs to increase its endeavours to support women workers;
- The LRS realises that producing research and material is not sufficient without a considered capacity building programme and face to face interventions.
- The LRS needs to build a more public profile and seek closer relationships with its union members.

The review and recommendations was fed into a succession of board, staff and AGM discussions during the year, culminating in the formulation of our three year strategic plan for March 2004 – February 2007. This has resulted in the LRS reformulating our strategic direction and activities to take account of the changes in:

- The global economy;
- The world of work;

- The weakening of trade unions in relation to Capital;
- The relation between trade unions, government and civil society;
- The sustainability of the work and resources of the LRS.

We will do this through:

- Sustaining and improving our traditional capacity building activities for mainstream trade unions;
- Emphasizing the need of trade unions to be analytical and critical of their own service delivery and social role;
- Advocating for the recognition of past partnerships between trade unions, NGOs and community based organizations in recent S.A. history;
- Broadening the scope of our research, information and education provision to cover atypical forms of employment and new forms of organizations responding to this;
- Facilitating dialogue between trade unions and civil society organizations;
- Building capacity of labour organisations to understand the movement and working of the structures capital;
- Working regionally and internationally;
- Improving the quality and marketability of our services to labour and social organizations.

In order to facilitate the above, the LRS has:

- Restructured the organization to ensure coherent and strategic programme development;
- Designed a clear prioritisation of projects and activities within the programmes, to ensure that organizational resource allocation is relative to the strategic importance of the programme;
- Addressed existing resource weaknesses of the organisation, by restructuring the organisation to provide effective second tier leadership and strengthening administration.

We feel confident that the changes we have effected will improve the relevance of our services to our member unions and client organisations, and strengthen our capacity to reach our objectives. We wish to thank our member unions, donors and clients for their support and commitment to our common goals.

We also want to thank our fraternal labour NGOs, both nationally and internationally, for their generous sharing of resources, their partnerships and co-operation. Special thanks should also go to the consultants who assisted us in delivering our activities and planning for the next three year cycle ahead.

Thank you
Sahra Ryklief

The Actual Wage Rates Database (AWARD)



AWARD was designed in 1988 with the aim of assisting trade unions by providing information to trade union negotiators as they prepare for wage bargaining. The AWARD database was redesigned in 2002/3 and is now available on the internet.

AWARD tracks real wage increases and collective bargaining trends. In the current context of atypical work and changes in the workplace, this service is of great value to trade unionists and works towards the development of an informed trade union constituency. An important aim of the database is to highlight the gender advances and disparities in collective bargaining agreements. While the new-workplace may advance the employment of women, it does not necessarily remunerate women workers equally with men workers.

New and relevant information is currently available on the web-site, and reflects the context of wage awards. The Bargaining Unit Information provides information on the parties involved in collective bargaining, the regions and districts covered, the conditions of employment and a wide range of wage information. Other features of the redesigned site include information on wages and conditions of service, information on various industrial sectors, inflation indices on a regional basis, minimum wage reports, household subsistence levels and comparative reports on wages across sectors and occupations.

AWARD reflects the LRS tradition of analysis and research into wage conditions of workers across sectors. An AWARD brochure, the development of the subscription based database, and the capturing of non-wage data for the period 2001-2003 are the key achievements of AWARD for 2003. New unions CWU, HOSPERSA and NULAW have expressed interest in participating in future. The working relationship with participating trade unions is stronger, and trade union information has been updated. Relevant, and current data is available on the web-site, while reports on the new database have been redesigned to be more user-friendly.

AWARD outputs for 2003 were Wage Reviews, Salary Surveys and current data available on the internet site. Two articles have been produced for Bargaining Monitor, and one Annual Wage Review produced for Bargaining Indicators. The LRS also produced an income survey of the food sector for the Ecumenical Service for Socio Economic Transformation (ESSET). A key result of AWARD has been the increase in the number of agreements collected. The figure is up from 465 in 2002, to approximately 550 in 2003. AWARD can thus generate wage data covering an average of 1 500 000 workers.

International Federation of Workers Education Associations (IFWEA)

The LRSs participation in IFWEA is an important pillar of the organisation's programmatic strategy of building dialogue between unions and NGOs, globally, and specifically in Africa. The four core objectives of the association regionally was to raise awareness and build cooperation; build resource capacity; recruit new affiliates, develop direct responses to neo-liberalism and develop the leadership skills of women.



There are twenty-one affiliates on the continent from Egypt in the north to South Africa in sub-Saharan Africa. The IFWEA African affiliates have a special role in strengthening links and building partnerships between trade unions and emerging labour movements in Africa. New organisations recruited to IFWEA during the period 2001/2003 are Streetnet Africa, Workers World Radio Productions (SA), the Women on Farms Project (SA) and Uganda Workers Education Association (Uganda). The Labour Research and Resource Institute (LARRI) in Namibia and the Ghana Trade Union Congress Labour College have expressed an intention to affiliate to IFWEA in 2004.

During the period 2001/2003 IFWEA has hosted an international conference on globalisation, revamped its web-site, produced regional activities and articles. During 2003 IFWEA delegates attended the World Social Forum in Port Allegre, and the African Trade Network workshop also in Johannesburg.

The Global Network



The Global Network is a joint project of IFWEA and SOLIDAR. The African activities of the network are co-ordinated by the LRS. The Global Network completed its first three-year phase in 2003. The project achieved great progress during the first phase. There have been 3 African regional seminars and eleven

national seminars dealing with issues of globalisation and trade. These seminars were held in various African countries. All seminars were well attended by trade unions, social movements and African partners. Seminar presentations were of a high standard. An important result for the period 2003 has been the projects' ability to build on its resources on trade internationally and in Africa.

Wine Farms Directory Project

The South African wine industry has its roots in the colonial legacy of this country. The industry has been profoundly shaped by the slave and settler relationships of the past. Workers were locked into dependency on farm owners and were subject to their power without recourse to independent rights. Labour legislation and pressures from consumer groups, trade unions and NGOs are slowly improving the conditions of farm workers, but the industry has been slow to respond.

In 2002/2003 the LRS was responsible for research and production of a Workers Audit of the Cape wine farms. Workers' audits are not unique and have been conducted in many labour sectors. However the Workers' Audit of the Working and Living Conditions on Selected Wine Farms in the Western Cape is different. This audit aims to give farm workers the tools to critically assess their working and living conditions themselves and to make their voices heard. The production of this audit is a collaboration between the LRS, the Women on Farms Project and the Peoples Land and Agrarian Studies (PLAAS) project.



The project's gender dimensions are clear in that only women farm workers were targeted as the focus of the project. Labour Resource Agents from the Women on Farms Project were taken through a two-day Research Orientation workshop so that they could conduct the questionnaire interviews with women farm workers themselves. Eighteen farms of the initial twenty-four identified participated in the audit. One-hundred-and-eighty questionnaires were distributed, and 178 were returned. The Wine Farms Directory, entitled "Behind the label – A Workers' Audit of Living and Working Conditions on Selected Wine Farms", was officially launched at a two day conference on organising women within the deregulated labour market held in September 2003. The Women on Farms Project subsequently produced a conference publication called "Women Workers Exploring Together".



A highlight of the audit process for the LRS was the workshop which developed the criteria for evaluation of the farms. The workshop was held very early in the research process. Here workers defined their vision of a model wine farm, and measured it up against the reality of wine-farm workers and their living conditions. The participatory nature of the research allowed workers to engage with the research findings and examine their farms on particular criteria, building their own capacity to strategically begin improving the conditions for women on the farms.

The South African Labor History Project

The evolution of the Labour Movement in South Africa is inextricably linked to the struggle for democracy. Often workers and their unions were the only voice of the trade unionists and the oppressed. A key aspect of the South African Labour History Project (SALHP) was to trace the role of trade unionists in building democratic organisations. Launched in 2001 the SALHP has made significant progress towards the researching and documentation of the history of the South African labour movement.



A SALHP web-site has been designed, and registered with various search engines on the internet. The site contains 12 different directories and subject titles. The LRS archive of popular labour booklets and posters have been digitalised and are on the site.

A field survey and archival research was conducted to investigate South African labour history from the period 1966 to the 1979. The survey, conducted in the Western Cape, Kwa Zulu Natal and Guateng has been carried out over the past two years. Veteran unionists have been interviewed and their responses have proved invaluable in ensuring that the voices of workers and worker leaders are continually reflected.

Included in the field survey were a number of visits to academic institutions in Pretoria (National Archives), The UNISA Archives, UCT Library, SA National Library, National Museum, the South African National Archives, UWC, Robben Island and the Mayibuye Centre. Four protocol agreements with the Mayibuye Centre UWC, University of the Witwatersand, the University of Natal and Fort Hare are being finalised.



As an affiliate of the International Association of the Labour History Institute (IALHI), LRS staff were able to make valuable contacts with IALHI member associations who have expressed a keen interest to assist the project. An important lesson from this exercise has been the absence of labour heritage research on the African continent, which the LRS hopes to assist in improving in the future.

Company Analyses

Multi-National Companies (MNC) Research

The key task of this project is to strengthen the capacity of trade unions and civil society organisations to monitor and influence MNC activities, and domestic policies on foreign investment to ensure that these will improve the economic and social well being of poor people. It is understood that MNC's use power and influence to undermine and resist compliance to internationally accepted labour standards. The investigation and monitoring of MNC's are therefore important elements of campaigns to keep MNC's accountable. In 2003 the project undertook a literature review on the effectiveness of codes of conduct of MNC's in southern Africa. This resulted in a report, which may be used by trade unions and social movements when preparing campaigns on accountability.

The LRS also contributed towards the establishment of an African Social Observatory, co-ordinated by the National Labour and Education Development Institute (NALEDI), whose task it will be to conduct research on MNC's.

Community Growth Fund (CGF)

The CGF is the first ethical investment fund to be set up in South Africa. LRS's assesses all companies prior to them being added to the CGF universe. The assessment involves a detailed investigation into the corporate social responsibility and labour relations of SA companies. The number of companies assessed grew from 52 in 2001 to 100 in 2003. That is an increase of 92% for the period. The research also caught up with its backlog of companies, and is well on track in maintaining a two-year monitoring period of all companies in the CGF universe.

Investigations into workplaces were held in all provinces where companies have operations. There has been a significant growth in the number of companies included in the CGF database in 2003. Currently there are 199 companies in the database of which 85 are in the CGF universe of shares. Unity Inc., the trade union controlled investment vehicle which commissions this research, has accepted all the LRS reports, with the contract renewed on an annual basis.

Company Financial Investigations

Companies are primarily motivated by financial considerations. It is therefore important that trade unions develop their internal capacity to constructively engage companies on financial information.

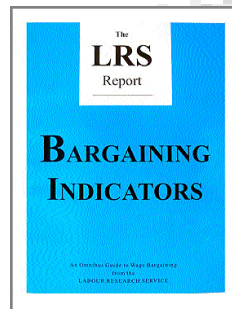
The key objective is to provide direct support to trade unions during wage negotiations. This is primarily a commissioned service. In 2003 investigations were commissioned by the South African Clothing and Textile Workers Union (SACTWU) and the Food and Allied Workers Union (FAWU). These involved cases under mediation or conciliation at the Commission for Conciliation and Mediation (CCMA). In the case of SACTWU the union agreed upon an out of court settlement, while the CCMA ruled in favour of FAWU. A comparative review of the terms and conditions of employment between the main agreement and house agreements in the metal and engineering sector was also commissioned by NUMSA, in preparation for their bargaining conference.

Financial Literacy

In 2004 the LRS will develop its financial literacy resources to assist trade unions in conducting their financial investigations into companies, and to build the capacity of the LRS to develop the financial literacy skills of staff. A Financial Literacy manual will be produced and piloted at the 2005 Negotiators Conference.

Bargaining Indicators

The LRS has been supplying bargaining information to trade unions since 1986. Bargaining Indicators has become an important resource for trade unions as they prepare for collective bargaining. This publication provides accurate and accessible information to trade union negotiators on an annual basis. In 2003 Bargaining Indicators covered a broad spectrum of topics, including a macro-economic overview, a review of wage settlements in the past year, a company and performance review, a review of directors fees and a review of corporate social responsibility programmes.



A key improvement to the marketing of Bargaining Indicators in 2003 was a radio advert, a radio show in which LRS participated in a discussion on Collective Bargaining and an evening seminar on Bargaining Trends. The 2003 Negotiators Conference also created an awareness of importance of using Bargaining Indicators as an information tool for collective bargaining.

Bargaining Monitor

Bargaining Monitor is published bi-monthly and is an up to date review of all bargaining information. It is aimed at trade union negotiators, and is used by many South African trade unions. Its regular features include inflation figures, poverty datum lines, company profits and wage reviews, an in-depth company review, and a discussion on current economic and social trends. Bargaining Monitor also analyses management strategies, and forecasts future industrial relations trends. Four bi-monthly editions of Bargaining Monitor was produced in 2003. Key features covered during 2003 was the Shoprite Workers Strike, involving casual and permanent workers, the IFWEA General Conference in Portugal in September 2003, the World Trade Organisation (WTO) Conference in Cancun, the history of Women's Day, and a discussion on the New Partnership for Africa's Development (NePAD).

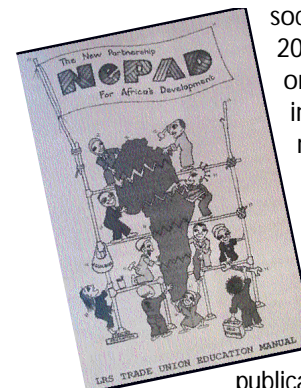


Negotiators Conference

A negotiators conference was held in March 2003. Trade unions from across the labour movement were invited to send key negotiators to participate in this 2-day event. The conference addressed issues of wage and inflation data for bargaining, how to read company financial statements and how to profile a sector for collective bargaining. As part of the conference an optional seminar focusing on Trade, Trade Agreements and the Developing of Labour Perspectives on the WTO Ministerial Conference in Cancun, Mexico was held.

The New Partnership for Africa's Development (NePAD)

NePAD will directly impact on the lives of people in Africa, particularly workers and the poor. The governments' of Africa are gearing their policies in line with the programmes of NePAD, which has become the socio-economic framework for African development. In 2003 the LRS developed a trade union education manual on NePAD. At a workshop of trade union educators held in 2003, the importance of workers developing a critical response to the NePAD was discussed. The purpose of the manual was to assist workers to engage the NePAD documents and allow them to develop their own ideas on it.



The NePAD manual was work-shopped in draft form with trade union educators. Participants provided very useful commentary, which contributed to the final publication. Included in the manual is a proposed one-day workshop programme with corresponding training activities. Each section contains explanations, worksheets and discussion questions.

It is therefore in the position to "speak" directly to workers and the issues which NePAD may raise. The manual is available as a trade union educational resource tool to enable workers to contribute to trade union strategies for socio-economic development.

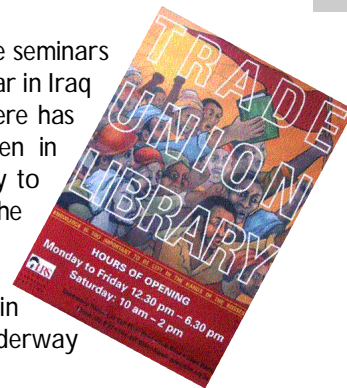
Trade Union Library, Evening Seminars and study circles



The Trade Union Library improved its Information Technology by revamping its web-site during 2003. More information was added to the web-site, and the LRS registered with many of the popular search engines (viz: Google.com and ananzi.com). The Workers Communications Centre increased in usage by 25% per month. A library newsletter was published in September 2003. Over the past period the Readers Club has increased in membership from 3 to 13 per month. This increase has assisted in profiling the resources and services of the library to workers, students, academics and the public.

Six evening seminars were held during 2003. All the seminars were well attended, and covered topics from the War in Iraq to GATS and the Threat to the Public Service. There has been a consistency in the participation of women in these seminars. It is however a goal of the library to increase the number of women who attend the evening seminars.

The Study Circle Programme was restructured in 2003. Plans to implement a full programme is underway for 2004.



The Years ahead: Activities 2004 – 2007

Contextual Analysis:

International

Presently, the South African Government is conducting its international affairs very much within the orthodoxy of the World Bank, the International Monetary fund and the World Trade Organisation. The global economy is contextualised by an environment that is weighed heavily in favour of developed countries. This strategy is based on the assumption that foreign investment and trade is the way for development of Africa and particularly South Africa. This is despite the fact that equitable and sustainable growth and Africa's rapid integration into the world economy have thus far proved to be mutually exclusive.

Regional

While NePAD and the African Renaissance is calling for strength in unity between African nations, its weakness is its development approach which assumes that an economic strategy driven by capital for African nations can be successful and sustainable even if it is at the cost of equality and participation of citizenry. South Africa as one of the most advanced nations' on the continent, will inevitably bear the burden of this flawed analysis: an analysis that seeks to solve the problems of Africa through the same relationships and structures that caused the initial crisis.

National

Our strategy is based on the following problem analysis:

The present government of South Africa is in the process of consolidating elitism among a small layer of the emerging black middle class at the cost of real transformation that would benefit the poorest of the poor.

The current Trade union movement is in danger of narrowing its activities and focus to client service, thereby also servicing an elite (the employed in the formal sector) and unless a new consciousness or new partnerships are forged with emerging social organisations the poorest will not be touched by trade union organization.

The civil society sector and the trade union movement currently lack consistent, independent political direction and has experienced a weakening of social weight which has resulted in in-fighting, absence of coalitions and the fragmentation of organisations.

The funding environment with its emphasis on project based funding has left NGOs with fractured strategies, weakened organisations and survivalist project activity rather than a broad based strategic approach to social transformation.

Women and children are still the poorest of the poor but are under represented in leadership structures, both within the existing trade union movement, as well as in the emerging social organisations.

At present there are few opportunities for trade unions and social organisations to meet to:

- Analyse the changing global environment in which they are trying to protect, maintain and improve social livelihoods and working conditions.
- Consider their beneficiaries and target group and whether they are adequately represented and their voices heard in discussions that impact on their livelihoods.
- Reflect on and consolidate learning from the past in relation to social and political organisation.
- Analyse and evaluate their own accountability and service delivery.
- Share two way lessons and capacity building.

Our strategy is based on the assumptions that:

- The South African trade union movement has not and will not restrict itself to wage issues only.
- Many NGOs in South Africa still maintain a struggle (activist) component tied to the needs of their constituencies.
- Emerging social formations and/or movements would benefit from past experience of organization building through forging stronger relationships with trade unions and grassroots orientated NGOs.

Strategic, non-single issue alliances are not built quickly or easily. Alliances most likely to endure will be those which address areas of joint concern between social formations and trade unions such as:

- Livelihood strategies
- Social conditions
- Social security
- Trade and Investment
- Company activities and practises
- Organisational development that would include: membership recruitment, leadership development and capacity building.

South African trade unions and civil society organisations can learn lessons from being part of African and global networks with countries that have greater experience of post liberation economic strategies that adversely impact on the poor.

Programme 1

Building Dialogue between Unions and New Forms of Organisations

1 *Developing an awareness of alliance and organisation building lessons from recent SA history through the South African Labour History Project (2004 - 2006)*

Trade unionists have played an important role in the building of democracy and democratic institutions in South Africa. Their experiences and lessons are important for building unity among working people through the promotion of a common sense of identity and history. The project also has an international dimension through the SALHP website, to promote solidarity with labour and social movements in other parts of the world through sharing the experiences of South African working people.

Activities:

- Focus Groups: A focus group made up of members of trade unions, academics and social movements will meet twice a year. Their task will be to give advice, and review the work of the project and the website.
- Collecting Source Materials: Four field trips will be undertaken in order to conduct interviews with trade union activists in Durban and Johannesburg. In addition to this the project will establish working relationships with the history departments of previously black universities.
- Web maintenance, growth and development: The LRS has an extensive collection of archival material including posters and research papers. The material is a history of the struggles of the trade union movement within the context of the anti-apartheid struggle. This material will be displayed on the SALHP website under various sub-directories.
- Collaboration with other sources and institutions: The project will develop and negotiate protocols between institutions that have historical records of the labour and social movements. In addition the project will enter into consultation with the Swedish Labour Movements Archives and Library regarding their experience of collecting and preserving oral and popular histories of both urban and rural communities. This will involve an exchange visit to Sweden.
- Education and popularising of SALHP as a learning resource: The project will host two seminars per year to popularise labour history and its link to current struggles. The theme of women will have particular focus. Four history writing workshops will be held with the initial workshop piloted with LRS member unions based in Cape Town. An exciting aspect of this activity is that the project will enter into an agreement with trade unions and workers, who will be trained to write up their own histories.

2 *Understanding the global impact on South Africa's poor: Regional Focus: IFWEA – A Global Network for Global Dialogue (2004 – 2007)*

This joint project of IFWEA and SOLIDAR is now in its second phase. All African activities of the Global Network in Africa will be co-ordinated by the LRS. The project will build the capacity of civil society organisations to engage trade and investment from a social and economic rights perspective. This will be accomplished through strengthening the alliances between NGO's, trade unions and social movements. The aim of the project is to provide a critique of policies which promote foreign investment by focusing on its impact on livelihoods, sustainability and human rights in Africa.

Activities

- National workshops – Twenty-one national workshops will be held in approximately 6 African countries annually over the next three years.
- A newsletter of Global Network activities in Africa will be produced. The newsletter will also contain information on Global Network activities in Latin America and Asia.
- A seminar training manual aimed at African trade unions and social activists.

3 *Understanding the global impact on SA's poor: National Focus:*

3.1 *Improving the working conditions of women farm workers on wine farms in the Western Cape, 2004 – 2005*

This project aims to develop an integrated approach (i.e. research, education and advocacy) to the globalised wine industry in which South African women workers endure appalling conditions and abuses of basic rights. The project will monitor the 18 wine farms which were audited in the first round of the project (2002 / 2003) in order to assess whether any progress has made in bettering the living and working conditions of workers, specifically women workers.

Activities

- Planning meeting between project partners, the LRS, the Women on Farms and Project and PLAAS.
- The facilitation of a series of workshops dealing with methodology design, project design, and research planning.
- Data collection and analyses
- A series of report back meetings which will deal with the research findings. These meetings will be held with workers, and farm management.
- The planning of a lobbying and advocacy strategy to accompany the publication of a manuscript.
- The publication of a final report, and a project learning manual

3.2 *An analyses of the impact of Foreign Direct Investment (FDI) on the development of women in the Eastern Cape of South Africa (2004 – 2005)*

The project aims to investigate the impact of FDI on women in the Eastern Cape. The Eastern Cape is considered the poorest of all South Africa's nine provinces. It has also become a hub for FDI over the past 10 years. The research of this project will form the basis of a larger capacity building and advocacy programme administered through civil society organisations in 2005. Two of the key research objectives will be to track FDI's in the Eastern Cape and assess the nature of FDI employment and whether it measures up to nationally accepted poverty levels, and international labour standards. This project is in collaboration with the Trust for Community Outreach and Education (TCOE).

Activities (2004 – 2005)

- Planning workshop with partner organisation
- Literature review
- Interviews with private investors managers
- Focus group discussions and interviews with women and working for the investing companies
- Publishing of research findings
- Disseminate outcomes and plan follow up strategies

4 *Supporting Post liberation civil society through: Creating a culture of reading and discussion amongst organisations of civil society*

4.1 *Study circles and Evening Seminars (2004 - 2007)*

The LRS has been offering monthly evening seminars to labour activists in the region for over a decade. Resident experts and academics give inputs on a range of issues relevant to the labour and social movement. Since 2000 the LRS has been assisting trade unions in the setting up of study circles in order to build capacity of trade union activists to be better prepared for the Evening Seminar discussions. These study circles eventually grew to include NGO and social movement activists.

Activities:

- Recruiting trade union, NGO and social movement activists and assisting them to set up study circles in their organisations. These study circles are registered with the Trade Union Library
- Providing education on the philosophy and methodology of study circles
- Providing reading material and resources for study circle use
- Providing a venue for study circles to meet
- Designing monthly seminar programmes

4.2 Providing access to specialised information through the Trade Union Library (2004 - 2007).

The education imbalances entrenched during the decades of apartheid has led to a huge knowledge deficit in working class communities, specifically with regard to political and socio-economic issues. It is important that information is accessible and that workers and trade unions are empowered to use the information to participate actively in policy making, lobbying, advocacy and collective bargaining. The services offered by the Trade Union Library is open to the public on a daily basis. This benefits trade unions, NGOs servicing the labour movement, and civil society organisations whose constituencies are working people.

Activities:

- Replenishing the Resource Centre collection
- Processing resource centre collection
- Servicing clients of the library
- Servicing telephonic and internet requests
- Networking with other special libraries
- Producing an occasional library newsletter
- Providing internet access through the Workers Communication Centre

5 Improving accountability of trade unionism and expanding the base in the new era: TRADE UNION INDICATORS (2005 - 2007)

Through its research the LRS has effectively monitored trade union performance in relation to awards affecting wages and conditions of service for over fifteen years. Trade Union Indicators will expand this monitoring to include reviewing union organisation building and development and their role as agents of social change. Such monitoring will encourage democratic practises and strategic reflection amongst unions. It will also facilitate the effective utilisation of organisational and social strength and help to address weaknesses.

Activities:

- Recruiting participating unions to the project
- Creating a comprehensive database
- Interviews with trade union officials, leaders and members
- Obtaining relevant trade union data
- Workshopping results with trade union focus group
- Producing annual Trade Union Indicators report
- Editing and publishing the report annually

Programme 2

Building capacity amongst organisations of labour and civil society to understand the movement of capital and the distribution of incomes

6 Improving the income and working conditions of the lowest paid workers in the formal economy:

6.1 The Actual Wage Rates Data Base (AWARD), 2004 - 2007

South African workers are faced with rapid increases in the cost of living, retrenchments, cutbacks in non-wage benefits, low real wages and large wage gaps between the highest and the lowest paid. In addition women workers still experience gender inequalities in terms of wages and working conditions. For this reason accessible information relating to wages and employment standards is important. The LRS is meeting the need for a comprehensive wage rates database that can track wage trends.

Activities:

- To maintain an up-to-date database aiming to target 600 wage agreements covering approximately 2 million workers by 2007
- Producing reports and articles for trade unions and economic and labour journals
- Expanding the AWARD database to Namibia in the first phase and then to other Southern African countries
- Training a Namibian research co-ordinator on the utilisation of the database
- Annual Bargaining Indicators omnibus
- Bi-monthly Bargaining Monitor journal

6.2 Raising gender standards in the working conditions of low paid women in the formal economy (2005 - 2007)

The LRS has committed itself to upgrading its AWARD database in order to include concrete data of gender related workplace agreements. A special report for use by unions will increase their capacity to work towards the integration of these rights into the framework of collective bargaining.

Activities:

- The expansion of the AWARD database to include information related to gender rights that have been won in collective agreements
- The production of an annual Gender Rights In The Workplace report
- The facilitation of an annual negotiators training seminar on gender issues in collective bargaining

7 Understanding the impact of company activities on the social and economic welfare and rights of the working poor:

7.1 Financial literacy training and assistance for trade unions, NGOs and new forms of worker organisations (2004 - 2007).

The most enduring concern of companies is the accumulation of profit. Therefore most company decisions concerning workers are based on factors that impact on profitability. It is critical that organisations representing workers understand financial information, or, if this is not possible, receive support to respond appropriately to company policies. The aim of this project is to assist trade unions, NGOs and new forms of workers organisations to secure better working conditions and higher wages for workers.

Activities:

- To consult with trade unions and NGOs to clarify needs for training
- To collect and review existing learning materials on financial information of companies
- To develop and produce a financial literacy manual for trade unions
- To prepare learning packs and customise training programmes to suit specific union needs
- To facilitate a financial training course for trade union representative and NGOs
- To conduct company reviews and investigations
- To conduct sectoral reviews on request from trade unions

7.2 Understanding and improving best practice of corporate social responsibility (2004 -2007)

Ethical investment initiatives can contribute towards both the empowerment of workers and the socio-economic development of disadvantaged communities. This is the rationale informing the Community Growth Fund social criteria which includes job creation, training, affirmative action, empowerment, conditions of employment, health and safety, environmental best practice and corporate governance best practice.

Activities:

- To audit 20 companies per year
- To update the LRS database of companies
- To attend client research and development meetings
- To develop company research questionnaires
- To feed relevant information back into the trade unions

8 Understanding the effects of non compliance of labour standards on low income earners in selected industries (2004)

This activity aims to assess whether South African labour law will continue to comply with Internationally Recognised Workers Rights and Core Labour Standards, within the framework of global trade deregulation on vulnerable economic sectors. The findings of this pilot study will serve as input for developing proposals and recommendations on how South African law should change to provide better protection to workers in vulnerable sectors of the SA economy.

Activities:

- A review of labour standards in the sugar industry
- To conduct interviews with workers
- To compile a research report with integrated legal and worker assessment of labour standards in the sugar industry

9 Understanding the effects of government and corporate policies in subsistence communities, 2005 - 2007

Traditional subsistence fishing communities are an integral part of the South African landscape and heritage. Since initiating the drafting of a new fisheries policy in October 1994, the Department of Environmental Affairs and Tourism has attempted to transform the industry, to the detriment of subsistence fishing communities. To understand and promote the plight of fishing communities, the LRS and TCOE will jointly conduct comparative research. The study will determine whether transformation has benefited traditional fishing communities, and identify measures to ensure the sustainability of these communities' livelihoods.

Activities:

- In the first year activities will focus on developing the terms of reference, conducting initial research and writing a yearly report
- In the second year fieldwork will be conducted and a yearly report will be compiled
- A final report will be published in the third year

10 Improving social awareness and activities on the effects of corporate policies of Multi-National-Companies on the socio-economic conditions of the poor. 2005 - 2007

In the interest of social and economic improvement, it is crucial to provide civil society organisations with the knowledge and capacity to engage and negotiate with companies on their activities. This project will strengthen the capacity of trade unions and civil society to monitor and influence Multi-National Company activities, and domestic policies in foreign investment to ensure that these will improve the economic and social well being of poor people.

Activities:

- To conduct a consultative workshop with selected NGOs and trade unions
- To select a minimum of two and a maximum of four companies per year to be researched
- To conduct research on company activities and to investigate their impact on socio-economic development
- To develop a company database which is accessible via the internet
- To develop popular education material on internationally accepted human development indicators and labour standards

11 *Building capacity, understanding and dialogue between trade unions from different political and organising traditions in preparation for negotiations with companies – LRS Negotiators Conference*

This project aims to improve bargaining strategies of trade unions so that real gains can be made for workers through collective bargaining. The conference is also a forum where trade union negotiators can critically discuss and debate collective bargaining issues.

Activities:

- To facilitate a three-day national conference
- To develop a conference resource pack for negotiators
- To feed input from the conference into future LRS activities and services.

Beaulla Bethanie Dicks

Programme Manager OD



Beaulla Bethanie-Dicks came to the LRS as a junior researcher. She is currently responsible for managing organisational development, overseeing all planning, monitoring, evaluation and human resources. She has been instrumental in the systematizing and formalising of organisational processes. This has been one of the biggest challenges to the LRS. The restructuring has incorporated recommendations coming from staff. According to Bethanie-Dicks, "What we have now is amazing, and so logical".

An important part of the task of restructuring has been the emphasis on LRS staff as people and not mere functionaries. Key to building an organisational culture of collective responsibility and ownership has been regular team-building processes where all staff members can get to know each other and through this build the culture of collectivity. Bethanie-Dicks says, "Because of the nature of NGO work with deadlines and pressures we tend to operate more on an intellectual plane and we forget the emotional, and the people. We have neglected this for a long time, and we are working to correct this".

Another important process for the LRS will be to ensure that gender balances amongst staff are taken into account. Bethanie-Dicks is of the view that while "genderising" is important, it should not be done for the sake of "putting women there. There are gender issues – prior to 2003 there were more women than men, and they were in the leadership positions, now there are twenty percent women and still women are in the leadership. We must incorporate the gender lessons into our work".

Nokuthula Mankunu

Trade Union Library-Resource Co-ordinator

"My interest in working for the LRS was to assist unions. Being involved in community structures at home, I saw working for the LRS as important, and an extension of my community involvement".

Nokuthula Mankunu is a long-time member of the LRS staff, having worked in the Trade Union Library before the merger in 1999. Mankunu currently works in the Trade Union Library as Resource Co-ordinator and is responsible for the co-ordination of all library materials, resources, labour outreach and marketing. After the merger of the LRS/Trade Union Library and Education Centre in 1999, Mankunu says she felt a bit apprehensive about fitting into the new structure especially because she has no formal library training. The LRS remedied this by ensuring that staff members could develop their skills through a skills development programme. Mankunu says of the programme, "LRS sent me on different courses, and I appreciate this because new systems and information are always arising, and we must learn these things".



For Mankunu an important aspect of the changes in LRS is the collective approach to decision making. Part of the transformation of the LRS has been to remodel the management structure to reflect the LRS culture of collective decision making and responsibility. Mankunu says that... "this new system makes the work easier to manage because there are always people ready and willing to assist and guide where necessary".

Like all LRS staff Mankunu is ready for the challenge of the years ahead. "I hope that the LRS will grow, and that we will build the capacity of more people who can use their skills effectively to help not only the LRS, but also contribute to the issues and struggles outside the organisation".



The LRS provides practical services to workers' organisations so that they can attain better living and working conditions for their constituencies and build working class power. It is an organisation I feel I can contribute to and learn from at the same time.

Saliem Patel

I wanted to work at Labour Research Service because I knew the organization was committed to contributing towards a society where ordinary people could also enjoy the benefits of their labour.

Riedwaan Baboo



I work for the LRS because it contributes to the growth and strengthening of the labour movement. I believe that my commitment and political activism will able me to contribute in the political and socio-economic struggles of the working class.

Manzi Maputuma



Annelize Kotze, Masters student, English, UWC

Working at the LRS has been a wonderful experience. Before coming here I never knew anything about trade unions and their significance in the political history of our country. I learn something new every day.



Mzukisi Njambatwa, Masters student, Library and Information Science, UWC

When I came to the LRS my aim was to be involved in the labour movement and work with people and with the help of my colleagues and the suitable work environment at LRS I am fulfilling my dream and I am still learning new skills.

The study of the history of the labour movement is inextricably linked to the history of our struggle for democracy in South Africa.

"The LRS has always been part of shaping (this) history, and will continue to make a meaningful contribution towards a just and equitable society not only in our country but also beyond our borders" -Bevel Lucas



I joined the Labour Research Service in April 2004 in the hope that I might contribute in some way to the pursuit of social justice. I believe that labour is the primary means of achieving personal dignity and collective prosperity in modern society.

Tenton Elsley

I wanted to join the LRS because of its strong commitment to excellent quality research as a means to bolster trade union capacity.

Shaheen Buckus



I work for LRS because the organization is committed to social change of the working class. It's a place where you develop new skills.

Zelda Hintsa



The LRS aims to enhance the status and conditions of the working class. I hope that my special experience in Science and the Corporate World helps me to contribute to this process, while learning from the existing talented LRS team.

Rashid Bosch

LRS' slogan says it all.. 'Knowledge is too important to be left in the hands of the bosses'.

Coming from a corporate environment this is exactly what happens. I joined the LRS in 1994 and have learnt that as a worker you must empower yourself with knowledge in the workplace. The LRS has such a wealth of workplace information that is freely available. I can only say that I have learnt a lot from the LRS and wish it every success in the future in reaching its objectives.

Francis Henry



The lack of information is a contributing factor to poverty, and it also creates victims of exploitation at the workplace. The information poor do not have access to information as compared to the "information rich". They cannot afford to go

where the information is, or cannot afford to pay for the access. Accessibility is determined by financial status. My work at the LRS bridges this gap. We provide free access to world-class information here at the Trade Union Library, and are trying to take information where workers live through creating labour corners in public libraries.

Busi Vinanda



I work for the LRS because I find the people, the work environment and what the LRS stands for very stimulating, interesting and ultimately fulfilling. Working at the LRS has brought me into contact with people and fellow employees whom I find highly intellectual, analytical, friendly and I enjoy this interaction very much because it has added another dimension to my overall development.

Moegammad Mamatt



The reason I came the Labour Research Service was to enhance the living standard of the working class by strengthening the collective bargaining power of trade unions.

George Mithetha

Aaron Mseleni, general assistant, is the longest serving staff member of the LRS.



Staff who have left the LRS

Gloria Sables, finance administrator, replaced by Moegammad Mamatt.

Moeniera Peters, researcher, replaced by Rashid Bosch.

Mercy Browne, researcher, replaced by Shaheen Buckus.

The LRS wishes all three former staff members well in the new jobs.



**LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
FINANCIAL STATEMENTS
for the year ended 29 February 2004**

Financial Statements

**LABOUR RESEARCH SERVICE (ASSOCIATION
INCORPORATED UNDER SECTION 21)
(Registration number 1986/002993/08)
ANNUAL FINANCIAL STATEMENTS
for the year ended 29 February 2004**

Directors

N Maziya (Chairperson)
C C Ryklief (Secretary)
G Wilson (Treasurer)
A Cleophas
M A Sinclair
S E Van Niekerk

Bankers

Standard Bank of South Africa Limited

Auditors

Moores Rowland
Cape Town

Registered office

c/o Moores Rowland
1 Thibault Square
Cape Town
8001

Secretary

C C Ryklief

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


Contents

Report of the independent auditors
Report of the directors
Balance sheet
Income statement
Statement of changes in equity
Cash flow statement
Notes to the financial statements

The following supplementary schedule does not form part of the financial statements, and is unaudited.

Directors' Approval of the Annual Financial Statements

The financial statements which appear on pages 3 to 12, together with the supplementary schedule set out on pages 13 to 14 were approved by the board of directors on 25 June 2004 and signed on their behalf.


Director


Director

**REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF LABOUR RESEARCH SERVICE
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

We have audited the annual financial statements of Labour Research Service (Association incorporated under Section 21) set out on pages 3 to 12 for the year ended 29 February 2004. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, we extended our examination to include an independent confirmation from donors specified of receipts actually recorded.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 29 February 2004 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Accounting and secretarial duties

With the written consent of all members, we have performed certain accounting and secretarial duties.

Supplementary information

The supplementary schedule set out on pages 13 to 14 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 on it.


Moors Rowland
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Cape Town
25 June 2004

**LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
REPORT OF THE DIRECTORS
for the year ended 29 February 2004**

The directors present their report for the year ended 29 February 2004. This report forms part of the audited financial statements.

1. General review

The company's business and operations and the results thereof are clearly reflected in the attached financial statements.

The company provides support and assistance to the trade union movement by way of research, furnishing advice, providing training and publishing relevant material.

2. Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

3. Financial results

The results of the company and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

4. Dividends

In terms of Section 21 of the Companies Act in South Africa, the company is prohibited from making any dividend distributions.

5. Share capital

As the company is incorporated under the provisions of Section 21 of the Companies Act in South Africa, and is limited by guarantee, it has no share capital.

6. Property, plant and equipment

There have been no major changes in the property, plant and equipment during the period or any changes in the policy relating to their use.

7. Subsequent events

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
REPORT OF THE DIRECTORS
for the year ended 29 February 2004

8. Directors

The directors of the company during the accounting period and up to the date of this report were as follows:

N Maziya	(Chairperson)
C C Ryklief	(Secretary)
G Wilson	(Treasurer)
A Cleophas	
M A Sinclair	
S E Van Niekerk	

During the year H J T Ketsise and J N N Adams resigned and A Cleophas was appointed in their stead.

9. Secretary

The secretary of the company is C C Ryklief.

10. Auditors

Moore's Rowland will continue in office in accordance with section 270(2) of the Companies Act in South Africa.

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
BALANCE SHEET
as at 29 February 2004

	Notes	2004 R	2003 R
Assets			
Non-current assets		632,950	1,105,862
Property, plant and equipment	2	240,128	248,040
Preliminary expenses		2,010	2,010
Investments	3	390,812	855,812
Current assets		1,568,691	1,944,215
Accounts receivable		418,770	275,309
Loans receivable	4	795,763	772,213
Cash and cash equivalents		354,158	896,693
Total assets		<u>2,201,641</u>	<u>3,050,077</u>
Reserves and liabilities			
Reserves		1,521,025	2,572,893
Non-distributable reserve	5	149,913	149,913
Distributable reserve		1,371,112	2,422,980
Current liability		680,616	477,184
Total reserves and liabilities		<u>2,201,641</u>	<u>3,050,077</u>

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
INCOME STATEMENT
for the year ended 29 February 2004

	Notes	2004 R	2003 R
Gross revenue		3,373,624	3,618,005
Other income		251,295	261,677
Operating costs		<u>(4,750,605)</u>	<u>(4,085,848)</u>
Operating loss	6	(1,125,686)	(206,166)
Investment income	8	75,025	93,723
Finance costs	9	<u>(1,207)</u>	<u>(5)</u>
Net loss for the year		<u>(1,051,868)</u>	<u>(112,448)</u>

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2004

	Non-distributable Reserve R	Distributable Reserve R	Total R
Balance at 01 March 2002	149,913	2,535,428	2,685,341
Net loss for the year		<u>(112,448)</u>	<u>(112,448)</u>
Balance at 01 March 2003	149,913	2,422,980	2,572,893
Net loss for the year		<u>(1,051,868)</u>	<u>(1,051,868)</u>
Balance at 29 February 2004	149,913	1,371,112	1,521,025

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
CASH FLOW STATEMENT
for the year ended 29 February 2004

	Notes	2004 R	2003 R
Cash flows from operating activities		(343,131)	901,116
Cash (utilised in)/generated by operating activities	11.1	(416,949)	807,398
Interest received		74,166	92,723
Finance costs		(1,207)	(5)
Dividends received		859	1,000
Cash expended on investing activities		(199,404)	(289,933)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(194,054)	(305,182)
Proceeds on disposal of investments		58,200	-
(Increase) / decrease in loans receivable		(23,550)	42,463
<i>Expenditure for expansion</i>			
Investments		-	(27,214)
Income from investments capitalised		(40,000)	-
(Decrease)/increase in cash and cash equivalents		(542,535)	611,183
Cash and cash equivalents at beginning of the year	11.2	896,693	285,510
Cash and cash equivalents at end of the year	11.2	354,158	896,693

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

1. Accounting basis

The financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the company which are consistent with those of the previous year.

These statements comply with South African Statements of Generally Accepted Accounting Practice.

1.1 Revenue recognition

Gross revenue comprises income arising from providing support and assistance to the trade union movement by way of research, furnishing advice, training and publishing relevant material, net of value added tax.

Revenue is recognised when the services are rendered.

1.2 Investments

Investments are carried at cost, except where there is a permanent decline in value in which case they are written down.

1.3 Property, plant and equipment

Property, plant and equipment are included at historical cost. Depreciation is calculated to write off the cost of the property, plant and equipment to their residual values on a straight line basis over their expected useful lives.

The depreciation rates applicable to each category of property, plant and equipment is as follows:

Office equipment	20.00 %
Computer equipment	33.33 %
Computer software	50.00 %

2. Property, plant and equipment

	2004			2003		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Office equipment	423,535	410,383	13,152	415,611	405,928	9,683
Computer equipment	333,481	275,609	57,872	295,821	246,783	49,038
Computer software	416,646	247,542	169,104	268,174	78,855	189,319
	1,173,662	933,534	240,128	979,606	731,566	248,040

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

2. Property, plant and equipment continued

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
<i>Owned assets</i>				
Office equipment	9,683	7,923	(4,454)	13,152
Computer equipment	49,038	37,660	(28,826)	57,872
Computer software	189,319	148,471	(168,686)	169,104
	<u>248,040</u>	<u>194,054</u>	<u>(201,966)</u>	<u>240,128</u>

3. Investments

	2004 R	2003 R
Listed shares at cost	364,156	829,156
Unlisted shares at cost	<u>26,656</u>	<u>26,656</u>
	<u>390,812</u>	<u>855,812</u>
Market value of listed shares	461,367	453,327
Directors' valuation of unlisted shares	<u>26,656</u>	<u>26,656</u>
	<u>488,023</u>	<u>479,983</u>

The company held investments in the following companies:

	Number of shares			
	2004	2003		
<i>Listed</i>				
African Harvest Limited	-	30,000	-	505,000
Community Growth Fund	291,820	262,764	322,347	283,660
STANLIB Wealthbuilder	865	820	41,809	40,496
			<u>364,156</u>	<u>829,156</u>
<i>Unlisted</i>				
Labour Research Projects (Pty) Ltd	69	69	<u>26,656</u>	<u>26,656</u>

4. Loans receivable

Unsecured

Labour Research Projects (Pty) Ltd	281,149	38,461
Worker's World Radio Productions	18,000	18,000
The Labour Research Trust	<u>496,614</u>	<u>715,752</u>
	<u>795,763</u>	<u>772,213</u>

The loans are interest free and repayable by mutual agreement.

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

	2004 R	2003 R
5. Non-distributable reserve		
<i>Comprising:</i>		
Assets received from a non-profit organisation	<u>149,913</u>	<u>149,913</u>
6. Operating loss		
Operating loss is stated after:		
<i>Expenditure</i>		
Auditors' remuneration	40,300	61,447
- Audit fee	<u>35,000</u>	<u>36,800</u>
- Prior year under-provision	<u>5,300</u>	<u>24,647</u>
Depreciation		
- Property, plant and equipment	201,966	127,124
Lease rentals		
- Premises	<u>169,230</u>	<u>155,815</u>
7. Directors' emoluments		
<i>Emoluments received</i>		
Directors - executive		
- For management services	<u>243,355</u>	<u>176,322</u>
8. Investment income		
Interest income		
- Interest received	74,166	92,723
Dividend income		
- Dividends received from listed companies	<u>859</u>	<u>1,000</u>
	<u>75,025</u>	<u>93,723</u>
9. Finance costs		
Other	<u>1,207</u>	<u>5</u>
10. Taxation		
No provision for current taxation has been made as a result of losses incurred in the current and prior years, which tax loss is estimated to be	<u>14,153,608</u>	<u>10,317,052</u>

LABOUR RESEARCH SERVICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

11. Notes to the cash flow statement

	2004 R	2003 R
<i>11.1 Cash (utilised in)/generated by operating activities</i>		
Net loss for the year	(1,051,868)	(112,448)
Adjustments for:		
Depreciation	201,966	127,124
Investment income	(75,025)	(93,723)
Finance costs	1,207	5
Loss on disposals of investments	446,800	-
	<u>(476,920)</u>	<u>(79,042)</u>
Movements in working capital		
(Increase)/decrease in accounts receivable	(143,461)	477,123
Increase in accounts payable	203,432	409,317
	<u>(416,949)</u>	<u>807,398</u>
<i>11.2 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amount:		
Cash and cash equivalents	<u>354,158</u>	<u>896,693</u>

LRS member unions

- 1.Cape Peninsula Employee Union
2. Chemical Energy Printing Wood and Allied Workers Union
3. Food and Allied Workers Union
4. Hotel Allied Restaurant Workers Union of South Africa
- 5.Hospital Personnel Trade Union of South Africa
- 6.Jewelers' And Goldsmiths' Union
- 7.Metal Electrical Workers Union of South Africa
- 8.National Education,Health And Allied Workers Union
- 9.National Union of Leather and Allied Workers
- 10.National Union of Mineworkers
11. National Union of Metalworkers of South Africa
- 12.S.A.Commercial Catering and Allied Workers Union
13. S.A .Democratic Teachers Union
- 14.S.A.Municipal Workers Union
- 15.S.A.Woodworkers Union
- 16.S.A.Transport and Allied Workers Union
17. Transport Omnibus Workers Union

