

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Promotion of green building, particularly the facilitation of energy efficient, resource efficient and environmentally responsible building practices.
Directors	M Braune F Jacobs L D Modise N A Gopal R P Pienaar M Macagnano K James S Elliott-Wetmore A Stroebe N Manzana L M Xulu Ka Dlamini B Unsted A Theys I Swanepoel H Rauff
Business address	2nd Floor, The Old Warehouse Building Black River Office Park 2 Fir Street Observatory 7925
Auditor	Ernst & Young Inc. Registered Auditor
Secretary	Jacqueline Harrison
Company registration number	2007/029477/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: Ruan van der Burgh Chartered Accountant (SA) VDB Chartered Accountants Proprietary Limited
Published	28 June 2018

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
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THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
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Annual Financial Statements for the year ended 31 December 2017
Certificate of Company Secretary

In terms of section 88(2)(e) of the Companies Act 71 of 2008, I certify that The Green Building Council of South Africa NPC has lodged with the Commissioner all such returns and notices as are required by the Companies Act 71 of 2008 and that all such returns and notices are true, correct and up to date.



J Harrison
Company Secretary

Cape Town
28 June 2018



Chartered Accountants

INDEPENDENT COMPILER'S REPORT

To the Members of The Green Building Council of South Africa NPC

On the basis of information provided by the directors, we have compiled the annual financial statements of The Green Building Council of South Africa NPC for the year ended 31 December 2017 in accordance with the International Standards on Related Services (ISRS) 4410, International Financial Reporting Standards, and in the manner required by the Companies Act 71 of 2008, as set out on pages 11 to 36. These annual financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' report. The directors are ultimately responsible for these financial statements.

The financial statements have been prepared externally and independently by us per the requirements of the Companies Act 71 of 2008.

R van der Burgh
Chartered Accountant (SA)
VDB Chartered Accountants Proprietary Limited

28 June 2018
Cape Town

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Independent Auditor's Report

To the Members of the Green Building Council of South Africa NPC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Green Building Council of South Africa NPC set out on pages 13 to 34, which comprise the statement of financial position as at 31 December 2017, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of The Green Building Council of South Africa NPC as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of The Green Building Council of South Africa NPC. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of The Green Building Council of South Africa NPC. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 21 in the financial statements, which indicates that the Company incurred a net loss of R137,134 during the year ended 31 December 2017 and, as of that date, the Company's total liabilities exceeded its total assets by R5,656,753. As stated in Note 21, these events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Certificate of Company Secretary, Audit Committee Report, the Directors' Report, the Independent Compiler's Report as required by the Companies Act of South Africa as well as the supplementary information set out on pages 35 to 36. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement,



whether due to fraud or error.

In preparing the financial statements, the directors 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 directors 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company'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 directors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Inc.

Ernst & Young Inc.

Director: Lucian Rolleston

Registered Auditor

Chartered Accountant (SA)

28 June 2018

Cape Town

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Audit Committee Report

Report for the Governance, Audit, Social and Ethics Committee

The Committee provides oversight duties on behalf of the Board and in terms of the Companies Act 71 of 2008, which primarily relate to the external auditors, internal controls and financial statements. This report sets out how it has fulfilled these duties during the year and, in relation to the financial statements, the significant issues it addressed.

Governance, Audit, Social and Ethics Committee Mandate

The committee regulated its affairs as set out in the terms of reference that are reviewed and approved by the Board on an annual basis.

Key Functions

The committee performed the following duties during the period:

- nominated, for appointment as auditor of the company under section 90 of the Companies Act 71 of 2008, a registered auditor who, in the opinion of the audit committee, is independent of the company;
- ensured that the appointment of the auditor complies with the provisions of the Companies Act 71 of 2008 and any other legislation relating to the appointment of auditors;
- satisfied itself with the company's internal controls;
- reviewed expertise and experience of the Chief Financial Officer and the finance function;
- considered and nominated the external auditors Ernst & Young Inc. for appointment at the Annual General Meeting;
- determined the fees to be paid to the auditors and the auditors' terms of engagement;
- determined the nature and extent of any non-audit services;
- pre-approved any proposed agreement with the auditors for the provision of non-audit services;
- prepared a report to be included in the Annual Financial Statements for the financial year;
- made submissions to the Board on any matter concerning the company's accounting policies, financial controls, records and reporting; and
- performed other functions determined by the Board.

External Audit Function

The committee meets independently with the external auditors to discuss matters relating to the year-end audit prior to the finalisation of the financial results.

The committee is satisfied that the external auditors, Ernst & Young Inc., are independent of the company. The external auditors confirmed that they had complied with the ethical requirements regarding independence and were considered independent with respect to the company as required by the Codes endorsed and administered by the Independent Regulatory Board for Auditors, the South Africa Institute of Chartered Accountants and the International Federation of Accountants.

The committee, in consultation with the Board, agreed the Ernst & Young Inc. letter of engagement, the audit coverage plan and the audit fees for the 2017 financial year.

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Audit Committee Report

Annual Financial Statements

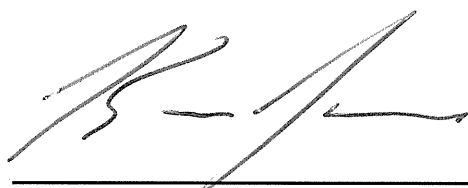
The committee has reviewed the Annual Financial Statements of the company and is satisfied that they comply with International Financial Reporting Standards. It recommended the Annual Financial Statements for approval by the Board.

Going Concern

The committee reviewed the assessment of the going concern status of the company and recommended to the Board that the company will be a going concern for the foreseeable future.

Expertise and Experience of the Finance Function

The committee examines and reviews the competence of Pardon Mutasa, the Chief Financial Officer and the finance management team annually. The committee is satisfied that the Chief Financial Officer and the finance management team have the appropriate expertise and experience as required by the company. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the company's finance function. The Annual Financial Statements were compiled by Ruan van der Burgh under the supervision of Pardon Mutasa, the Chief Financial Officer.



K James
Governance, Audit, Social and Ethics Committee Chair

Cape Town
28 June 2018

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 International Financial Reporting Standards and the Companies Act of 2008. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act of 2008 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed the company's cash flow forecast for the 12 months ending 31 December 2018 and, in light of this review and the current financial position, they are confident that the company is a going concern.

The company incurred a net loss of R 137,134 (2016: R 7,073,511) for the year ended 31 December 2017 and as at that date the company's total liabilities exceeded its total assets by R 5,656,753 (2016: R 5,519,619). The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Due to the extensive cost cutting, the adopted robust and viable convention business model, the organisation turned around the once off deficit incurred during the 2016 Convention to realise a surplus in the 2017 Convention. The company continues to build and develop sustainable income streams (education, certification, sponsorship and membership fees) in conjunction with contained operating expenditure to be able to return the company to a surplus position. These conditions imply the existence of a material uncertainty related to going concern which may cast significant doubt on the company's ability to continue as a going concern and as a result the company may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

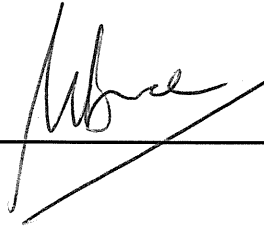
To mitigate this uncertainty, the directors and management have embarked on a turnaround plan which includes a review of the organisational structure which is fit for purpose and cost efficient, enhanced stakeholder engagement and broadening the current service offerings in order to create greater value for members. The financial statements are therefore prepared on a going concern basis of accounting. This basis presumes that assets will realise and liabilities be discharged in the ordinary course of business.

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Responsibilities and Approval

The annual financial statements and supplementary information set out on pages 11 to 36, which have been prepared on the going concern basis, were approved by the board on 28 June 2018 and were signed on its behalf by:



Director



Director

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Report

The directors submit their report for the year ended 31 December 2017.

1. Nature of business

The sole purpose of the Green Building Council of South Africa, as an independent public benefit organisation is the promotion of green building, and particularly the facilitation of energy efficient, resource efficient and environmentally responsible building practices in the property market, including education and training programmes relating thereto, the development and operation of an environmental rating system for buildings, research, events and conferences and general activities to raise awareness of environmentally sustainable building.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors of the company during the year and at the date of this report are as follows:

Directors	Office	Changes
M Braune		
F Jacobs		
S Nkhahle		
L D Modise	Chief Operating Officer	Resigned 08 November 2017
N A Gopal		
R P Pienaar		
M Macagnano		Appointed 08 November 2017
K James		Appointed 08 November 2017
S Elliott-Wetmore		Appointed 08 November 2017
B M Wiltshire		Resigned 08 November 2017
D R Letchmiah		Resigned 08 November 2017
L K Reynolds		Resigned 08 November 2017
A Stroebel		
C Devenish		Resigned 08 November 2017
N Manzana		
A Phakathi		Resigned 08 November 2017
L M Xulu Ka Dlamini		Appointed 08 November 2017
B Unsted		Appointed 08 November 2017
A Theys		Appointed 08 November 2017
I Swanepoel		Appointed 08 November 2017
H Rauff		Appointed 08 November 2017

4. Events after the reporting period

The directors are not aware of any material reportable event affecting the annual financial statements which occurred after the reporting date and up to the date of this report.

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Report

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The company incurred a net loss of R 137,134 (2016: R 7,073,511) for the year ended 31 December 2017 and as at that date the company's total liabilities exceeded its total assets by R 5,656,753 (2016: R 5,519,619). The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

Due to the extensive cost cutting, the adopted robust and viable convention business model, the organisation turned around the once off deficit incurred during the 2016 Convention to realise a surplus in the 2017 Convention. The company continues to build and develop sustainable income streams (education, certification, sponsorship and membership fees) in conjunction with contained operating expenditure to be able to return the company to a surplus position. These conditions imply the existence of a material uncertainty related to going concern which may cast significant doubt on the company's ability to continue as a going concern and as a result the company may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

To mitigate this uncertainty, the directors and management have embarked on a turnaround plan which includes a review of the organisational structure which is fit for purpose and cost efficient, enhanced stakeholder engagement and broadening the current service offerings in order to create greater value for members. The financial statements are therefore prepared on a going concern basis of accounting. This basis presumes that assets will realise and liabilities be discharged in the ordinary course of business.

6. Auditor

Ernst & Young Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

7. Secretary

The company secretary is Jacqueline Harrison.

Business address	2nd Floor, The Old Warehouse Building Black River Office Park 2 Fir Street Observatory 7925
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8. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 28 June 2018. No authority was given to anyone to amend the annual financial statements after the date of issue.

9. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008, of which the outcome was satisfactory.

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Statement of Financial Position

Figures in Rand	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	366,598	413,127
Deposits	4	356,774	-
		<u>723,372</u>	<u>413,127</u>
Current Assets			
Trade and other receivables	5	1,023,570	539,438
Cash and cash equivalents	6	8,347,570	10,474,762
		<u>9,371,140</u>	<u>11,014,200</u>
Total Assets		<u>10,094,512</u>	<u>11,427,327</u>
Equity and Liabilities			
Equity			
Accumulated loss		(5,656,753)	(5,519,619)
Liabilities			
Current Liabilities			
Operating lease accrual	7	179,422	7,170
Trade and other payables	8	1,678,674	3,616,371
Income received in advance	9	2,073,438	2,698,359
Deferred income	9	11,819,731	10,625,046
		<u>15,751,265</u>	<u>16,946,946</u>
Total Equity and Liabilities		<u>10,094,512</u>	<u>11,427,327</u>

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
Revenue	10	27,633,645	27,889,602
Other income		437,493	271,248
Operating expenses		(28,619,137)	(35,761,407)
Operating loss	11	(547,999)	(7,600,557)
Investment revenue	12	410,988	527,052
Finance costs paid	13	(123)	(6)
Loss for the year		(137,134)	(7,073,511)
Other comprehensive income		-	-
Total comprehensive loss for the year		(137,134)	(7,073,511)

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Statement of Changes in Equity

Figures in Rand	(Accumulated loss) / retained income	Total equity
Balance at 01 January 2016	1,553,892	1,553,892
Loss for the year	(7,073,511)	(7,073,511)
Other comprehensive income	-	-
Total comprehensive loss for the year	(7,073,511)	(7,073,511)
Balance at 01 January 2017	(5,519,619)	(5,519,619)
Loss for the year	(137,134)	(137,134)
Other comprehensive income	-	-
Total comprehensive loss for the year	(137,134)	(137,134)
Balance at 31 December 2017	(5,656,753)	(5,656,753)

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Statement of Cash Flows

Figures in Rand	Notes	2017	2016
Cash flows used in operating activities			
Cash used in operations	14	(2,035,742)	(3,676,492)
Interest income received		410,988	527,052
Finance costs paid		(123)	(6)
Net cash used in operating activities		(1,624,877)	(3,149,446)
Cash flows used in investing activities			
Purchase of property, plant and equipment	3	(145,542)	(59,203)
Payment of lease deposit		(356,774)	-
Net cash from investing activities		(502,316)	(59,203)
Total cash movement for the year		(2,127,193)	(3,208,649)
Cash at the beginning of the year		10,474,763	13,683,411
Total cash at end of the year	6	8,347,570	10,474,762

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the IFRS Interpretations Committee interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historical cost basis, except as indicated otherwise, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the adoption of new or revised standards as detailed in note 2.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Revenue recognition - deferred income

Customers are invoiced upfront with the certification of projects. Each stage represents a milestone in a project and the estimation of completion of the project requires management estimation.

Commercial - Revenue from the certification of projects is recognised with reference to the stage of completion. The stage of completion is measured with reference to three stages as identified by management during the course of a project, namely Registration, Round One and Round Two, applying ratio's of 70%, 15% and 15% (2016: 70%, 15% and 15%) on project fee surplus (project fees less fixed costs) respectively.

Residential - Revenue from the certification of projects is recognised with reference to the stage of completion. The stage of completion is measured with reference to three stages as identified by management during the course of a project, namely Registration, Round One (two stages) and Round Two (two stages), applying ratio's of 70%, 7.5%, 7.5%, 7.5% and 7.5% (2016: 70%, 7.5%, 7.5%, 7.5% and 7.5%) on project fee surplus (project fees less fixed costs) respectively.

These estimates are subject to significant estimation uncertainty. As at 31 December 2017, the estimated liability for deferred income amounted to R 11,819,731 (2016: R 10,625,046). Refer to note 9.

The Green Building Leader Network sponsorship revenue is recognised on a straight line basis for the duration of the contract.

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Refer to note 5.

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life to residual value. Residual values and useful lives are based on management's best estimates and actual future outcomes may differ from these estimates.

The residual values, useful lives and depreciation methods applied to property, plant and equipment are reviewed by management on an annual basis, taking into account market conditions as well as historical trends.

1.2 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently, if it meets the recognition criteria, 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.

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. Refer to note 3.

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

Item	Average useful life
Computer equipment and computer software	3-5 years
Furniture and fixtures	6 years
Leasehold improvements	3 -5 years
Office equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value. Direct transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Trade and receivables are classified as loans and receivables.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. Trade and other payables are classified as financial liabilities at amortised cost.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest on that instrument over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the instrument.

1.3 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets on an individual basis to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in bank. These are initially recorded at fair value and subsequently measured at amortised cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset where there are both an intention to settle on a net basis or realise the asset and settle the liability simultaneously and a legal right to offset exists.

1.4 Tax

Income and deferred tax

The company is a non-profit company and as such not liable for income tax. No provision has therefore been made for either income or deferred taxes.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.5 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability (in the event that the contractual payments are less than the straight-lined expense amount). This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

In instances where the lessor provides lease incentives, including in the form of reimbursement of costs incurred by the company on leasehold improvements, the company recognises the lease incentive as a reduction of rental expense over the lease term, on a straight-line basis.

1.6 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the service is rendered, such as paid vacation leave and sick leave, bonuses, and pension contributions), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.7 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are governed by the Pension Fund Act and are charged as an expense as they fall due.

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

1.8 Revenue

The company earns revenue from membership fees, sponsorships, course and convention income, publication sales and certification fees.

Annual membership fees and sponsorship income are recorded in income received in advance and deferred income respectively and subsequently recognised in revenue on a straight-line basis over the period the services are provided.

Course and convention income is recognised once the related services have been rendered.

Publication sales are recognised as the risk and rewards of ownership transfers to the buyer.

Certification fees are recognised with reference to the stage of completion. When the project outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are to be recovered.

Stage of completion is determined with reference to the services performed to date as a percentage of total services to be performed.

Interest is recognised, in profit or loss, using the effective interest method.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.9 Deferred income

Deferred income is in respect of certification and sponsorship revenue.

Where income has been received and the company has not yet provided the service, deferred income is recognised as a liability in the statement of financial position. Deferred income relates to money received where the service has not been provided for projects accounted for on the stage of completion basis.

Subsequently the deferred income is released to income statement and recognised as revenue with reference to the stage of completion of the contract.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which it is incurred.

1.11 Deferred lease incentive liability

The deferred lease incentive liability is recognised on a straight-line basis over the lease term.

1.12 Income received in advance

Income received in advance is initially recognised at the amount of consideration received and subsequently released to profit or loss in accordance with the delivery of the related services. Income received in advance mainly relates to membership fees received in the current financial period which relates to the following financial period.

1.13 Retained income

Retained income records the cumulative net profit or loss made by the company after deducting distributions and other utilisations of the reserve.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Amendments to IAS 7: Disclosure initiative 	01 January 2017	The impact of the standard is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> IFRS 16 Leases 	01 January 2019	Impact is currently being assessed by management
<ul style="list-style-type: none"> IFRS 9 Financial Instruments 	01 January 2018	Refer below
<ul style="list-style-type: none"> IFRS 15 Revenue from Contracts with Customers 	01 January 2018	Refer below

IFRS 9: Financial Instruments

The company plans to adopt the standard on its mandatory effective date in its 2018 financial year. The company does not expect the classification and measurement provisions of IFRS 9 to significantly impact its financial position or results, as its business model for its financial assets is to "hold and collect", and the company collects capital and interest only. The company expects the new "expected loss" impairment model to result in the earlier recognition of impairment losses with regards to its trade receivables and loans receivable. This may result in an increase in the company's doubtful debt allowance in the first year of application.

2. New Standards and Interpretations (continued)

IFRS 15: Revenue from Contracts with Customers

This is a new standard that establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue. The effective date of the standard is for years beginning on or after 1 January 2018. The company plans to adopt the new standard on its mandatory effective date using the modified retrospective method - comparatives will not be restated. During 2017, the company performed an assessment of the expected impact of IFRS 15. The company does not expect the new standard to have a significant impact on its revenue recognition, but it will result in additional disclosure. A summary of the company's assessment is presented below.

Contract revenue - Performance obligations

The new standard requires the identification of distinct performance obligations for the delivery of goods and services. Each distinct performance obligation is accounted for separately. The company has assessed its contracts and has concluded that the services delivered are not separate from other promises in the contract. The entity provides a service where it provides an integration service to incorporate individual goods and services into a combined output. Consequently, the company regards its contracts to contain a single distinct performance obligation only. This approach is similar to the approach currently applied by the company.

Recognition of contract revenue

IFRS 15 provides for criteria proving the transfer of control over goods and services to the customer over time and allowing for the recognition of revenue under the percentage of completion method. It is necessary to demonstrate that the services provided has no alternative use and that the company has an irrevocable right to payment for the work performed to date.

Analysis of the company's contracts has confirmed that the criteria defined in IFRS 15 have been met and that the percentage of completion method will apply to the company's contract revenue once IFRS 15 becomes effective. This is similar to the approach currently applied by the company.

Contract revenue - Variable consideration

The new term "variable consideration" is introduced, which can include awards for early or timely delivery and penalties for late delivery. IFRS 15 prescribes the accounting treatment for variable consideration and requires that it be constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The company has not been exposed to material amounts of variable consideration to date.

Disclosure

The standard contains new and additional presentation and disclosure requirements.

The company expects to make additional disclosures, including information about its performance obligations and the disaggregation of revenue into additional categories.

Additional disclosures are expected.

Management are in the process of finalising its impact assessment.

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3. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	292,336	(159,396)	132,940	630,902	(521,823)	109,079
Computer software	19,434	(16,643)	2,791	132,587	(124,808)	7,779
Furniture and fixtures	288,407	(179,685)	108,722	269,457	(139,661)	129,796
Leasehold improvements	32,681	-	32,681	1,267,450	(1,240,399)	27,051
Office equipment	237,761	(148,297)	89,464	369,561	(230,139)	139,422
Total	870,619	(504,021)	366,598	2,669,957	(2,256,830)	413,127

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	109,079	116,545	(92,684)	132,940
Computer software	7,779	-	(4,988)	2,791
Furniture and fixtures	129,796	23,367	(44,441)	108,722
Leasehold improvements	27,051	5,630	-	32,681
Office equipment	139,422	-	(49,958)	89,464
	413,127	145,542	(192,071)	366,598

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	180,450	37,038	(108,409)	109,079
Computer software	14,251	-	(6,472)	7,779
Furniture and fixtures	158,084	15,265	(43,553)	129,796
Leasehold improvements	268,239	-	(241,188)	27,051
Office equipment	190,977	6,900	(58,455)	139,422
	812,001	59,203	(458,077)	413,127

4. Deposits

Receivables

Refundable deposits	356,774	-
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Non-current assets

Loans and receivables	356,774	-
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The refundable deposit is in respect of a payment made in terms of a lease agreement entered into by the company and is expected to be fully refundable. The carrying amount is a reasonable approximation of fair value.

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5. Trade and other receivables		
Trade receivables	749,886	111,347
Deposits	65,335	416,320
Other receivable	13,947	-
Prepayments	194,402	11,771
	1,023,570	539,438

Prepayments

Prepayments mainly relates to the 2018 convention expenses prepaid during the current financial year.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired are evaluated by management on an ongoing basis. Management assesses the credit quality of the customer, taking into account its financial position, past experience and payment history.

Fair value of trade and other receivables

Trade receivables are carried at amortised cost, with the fair value being approximated by such carrying value (due to the short term nature of the trade receivables).

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

At 31 December 2017, R 516,300 (2016: R 53,950) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	145,950	-
2 months past due	362,550	34,900
3 months past due	7,800	-
4 months and more past due	-	19,050
	516,300	53,950

Trade and other receivables impaired

As of 31 December 2017, trade and other receivables of R Nil (2016: R Nil) were impaired and provided for.

The amount of the provision was R Nil as of 31 December 2017 (2016: R Nil).

Credit risk of trade and other receivables

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The company does not hold any collateral as security.

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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,209,614	8,461,524
Short-term deposits	4,137,956	2,013,238
	8,347,570	10,474,762

The company earns interest on its cash and cash equivalents at variable interest rates of 0.05% to 7.65% (2016: 4.75% to 7.55%).

Fair value of cash and cash equivalents

Due to the short-term nature of cash and cash equivalents, the carrying amount is deemed to approximate fair value.

Credit quality of cash and cash equivalents, excluding cash on hand

Bank balances are held with reputable financial institutions of high credit quality.

7. Operating lease accrual

Current liability	179,422	7,170
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The operating lease accrual represents the difference between the straight-lining of the lease expense over the lease term and contractual payments made.

8. Trade and other payables

Trade payables	593,233	990,795
Accrued leave pay	444,711	253,341
Bonus accrual	78,360	1,221,051
Other payables	135,070	143,874
Royalty accrual	172,237	277,695
Value Added Taxation	255,063	729,615
	1,678,674	3,616,371

Fair value of trade and other payables

Trade payables are carried at amortised cost, with the fair value being approximated by such carrying value (due to the short term nature of the trade payables).

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9. Income received in advance and deferred income		
Income received in advance relates to receipts of cash and cash equivalents before the related services have been delivered.		
Deferred income relates to money received where the service has not been provided for projects accounted for on the stage of completion basis.		
Income received in advance	2,073,438	2,698,359
Deferred income (refer reconciliation below)	11,819,731	10,625,046
	13,893,169	13,323,405
The 2016 income received in advance and deferred income have been recognised in full in profit and loss during the current year.		
Reconciliation of Deferred income		
Opening balance	10,625,046	8,356,289
Add: Revenue deferred to the Statement of Financial Position	12,829,849	13,038,718
Less: Revenue released to the Statement of Comprehensive Income	(11,635,164)	(10,769,961)
	11,819,731	10,625,046
10. Revenue		
Commercial certification income	7,321,326	6,844,045
Commercial education income	1,336,905	2,081,044
Convention income	2,822,778	2,670,368
Edge fees	-	1,387,930
Membership fees	8,705,287	8,856,088
Publication sales	6,300	9,259
Residential certification income	1,401,553	1,006,179
Residential education income	699,868	170,263
Sponsorship income	5,339,628	4,864,426
	27,633,645	27,889,602
11. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Rental expense	1,357,232	1,309,491
Depreciation on property, plant and equipment	192,071	458,077
Employee costs	13,355,965	13,580,100
Defined contributions	1,009,306	1,135,435
12. Investment revenue		
Interest revenue		
Bank	410,988	527,052

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Figures in Rand	2017	2016
13. Finance costs paid		
Bank	123	6
14. Cash used in operations		
Loss before taxation	(137,134)	(7,073,511)
Adjustments for:		
Depreciation	192,071	458,077
Interest received	(410,988)	(527,052)
Finance costs paid	123	6
Movements in operating lease accrual	172,252	(25,452)
Movement in deferred lease incentive liability	-	(57,011)
Changes in working capital:		
Trade and other receivables	(484,132)	270,573
Trade and other payables	(1,937,697)	1,121,272
Income received in advance and deferred income	569,763	2,156,606
	(2,035,742)	(3,676,492)
15. Related parties		
Relationships		
Members of key management	B Wilkinson M Braune D Modise	
Compensation to directors and other key management		
Emoluments *	3,477,059	2,355,007
* Refer to note 17 for a breakdown of director's and prescribed officer's remuneration.		
16. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	1,081,839	571,420
- in second to fifth year inclusive	2,684,540	-
	3,766,379	571,420

Operating lease payments represent rentals payable by the company for the two office properties. Leases are negotiated for an average term of 3 to 5 years. No contingent rent is payable.

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17. Directors' and prescribed officer's remuneration

Director and prescribed officers

2017

	Emoluments	Company contribution to pension fund	Total
B Wilkinson	629,481	26,718	656,199
L D Modise	1,522,500	-	1,522,500
M Braune	1,197,860	100,500	1,298,360
	3,349,841	127,218	3,477,059

2016 (from date of appointment to December 2016)

	Emoluments	Company contribution to pension fund	Total
B Wilkinson	1,935,724	158,583	2,094,307
M Braune	237,000	23,700	260,700
	2,172,724	182,283	2,355,007

None of the remaining directors received compensation (2016: R Nil) for office held.

18. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern. There were no changes made in the objectives, policies or processes from the prior year.

There are no externally imposed capital requirements.

Financial risk management

The company's activities expose it to a variety of financial risks: liquidity risk, interest rate risk and credit risk.

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18. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments, credit facilities and cash reserves.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2017

Trade and other payables

Within 3
months
978,900

At 31 December 2016

Trade and other payables

Within 3
months
2,633,415

Interest rate risk

The company's interest rate risk arises from cash and cash equivalents which bear interest at variable rates and expose the company to cash flow interest rate risk.

The company's cash and cash equivalents are reviewed on a sufficiently regular basis to ensure that the best possible return is being obtained.

At 31 December 2017, if interest rates had been 1% higher/lower with all other variables held constant, the company's profit for the year would have been R 83,476 (2016: R 104,747) higher/lower.

Credit risk

Credit risk consists mainly of cash and cash equivalents and trade receivables.

All cash reserves are held with First National Bank Limited, Nedbank Limited and Investec Limited resulting in a concentration of credit risk. This is mitigated by the high credit quality standing of First National Bank Limited, Nedbank Limited and Investec Limited.

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

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19. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Non-financial assets	Loans and receivables	Total
Deposits	-	356,774	356,774
Trade and other receivables	273,684	749,886	1,023,570
Cash and cash equivalents	-	8,347,570	8,347,570
	273,684	9,454,230	9,727,914

2016

	Non-financial assets	Loans and receivables	Total
Trade and other receivables	428,091	111,347	539,438
Cash and cash equivalents	-	10,474,762	10,474,762
	428,091	10,586,109	11,014,200

20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Non-financial liabilities	Financial liabilities at amortised cost	Total
Trade and other payables	699,774	978,900	1,678,674

2016

	Non-financial liabilities	Financial liabilities at amortised cost	Total
Trade and other payables	982,956	2,633,415	3,616,371

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21. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The company incurred a net loss of R 137,134 (2016: R 7,073,511) for the year ended 31 December 2017 and as at that date the company's total liabilities exceeded its total assets by R 5,656,753 (2016: R 5,519,619). The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are not aware of any new material changes that may adversely impact the company.

Due to the extensive cost cutting, the adopted robust and viable convention business model, the organisation turned around the once off deficit incurred during the 2016 Convention to realise a surplus in the 2017 Convention. The company continues to build and develop sustainable income streams (education, certification, sponsorship and membership fees) in conjunction with contained operating expenditure to be able to return the company to a surplus position. These conditions imply the existence of a material uncertainty related to going concern which may cast significant doubt on the company's ability to continue as a going concern and as a result the company may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

To mitigate this uncertainty, the directors and management have embarked on a turnaround plan which includes a review of the organisational structure which is fit for purpose and cost efficient, enhanced stakeholder engagement and broadening the current service offerings in order to create greater value for members. The financial statements are therefore prepared on a going concern basis of accounting. This basis presumes that assets will realise and liabilities be discharged in the ordinary course of business.

22. Events after the reporting period

The directors are not aware of any material reportable event affecting the annual financial statements which occurred after the reporting date and up to the date of this report.

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Detailed Income Statement

Figures in Rand	Notes	2017	2016
Revenue			
Commercial certification income		7,321,326	6,844,045
Commercial education income		1,336,905	2,081,044
Convention income		2,822,778	2,670,368
Edge fees		-	1,387,930
Membership fees		8,705,287	8,856,088
Publication sales		6,300	9,259
Residential certification income		1,401,553	1,006,179
Residential education income		699,868	170,263
Sponsorship income		5,339,628	4,864,426
	10	27,633,645	27,889,602
Other income			
Interest received	12	410,988	527,052
Sundry income		437,493	271,248
		848,481	798,300
Expenses (Refer to page 36)		(28,619,137)	(35,761,407)
Operating loss	11	(137,011)	(7,073,505)
Finance costs paid	13	(123)	(6)
Loss for the year		(137,134)	(7,073,511)

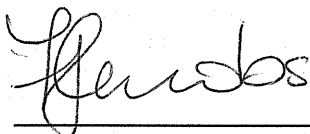
THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Detailed Income Statement

Figures in Rand	2017	2016
Operating expenses		
Annual conference	5,126,390	10,500,216
Annual membership	333,393	414,393
Auditor's remuneration	131,425	138,000
Bad debts	11,447	135,387
Bank charges	70,560	77,184
Commercial certification costs	3,060,315	2,680,511
Commercial education course expenses	394,302	545,966
Commercial education development expenses	31,854	61,934
Computer expenses	390,995	320,519
Consulting and professional fees	951,012	1,429,641
Depreciation	192,071	458,077
Employee costs	14,365,271	14,715,535
GBCA royalties and fees	352,462	420,264
General expenses	160,326	54,778
Insurance	35,630	32,937
Lease rentals on operating lease	1,357,232	1,309,491
Legal expenses	55,077	96,655
Marketing	561,301	533,891
Postage	2,305	8,604
Printing and stationery	22,527	18,795
Residential certification and education development	-	913,998
Residential certification costs	40,118	-
Residential education course expenses	8,849	29,342
Secretarial fees	3,000	2,500
Staff welfare	58,256	86,247
Subscriptions	151,987	128,014
Telephone and fax	71,917	71,488
Tool development costs	-	7,634
Travel - local	258,351	323,197
Travel - overseas	135,711	79,376
Venue hire	285,053	166,833
	28,619,137	35,761,407

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Responsibilities and Approval

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been independently audited by the company's external auditors and their report is presented on pages 5 to 6.

The annual financial statements and supplementary information set out on pages 12 to 37, which have been prepared on the going concern basis, were approved by the board on 28 June 2018 and were signed on its behalf by:



Director

Director

THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC
(Registration number 2007/029477/08)
Annual Financial Statements for the year ended 31 December 2017
Directors' Report

The directors submit their report for the year ended 31 December 2017.

1. Nature of business

The sole purpose of the Green Building Council of South Africa, as an independent public benefit organisation is the promotion of green building, and particularly the facilitation of energy efficient, resource efficient and environmentally responsible building practices in the property market, including education and training programmes relating thereto, the development and operation of an environmental rating system for buildings, research, events and conferences and general activities to raise awareness of environmentally sustainable building.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors of the company during the year and at the date of this report are as follows:

Directors	Office	Changes
M Braune		
F Jacobs		
S Nkhahle		
L D Modise	Chief Operating Officer	Resigned 08 November 2017
N A Gopal		
R P Pienaar		
M Macagnano		Appointed 08 November 2017
K James		Appointed 08 November 2017
S Elliott-Wetmore		Appointed 08 November 2017
B M Wiltshire		Resigned 08 November 2017
D R Letchmiah		Resigned 08 November 2017
L K Reynolds		Resigned 08 November 2017
A Stroebel		
C Devenish		Resigned 08 November 2017
N Manzana		
A Phakathi		Resigned 08 November 2017
L M Xulu Ka Dlamini		Appointed 08 November 2017
B Unsted		Appointed 08 November 2017
A Theys		Appointed 08 November 2017
I Swanepoel		Appointed 08 November 2017
H Rauff		Appointed 08 November 2017

4. Events after the reporting period

The directors are not aware of any material reportable event affecting the annual financial statements which occurred after the reporting date and up to the date of this report.