

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC  
(Registration number 2007/029477/08)  
AUDITED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Promotion of green building, particularly the facilitation of energy efficient, resource efficient and environmentally responsible building practices.
<b>Directors</b>	M Braune F Jacobs S Nkhahle L D Modise N A Gopal R P Pienaar B M Wiltshire D R Letchmiah L K Reynolds A Stroebele C Devenish N Manzana A Phakathi
<b>Business address</b>	2nd Floor, The Old Warehouse Building Black River Office Park 2 Fir Street Observatory 7925
<b>Auditor</b>	Ernst & Young Inc. Registered Auditor
<b>Secretary</b>	Jacqueline Harrison
<b>Company registration number</b>	2007/029477/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Ruan van der Burgh Chartered Accountant (SA) VDB Chartered Accountants Proprietary Limited
<b>Published</b>	21 June 2017

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
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The reports and statements set out below comprise the annual financial statements presented to the members:

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**Certificate of Company Secretary**

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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.



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**J Harrison**  
**Company Secretary**

**Cape Town**  
**21 June 2017**



Chartered Accountants

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## INDEPENDENT COMPILER'S REPORT

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### 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 2016 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 9 to 34. 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.

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

21 June 2017  
Cape Town

VDB CHARTERED ACCOUNTANTS PROPRIETARY LIMITED  
1<sup>st</sup> FLOOR, RIESLING HOUSE, THE VINEYARD OFFICE ESTATE, 99 JIP DE JAGER STREET, WELGEMOED  
TEL: +27 21 975 9665 • [info@vdbca.co.za](mailto:info@vdbca.co.za)

DIRECTORS:  
R VAN DER BURGH CA (SA) | SAICA REG NR: 09012113 • [ruan@vdbca.co.za](mailto:ruan@vdbca.co.za)  
E VAN DER BURGH CA (SA) | SAICA REG NR: 08234151 • [ellenore@vdbca.co.za](mailto:ellenore@vdbca.co.za)



Building a better  
working world

Ernst & Young Incorporated  
3rd floor, Waterway House  
3 Dock Road  
V&A Waterfront  
PO Box 856  
Cape Town 8000

Tel: +27 (0) 21 443 0200  
Fax: +27 (0) 21 443 1200  
Docex 57 Cape Town  
ey.com

Co. Reg. No. 2005/002308/21

## **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 32 which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In 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 2016, 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.

#### *Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report, Certificate of Company Secretary and the Audit Committee Report as required by the Companies Act of South Africa as well as the supplementary information set out on pages 33 to 34. 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

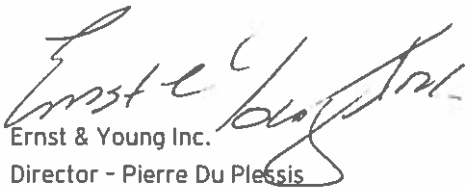
#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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 skepticism 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.

Director - Pierre Du Plessis

Registered Auditor

Chartered Accountant (SA)

21 June 2017

Cape Town

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Audit Committee Report**

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**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 2016 financial year.



**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC  
(Registration number 2007/029477/08)  
Annual Financial Statements for the year ended 31 December 2016  
Audit Committee Report**

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**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 under the supervision of Pardon Mutasa, the Chief Financial Officer.



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**F Jacobs**  
**Governance, Audit, Social and Ethics Committee Chair**

**Cape Town**  
**21 June 2017**

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Directors' Responsibilities and Approval**

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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. 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 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 cashflow forecast for the 18 months ending 30 June 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 7,073,511 (2015: R 1,191,601 profit) for the year ended 31 December 2016 and as at that date the company's total liabilities exceeded its total assets by R 5,519,619 (2015: R 1,553,892 assets exceeded liabilities). The main cause for the loss was as a result of the annual convention, which was a once off event in Johannesburg. Management has reviewed the convention operating model and has adopted a robust and much more viable convention model to safeguard the company from incurring a similar loss as that incurred in 2016. The company has forecast other sustainable income streams (being education, certification of projects, sponsorships, and membership fees) in conjunction with contained operating expenditure to be able to return the company to a profitable position. The financial statements are prepared on the basis of accounting policies applicable to a going concern and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

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.

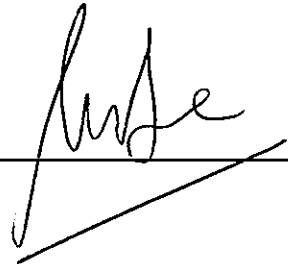
**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Directors' Responsibilities and Approval**

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The annual financial statements and supplementary information set out on pages 11 to 34, which have been prepared on the going concern basis, were approved by the board on 21 June 2017 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 2016**  
**Directors' Report**

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The directors submit their report for the year ended 31 December 2016.

**1. Nature of business**

The sole purpose of the Council, 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:

<b>Directors</b>	<b>Changes</b>
M Braune	Appointed 22 September 2016
F Jacobs	
S Nkhahle	
L D Modise	
N A Gopal	
R P Pienaar	
B M Wiltshire	
D R Letchmiah	
L K Reynolds	
A Stroebel	
C Devenish	
N Manzana	
A Phakathi	Appointed 22 September 2016
R V Milford	Resigned 22 September 2016
M B Munnik	Resigned 22 September 2016
E F Noir	Resigned 22 September 2016
B H Kerswill	Resigned 22 September 2016

**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 2016**  
**Directors' Report**

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**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 7,073,511 (2015: R 1,191,601 profit) for the year ended 31 December 2016 and as at that date the company's total liabilities exceeded its total assets by R 5,519,619 (2015: R 1,553,892 assets exceeded liabilities). The main cause for the loss was as a result of the annual convention, which was a once off event in Johannesburg. Management has reviewed the convention operating model and has adopted a robust and much more viable convention model to safeguard the company from incurring a similar loss as that incurred in 2016. The company has forecast other sustainable income streams (being education, certification of projects, sponsorships, and membership fees) in conjunction with contained operating expenditure to be able to return the company to a profitable position. The financial statements are prepared on the basis of accounting policies applicable to a going concern and that the realisation of assets and settlement of liabilities will occur 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 25 May 2017. 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, which were satisfactory.

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Statement of Financial Position**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	413,127	812,001
<b>Current Assets</b>			
Trade and other receivables	4	539,438	810,011
Cash and cash equivalents	5	10,474,762	13,683,411
		<b>11,014,200</b>	<b>14,493,422</b>
<b>Total Assets</b>		<b>11,427,327</b>	<b>15,305,423</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(Accumulated loss) / retained income		(5,519,619)	1,553,892
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred lease incentive	6	-	57,011
Operating lease accrual	7	7,170	32,622
Trade and other payables	8	3,616,371	2,495,099
Income received in advance	9	2,698,359	2,810,510
Deferred income	8	10,625,046	8,356,289
		<b>16,946,946</b>	<b>13,751,531</b>
<b>Total Equity and Liabilities</b>		<b>11,427,327</b>	<b>15,305,423</b>

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
Revenue	10	27,889,602	28,030,708
Other income		271,248	407,663
Operating expenses		(35,761,407)	(27,853,193)
<b>Operating (loss) / profit</b>	11	<b>(7,600,557)</b>	<b>585,178</b>
Investment revenue	12	527,052	606,619
Finance costs	13	(6)	(196)
<b>(Loss) / profit for the year</b>		<b>(7,073,511)</b>	<b>1,191,601</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the year</b>		<b>(7,073,511)</b>	<b>1,191,601</b>

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>(Accumulated loss) / retained income</b>	<b>Total equity</b>
<b>Balance at 01 January 2015</b>	<b>362,291</b>	<b>362,291</b>
Profit for the year	1,191,601	1,191,601
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,191,601</b>	<b>1,191,601</b>
<b>Balance at 01 January 2016</b>	<b>1,553,892</b>	<b>1,553,892</b>
Loss for the year	(7,073,511)	(7,073,511)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(7,073,511)</b>	<b>(7,073,511)</b>
<b>Balance at 31 December 2016</b>	<b>(5,519,619)</b>	<b>(5,519,619)</b>



**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows (used in) / from operating activities</b>			
Cash (used in) generated from operations	14	(3,676,492)	5,022,018
Interest income		527,052	606,619
Finance costs		(6)	(196)
<b>Net cash (used in) / from operating activities</b>		<b>(3,149,446)</b>	<b>5,628,441</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	3	(59,203)	(273,677)
<b>Total cash movement for the year</b>		<b>(3,208,649)</b>	<b>5,354,764</b>
Cash at the beginning of the year		13,683,411	8,328,647
<b>Total cash at end of the year</b>	5	<b>10,474,762</b>	<b>13,683,411</b>

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Accounting Policies**

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the International Financial Reporting Interpretations Committee ("IFRIC") 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**

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% (2015: 70%, 15% and 15%) 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% (2015: N/A) respectively.

These estimates are subject to significant estimation uncertainty. As at 31 December 2016, the estimated liability for deferred income amounted to R 10,625,046 (2015: R 8,356,289). 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.

**THE GREEN BUILDING COUNCIL OF SOUTH AFRICA NPC**  
**(Registration number 2007/029477/08)**  
**Annual Financial Statements for the year ended 31 December 2016**  
**Accounting Policies**

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**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 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.

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

<b>Item</b>	<b>Average useful life</b>
Computer equipment and computer software	3-5 years
Furniture and fixtures	6 years
Leasehold improvements	3 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. Classification is re-assessed on an annual basis.

#### **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 rate 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 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 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.

#### **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. This liability is not discounted.

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

### **1.5 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.

An entity 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.

### **1.6 Employee benefits**

#### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as 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 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.

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**Accounting Policies**

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**1.7 Revenue (continued)**

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.

**1.8 Deferred income**

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.

Subsequently the deferred income is recognised with reference to the stage of completion of the contract.

**1.9 Borrowing costs**

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

**1.10 Deferred lease incentive liability**

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

**1.11 Income received in advance**

Income received in advance is initially recognised at fair value and subsequently released to profit or loss in accordance with the delivery of the related services.

**1.12 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:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the amendment 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 2017 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• IFRS 16 Leases	01 January 2019	Impact is currently being assessed by management
• IFRS 9 Financial Instruments	01 January 2018	Impact is currently being assessed by management
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Impact is currently being assessed by management
• Amendments to IFRS 15: Clarifications to Revenue from Contracts with Customers	01 January 2018	Impact is currently being assessed by management
• Amendments to IAS 7: Disclosure initiative	01 January 2017	Impact is currently being assessed by management



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**3. Property, plant and equipment**

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	630,902	(521,823)	109,079	593,863	(413,413)	180,450
Computer software	132,587	(124,808)	7,779	132,587	(118,336)	14,251
Furniture and fixtures	269,457	(139,661)	129,796	254,192	(96,108)	158,084
Leasehold improvements	1,267,450	(1,240,399)	27,051	1,267,450	(999,211)	268,239
Office equipment	369,561	(230,139)	139,422	362,661	(171,684)	190,977
<b>Total</b>	<b>2,669,957</b>	<b>(2,256,830)</b>	<b>413,127</b>	<b>2,610,753</b>	<b>(1,798,752)</b>	<b>812,001</b>

**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
	<b>812,001</b>	<b>59,203</b>	<b>(458,077)</b>	<b>413,127</b>

**Reconciliation of property, plant and equipment - 2015**

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	182,745	102,490	(104,785)	180,450
Computer software	28,478	19,434	(33,661)	14,251
Furniture and fixtures	200,458	-	(42,374)	158,084
Leasehold improvements	681,704	-	(413,465)	268,239
Office equipment	98,907	151,753	(59,683)	190,977
	<b>1,192,292</b>	<b>273,677</b>	<b>(653,968)</b>	<b>812,001</b>

**4. Trade and other receivables**

Trade receivables	111,347	580,994
Deposits	416,320	190,609
Other receivable	-	38,408
Prepayments	11,771	-
	<b>539,438</b>	<b>810,011</b>

**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.

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**4. Trade and other receivables (continued)**

**Fair value of trade and other receivables**

Trade receivables are carried at amortised cost, with the fair value being approximated by such carrying value.

**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 2016, R 53,950 (2015: R 404,242) were past due but not impaired.

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

1 month past due	-	146,085
2 months past due	34,900	189,655
3 months past due	-	42,500
4 months and more past due	19,050	26,002
	<u>53,950</u>	<u>404,242</u>

**Trade and other receivables impaired**

As of 31 December 2016, trade and other receivables of R Nil (2015: R Nil) were impaired and provided for.

The amount of the provision was R Nil as of 31 December 2015 (2015: R Nil).

**Credit risk of trade and other receivables**

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

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<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	8,461,524	13,682,128
Short-term deposits	2,013,238	-
Other cash and cash equivalents	-	1,283
	<u>10,474,762</u>	<u>13,683,411</u>

The company earns interest on its cash and cash equivalents at variable interest rates of 4.75% to 7.55% (2015: 3.50% to 6.60%).

**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.

**6. Deferred lease incentive**

The entity has received a reimbursement from the landlord upon completion of the leasehold improvements of the premises being rented.

The deferred lease incentive is recognised on a straight-line basis over the lease term. The original lease agreement came to an end during the current financial year.

**7. Operating lease accrual**

Current liability	7,170	32,622
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The operating lease accrual represents the straightlining of the lease expense over the lease term.

**8. Trade and other payables**

Trade payables	990,795	108,491
Accrued leave pay	253,341	367,234
Bonus accrual	1,221,051	1,284,383
Other payables	143,874	384,590
Royalty accrual	277,695	165,229
Value Added Taxation	729,615	185,172
	<u>3,616,371</u>	<u>2,495,099</u>

**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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<b>9. Income received in advance and deferred income</b>		
Income received in advance relates to receipts of cash and cash equivalents before the related services have been delivered.		
Deferred income relates to projects accounted for on the stage of completion basis.		
Income received in advance	2,698,359	2,810,510
Deferred income (refer reconciliation below)	10,625,046	8,356,289
	<b>13,323,405</b>	<b>11,166,799</b>
The 2015 income received in advance and deferred income have been recognised in full in profit and loss during the current year.		
<b>Reconciliation of Deferred income</b>		
Opening balance	8,356,289	4,576,919
Add: Revenue deferred to the Statement of Financial Position	13,038,718	14,691,497
Less: Revenue released to the Statement of Comprehensive Income	(10,769,961)	(10,912,127)
	<b>10,625,046</b>	<b>8,356,289</b>
<b>10. Revenue</b>		
Commercial certification income	6,844,045	7,963,733
Commercial education income	2,081,044	1,865,483
Convention income	2,670,368	3,717,805
Edge fees	1,387,930	1,345,000
Membership fees	8,856,088	7,905,402
Publication sales	9,259	900
Residential certification income	1,006,179	-
Residential education income	170,263	40,000
Sponsorship income	4,864,426	5,192,385
	<b>27,889,602</b>	<b>28,030,708</b>
<b>11. Operating (loss) / profit</b>		
Operating (loss) / profit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Rental expense	1,309,491	985,989
Depreciation on property, plant and equipment	458,077	653,968
Employee costs	13,580,100	11,670,265
Defined contributions	1,135,435	918,168
<b>12. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	527,052	606,619

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<b>13. Finance costs</b>		
Bank	6	196
<b>14. Cash used in operations</b>		
(Loss) / profit before taxation	(7,073,511)	1,191,601
<b>Adjustments for:</b>		
Depreciation	458,077	653,968
Interest received	(527,052)	(606,619)
Finance costs	6	196
Movements in operating lease accrual	(25,452)	(37,712)
Movement in deferred lease incentive liability	(57,011)	(97,733)
<b>Changes in working capital:</b>		
Trade and other receivables	270,573	(420,757)
Trade and other payables	1,121,272	481,969
Income received in advance and deferred income	2,156,606	3,857,105
	<b>(3,676,492)</b>	<b>5,022,018</b>
<b>15. Related parties</b>		
<b>Relationships</b>		
Members of key management	B Wilkinson M Braune	
<b>Compensation to directors and other key management</b>		
Emoluments *	2,355,007	1,610,927
* Refer to note 17 for a breakdown of director's and prescribed officer's remuneration.		
<b>16. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	571,420	646,829

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of 3 years. The rental agreement came to an end on 31 July 2016 and an extension of twelve months was negotiated in the interim. No contingent rent is payable.

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**17. Directors' and prescribed officer's remuneration**

**Director**

**2016 (from date of appointment to December 2016)**

	Emoluments	Company contribution to pension fund	Total
M Braune	237,000	23,700	260,700

**2015**

No emoluments were paid to the director during the 2015 financial year.

**Prescribed officers**

**2016**

	Emoluments	Company contribution to pension fund	Total
B Wilkinson	1,935,724	158,583	2,094,307

**2015**

	Emoluments	Company contribution to pension fund	Total
B Wilkinson	1,465,665	145,262	1,610,927

**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.

**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.

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**18. Risk management (continued)**

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 2016	Within 3 months
Trade and other payables	2,633,415
At 31 December 2015	Within 3 months
Trade and other payables	1,942,693

**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 2016, 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 104,747 (2015: R 136,834) 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:

**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
	<b>428,091</b>	<b>10,586,109</b>	<b>11,014,200</b>

**2015**

	Non-financial assets	Loans and receivables	Total
Trade and other receivables	190,609	619,402	810,011
Cash and cash equivalents	-	13,683,411	13,683,411
	<b>190,609</b>	<b>14,302,813</b>	<b>14,493,422</b>

**20. Financial liabilities by category**

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

**2016**

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

**2015**

	Non-financial liabilities	Financial liabilities at amortised cost	Total
Trade and other payables	552,406	1,942,693	2,495,099



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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 7,073,511 (2015: R 1,191,601 profit) for the year ended 31 December 2016 and as at that date the company's total liabilities exceeded its total assets by R 5,519,619 (2015: R 1,553,892 assets exceeded liabilities). The main cause for the loss was as a result of the annual convention, which was a once off event in Johannesburg. Management has reviewed the convention operating model and has adopted a robust and much more viable convention model to safeguard the company from incurring a similar loss as that incurred in 2016. The company has forecast other sustainable income streams (being education, certification of projects, sponsorships, and membership fees) in conjunction with contained operating expenditure to be able to return the company to a profitable position. The financial statements are prepared on the basis of accounting policies applicable to a going concern and that the realisation of assets and settlement of liabilities will occur 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**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>			
Commercial certification income		6,844,045	7,963,733
Commercial education income		2,081,044	1,865,483
Convention income		2,670,368	3,717,805
Edge fees		1,387,930	1,345,000
Membership fees		8,856,088	7,905,402
Publication sales		9,259	900
Residential certification income		1,006,179	-
Residential education income		170,263	40,000
Sponsorship income		4,864,426	5,192,385
	10	<u>27,889,602</u>	<u>28,030,708</u>
<b>Other income</b>			
Interest received	12	527,052	606,619
Sundry income		271,248	407,663
		<u>798,300</u>	<u>1,014,282</u>
<b>Expenses (Refer to page 34)</b>			
		<u>(35,761,407)</u>	<u>(27,853,193)</u>
<b>Operating (loss) / profit</b>	11	<u>(7,073,505)</u>	<u>1,191,797</u>
Finance costs	13	(6)	(196)
<b>(Loss) / profit for the year</b>		<u>(7,073,511)</u>	<u>1,191,601</u>

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**Detailed Income Statement**

Figures in Rand	2016	2015
<b>Operating expenses</b>		
Annual conference	10,500,216	5,445,483
Annual membership	414,393	291,075
Auditor's remuneration	138,000	133,042
Bad debts	135,387	10,509
Bank charges	77,184	67,006
Commercial certification costs	2,680,511	2,347,596
Commercial education course expenses	545,966	502,145
Commercial education development expenses	61,934	78,444
Computer expenses	320,519	247,623
Consulting and professional fees	1,429,641	985,366
Depreciation	458,077	653,968
Employee costs	14,715,535	12,588,433
Fines and penalties	-	4,482
GBCA royalties and fees	420,264	399,284
General expenses	54,778	40,749
Insurance	32,937	31,828
Lease rentals on operating lease	1,309,491	985,989
Legal expenses	96,655	54,933
Marketing	533,891	538,199
Postage	8,604	1,585
Printing and stationery	18,795	55,935
Residential certification and education development	913,998	708,961
Residential education course expenses	29,342	2,535
Secretarial fees	2,500	2,600
Staff welfare	86,247	131,586
Subscriptions	128,014	113,637
Telephone and fax	71,488	80,003
Tool development costs	7,634	301,292
Travel - local	323,197	625,593
Travel - overseas	79,376	233,650
Venue hire	166,833	189,662
	<b><u>35,761,407</u></b>	<b><u>27,853,193</u></b>