

**SA COUNCIL FOR THE
PROPERTY VALUERS PROFESSION**

**SOUTH AFRICAN COUNCIL FOR
THE PROPERTY VALUERS
PROFESSION**

ANNUAL REPORT

2016/2017 FINANCIAL YEAR

Contents

PART A: GENERAL INFORMATION.....	4
1. SACPVP'S GENERAL INFORMATION.....	5
2. LIST OF ABBREVIATIONS/ACRONYMS.....	6
3. FOREWORD BY THE CHAIRPERSON	7
4. REGISTRAR AND CHIEF EXECUTIVE OFFICER'S OVERVIEW	9
5. Statement of responsibility and confirmation of accuracy for the annual report	13
6. STRATEGIC OVERVIEW	14
6.1. Vision.....	14
6.2. Mission	14
6.3. Values.....	14
7. LEGISLATIVE AND OTHER MANDATES	15
Table 1: Legislative Mandates	15
8. ORGANISATIONAL STRUCTURE.....	17
PART B: PERFORMANCE INFORMATION	18
1. SITUATIONAL ANALYSIS	18
1.1 Introduction	18
1.2 Service Delivery Environment	18
1.3 Organisational environment	20
PART C: GOVERNANCE	28
1. INTRODUCTION.....	29
2. EXECUTIVE AUTHORITY.....	29
3. THE ACCOUNTING AUTHORITY / COUNCIL.....	29
4. RISK MANAGEMENT	31
5. FRAUD AND CORRUPTION	31

6.	CODE OF CONDUCT	31
7.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES.....	32
PART D: HUMAN RESOURCE MANAGEMENT		33
1.	INTRODUCTION.....	34
PART E: FINANCIAL INFORMATION		37
1.	REPORT OF THE EXTERNAL AUDITOR	38
2.	ANNUAL FINANCIAL STATEMENTS	38

PART A: GENERAL INFORMATION

1. SACPVP'S GENERAL INFORMATION

REGISTERED NAME: SA Council for the Property Valuers Profession

PHYSICAL ADDRESS: 77 Kariba Street
LYNNWOOD GLEN
PRETORIA

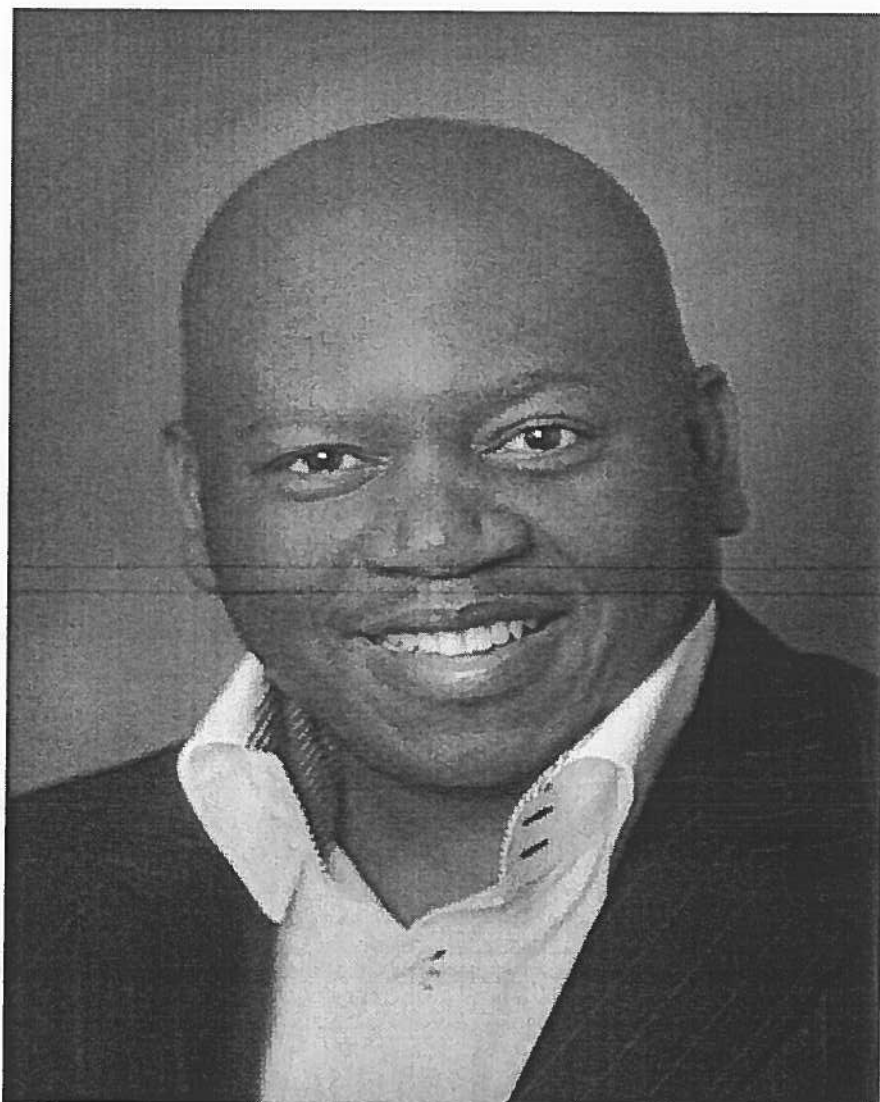
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FAX NUMBER: +27 12 348 7528
EMAIL ADDRESS: Registrar@Sacpvp.co.za
WEBSITE ADDRESS: www.sacpvp.co.za
EXTERNAL AUDITORS: Geyser & du Plessis
BANKERS: ABSA BANK

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPW	Department of Public Works
IdoW	Identification of Work
IFRS	International Financial Reporting Standards
PFMA	Public Finance Management Act
SACPVPV	South African Council for the Property Valuers Profession
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management

3. FOREWORD BY THE PRESIDENT



President of SACPVP
Mr Molefi Kubuzie

This is my last term at the helm of the council as its President. I therefore would like to thank the Honourable Minister of the Department of Public Works, for the opportunity given to me to serve the profession and the nation. It has indeed been a very exciting, challenging and a humbling experience.

I have seen the profession changing under my eyes. The Council has in the current financial year ramped up its activities and achieved numerous ground breaking strides.

At the international level, the SACPVP became a member of the International Association of Assessing Officers (IAAO) and I was appointed to serve as a member of the Advisory Working Group of the International Valuation Standard Council (IVSC), a valuation body headquartered in London. We started to participate in the Annual General Meetings of this body with the last meeting held in Indonesia.

We launched very exciting programmes, among others, in-sourced the Practical Work-school and jointly and cooperatively completed the valuation qualification together with the Local Government Sector Education and Training authority (LGSETA).

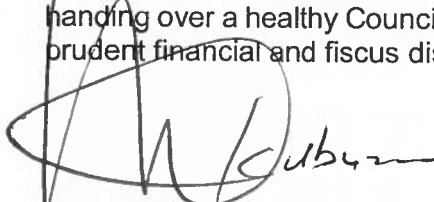
We continue to enjoy a cordial relationship with all our recognised voluntary associations namely the South African Institute of Valuers (SAIV), the Black Professional Valuers Association (BPVA) and the Professional Valuers Association (PVA).

The Council has very strong professional working relationship with the office of the Valuer General since the Council participated in the creation of the office. It is envisaged that a Memorandum of Understanding will be signed soon with this office to guide and strengthen the relationship.

At the professional level, the Council continues to grapple with hard pressing professional matters. Our applications for the Identification of Work and the publication of the Guidelines on Professional Fees with the Competition Commission is still being discussed. The Council has conceived various programmes which will yield fruits in the medium to long term like mentorship programmes, income generating initiatives and launching of the valuers awards.

Once more, I am indebted to the loyal and selfless service of all council members and our staff due to the diligence and professionalism as well as the cooperation displayed in executing their work.

A firm foundation for a much more effective Council has been laid and this bodes well for the future of the SACPVP, the profession and the nation it serves. We will be handing over a healthy Council to the new incoming members due to conservative and prudent financial and fiscus discipline and sound operational policies.

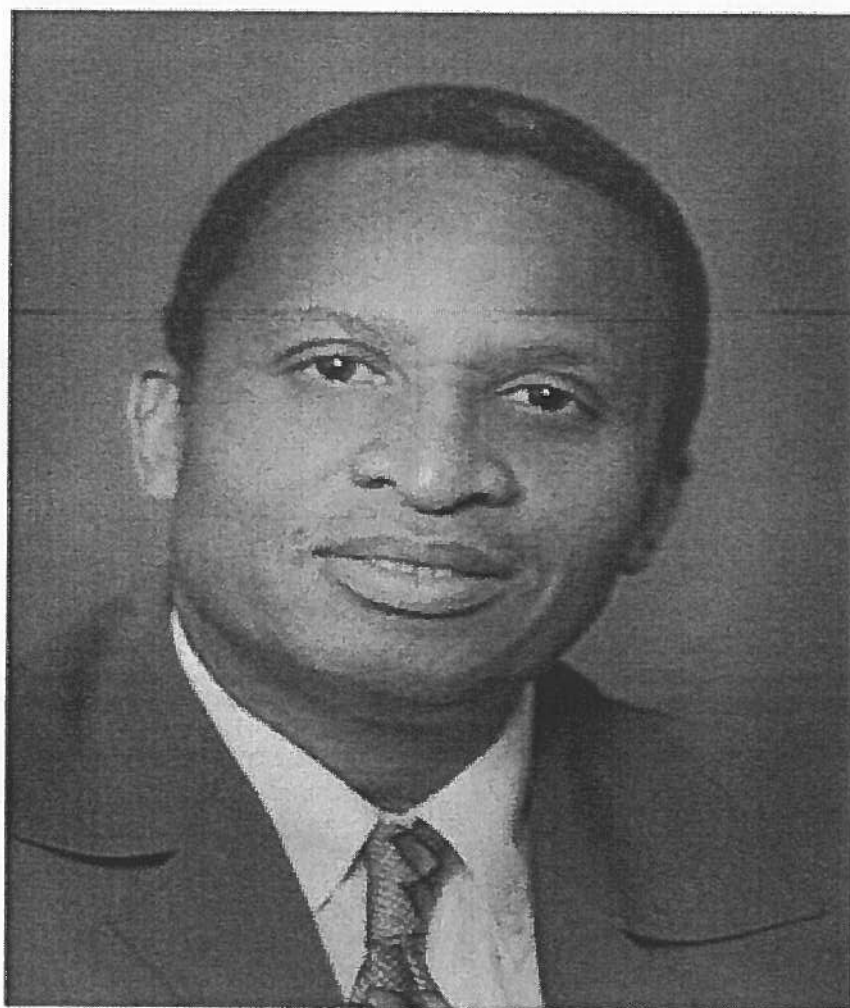


Molefi Kubuzie

President of the South African Council for the Property Valuers Profession

28 August 2017

4. REGISTRAR AND CHIEF EXECUTIVE OFFICER'S OVERVIEW



MATSOBANE SEOTA
REGISTRAR

- Introduction

The strategic plan for 2015/2016 emphasizes revenue generation, growth, transformation, stakeholder management, creating internal capacity and training through seminars, webinars and workshops as the main thrust and focus in the current financial year.

To address declining registration numbers and in the quest to making the profession accessible to a broader spectrum of the society, a Youth desk was established. The target is candidate valuers and young professionals. The intent is that participants connected on our IT platform to share formation and ideas among each other with recommendations when concrete direction on a subject is established. The Council also embark on a vigorous training programme; running workshops to provide training to valuers in all registration categories.

- Regulatory challenges

The rejection of the SACPVP application to publish its identified work has the potential to dampen the spirit to promote the profession and encourage non-registered persons/valuers to register.

SACPVP continues to receiving complaints from the public about unregistered persons doing valuations for various purposes, mainly divorce matters. Following the above mentioned rejection, only police can deal with these non-registered persons. Only after the approval of the said application by the Competition Commission can SACPVP be able to deal with unregistered persons. This will criminalize anyone who performs valuation without being registered with this Council. It is not uncommon for a valuer to be accused of under-valuing and over-valuing of the same property depending on what a party hopes to benefit from the sale of the property in question.

DPW has recently afforded all six Councils for the Built Environment (CBEP) and the CBE to amend their legislations. This provides that changes be made to, among other, allow for Alternative Dispute Resolution (ADR) to settle cases where the stakes are not high for each party and an agreement has already been reached. As it is, all investigated cases have to go through a disciplinary tribunal which is time consuming and in the main, costly. The essence of this is that each respondent be afforded an opportunity to a fair presentation or hearing.

As a measure to keep professionals abreast of developments in the valuers profession, compliance to Continuing Education and Training (CET or CPD) is gaining momentum. CET was first introduced in April 2007 and those professional registered by then are in their second cycle of CPD until the end of this financial year. In the past, professionals were required to obtain eight points per annum and 40 points before the end of the cycle. From this financial year, the number of CPD points have been increased to 50 for all professionals. Mentoring candidates has now been included as a qualifying activity for the first time.

- Registration of professional

2017 is the second year since SACPVP started to host a week-long practical work-school. This is a workshop intended to assist candidates to hone in their valuation knowledge. The candidates are guided through presentations and valuation work exercises by experienced valuers and professionals in related fields. SACPVP has noted that more professional would like to attend this work-school to keep abreast by professional developments and to gain CET points.

In order to increase the number of professionals, hosts pre-examination workshops before each examination to be written by candidates. The results of those who attended these workshops tend to be better than those who did not attend. More emphasis is placed on Financial Mathematics and the legal aspects of valuation. This initiative has improved the number of candidates who pass the admission examinations to become professionals.

- Programme accreditation

SACPVP continues to recognize valuation programmes being offered at various tertiary institutions throughout the country. During the past financial year, seven programmes have been granted full accreditation at three institutions, viz., the University of Pretoria (BSc Honours together with BSc and an MSc- all in Real estate), the University of Johannesburg (B Com Finance Honours together with B Com Finance) and the Cape Peninsula University of Technology (National Diploma in Real Estate- a resident and eLearning programme). During this financial year, the University of the Witwatersrand's programmes {BSc (four years), Post Graduate Diploma and MSc- all in Property Studies} was granted full accreditation after it was re-curriculated according to the Council's professional requirements.

The total number of accredited programmes is 11. Other programmes that were visited for accreditation are the University of Free State (Masters Programme in Land Development), and the University Cape Town (BSc Honours together with BSc, a Post Graduate Diploma and a Masters Degree- all in Property Studies).

It can be seen that the bachelor degrees being accredited are four year degrees- professional degrees span over four instead of the usual three year degrees).

- Professional Fees

Like with Identification of Work, the Competition Commission has not approved the SACPVP application to publish a guideline of professional fees even if this is so provided in the SACPVP Act. These fees provide a basis from which professionals charge for their services and they serve to guide consumers of valuation services on what to expect as professional fees.

- Internal capacitation

SACPVP has planned to capacitate itself to be able to deliver on all its mandates as provided for in its Act to this end, SACPVP has just concluded an exercise of appointing a service provider to upgrade its IT system to be in line with the CBE and other statutory bodies' reporting requirements. This is an interactive IT system where registered persons are now able to log in and update their registration details.

- Stakeholder liaison

International organisations with offices in South Africa have begun to demand that their valuations both in South Africa and in Africa be done by internationally recognised valuers. To address this, the Council is a member of the International Valuation Standards Committee (IVSC) and the International Association of Assessing Officers- South African Chapter (IAAO-SA). These bodies play a central role in international recognition of private sector property valuers and municipal

valuers, respectively. SACPV intends to assist our valuers to acclimatize to the changing landscape and globalization of the valuer's profession. Furthermore, in line with the government's African Agenda, the Council is a member of the African Real Estate Society (AfRES), an African Chapter of the International Real Estate Society (IRES). This initiative aims at pursuing the idea of "an African valuer" by creating co-operation with other statutory bodies within Africa. This co-operation is intended to find a common ground and to agree on property valuation qualifications that all participating bodies should recognise.

- **Conclusion**

All of the foregoing that has been achieved would not have been possible had it not been for, in the main, our partnership with the Council for the Built Environment, the Local Government Seta, universities that provide the valuation qualification and voluntary associations named above; council members and staff in general. We remain endeared to our registered persons and their employers. The direction provided by the Department of Public Works is also greatly appreciated. As a statutory body, it remains our constant endeavour to assist the CBE and the government to deliver on their mandates.

SACPVP invites all its stakeholders to join it as it charges on during this period of transforming itself.



Matsobane Seota
Registrar and Chief Executive Officer
South African Council for the Property Valuers Profession
28 August 2017

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by our auditor Messrs Geyser & du Plessis.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines as contained on the attached Annual Financial Statements.

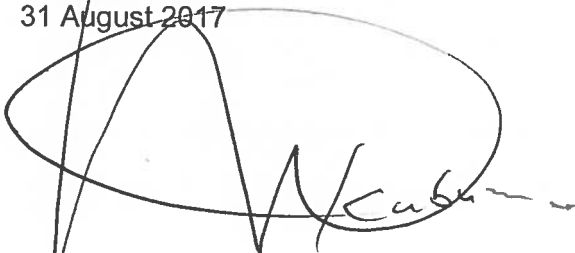
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of SACPVP for the financial year ended 31 March 2017.

Yours faithfully



Registrar and Chief Executive Officer of SACPVP
Matsobane Seota
31 August 2017



Molefi Kubuzie
President
South African Council for the Property Valuers Profession
28 August 2017

6. STRATEGIC OVERVIEW

6.1. Vision

The vision of the SACPVP is to create a transformed property Valuers profession that is of world class valuation standards

6.2. Mission

The vision will be achieved by:

- Regulating the conduct of registered persons in their dealings with the public;
- Provide advisory service to private and public bodies;
- Protecting the interest of the public in their dealings with registered persons; and by promoting:
- the utilisation and compliance with international valuation standards, including IFRS;
- Professionalism and higher standards of competency through education and continued Professional development;
- awareness of the range of valuation services offered by the property profession; and
- Valuers profession as a career of choice

6.3. Values

The following values are the principles that bind and guide South African Council for the Property Valuers Profession (SACPVP) in its continuous effort towards the improvement of services to Registered Persons and the public:

- Integrity
 - We are honest in everything we do. We will carry out our responsibility in a manner that will preserve and enhance the integrity of the organisation.
- Competence
 - We are successful and efficient and able to do the job expected.
- Knowledge
 - We have a mix of relevant experience, contextual information and current understanding to effectively execute our functions
- Honesty
 - We are sincere, truthful, trustworthy, and honourable in everything we do.
- Rationality
 - We exercise good sense and sound judgment in our work.
- Communication
 - We recognise the SACPVP as a public entity and commit to providing reliable information to all our stakeholders.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Legislative Mandates

The SACPVP derives its goal from its Act – Property Valuers Profession Act, 2000 (Act No. 47, 2000). These goals are:

- To provide for the registration of property Valuers;
- To protect the members of the public / property owners by providing for the regulation of the property Valuers profession; and
- To transform the property Valuers profession in order to deliver on the needs of the South African society based on internationally recognised best practice while progressively reflecting the demographics of the country.

SACPVP executes its mandate informed and attentive to a variety of legislations, regulations, collective agreements and policies which amongst others are, but not limited to:

Short Title of the Act	Purpose of the Act
The Constitution of the Republic of South Africa, 1996	The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution.
Consumer Protection Act, 2008	To promote a fair, accessible and sustainable marketplace for the consumer.
Council for the Built Environment Act, 2000	To provide for the establishment of the Council For the Built Environment and matters incidental thereto.
Quantity Surveying Profession Act, 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Public Finance Management Act, 1999	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of Government departments or entities are managed efficiently and effectively.
Basic Conditions of Employment Act, 1997	Employment conditions that govern the employee- employee relationship at the Council
Employment Equity Act, 1998	Applies to all employers and workers and protects workers and job seekers from unfair discrimination, and also provides a framework for implementing affirmative action.
Promotion of Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996.
Occupational Health and Safety Act, 1993	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work.
Construction Charter	Provides a framework for the construction sector to address BBBEE, enhance capacity and increase productivity in the sector to meet world best practice.
Property Valuation Act No. 17 of 2014	Establishment of the Office of the Valuer General to deal with national and provincial valuation matters in the Department of Rural Development and Land Reform as well as valuations for any acquisition or disposal of state property.
Property Charter	Promote the BBBEE Act relating to the property sector
Administration of Estate Act No. 66 of 1965	Appointment of appraisers for valuation of immovable property
Competition Commission Act, 1998	Ensures competitiveness of business to protect small business and new entrants

Table 1: Legislative Mandates

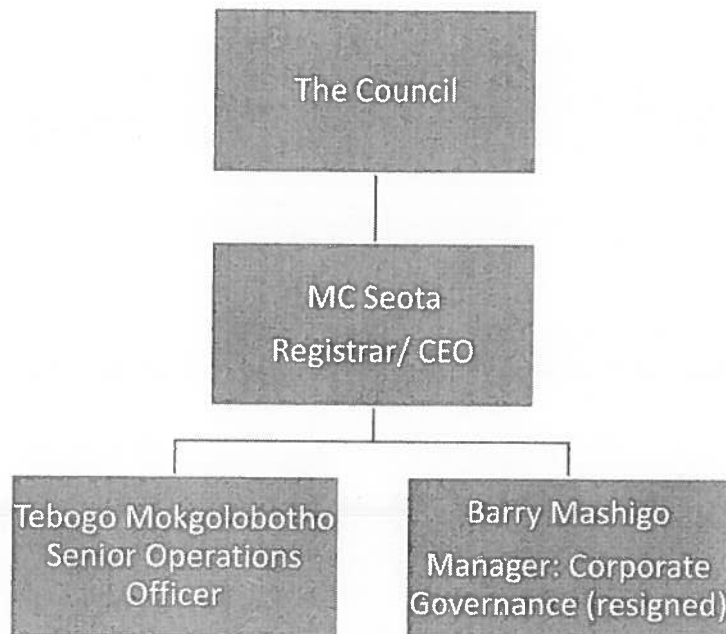
7.2 SACPVP'S Functions

Under the Property Valuers Professional Act 2000, the SACPVP is required to:

- Register person in the following categories: Professional Valuers, Professional Associates Valuers, Candidate Valuers and Special Categories;
- Maintain a register of registered persons;
- Set and audit academic and other qualification standards for purposes of registration;
- Set and audit Professional development standards;
- Determine fees payable to the Council by registered persons;
- Prescribe requirements for continued Professional development;
- Draw up and enforce a code of conduct;
- Protect members of the public in their dealings with registered persons;
- Identify the type of work to be performed by a person registered in a category of the property Valuers profession;
- Recognise voluntary associations; and
- Advise the Council for the Built Environment, the Minister of Public Works and any other Minister on matters relating to the property Valuers profession.

8. MANAGEMENT STRUCTURE

The council has a staff complement of eight persons, three being the executive. Its functions are categorised into registration and public protection. The executive structure, is as follows:



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1 Introduction

The degree and level of specialization in the training of valuers are continually being reviewed in the light of new developments in the financial, legal, economic and technological environments.

South Africa has embarked on the largest state spending on infrastructure in its history. This will result in a return on investment large enough to sustain the further development cycles needed by the developmental state.

SACPVP has identified that there is a change in business and industry in the demand for graduates who may not necessarily become practising Valuers but have the training, skill and knowledge to play an advisory role. It is necessary for the Council to pursue research in these fields to encapsulate those persons and institutions providing valuation advice, including financial, legal, economic and investment.

In line with councils in the built environment SACPVP has resolved that a four year degree be a minimum academic qualification for professional registration as from 2019. There are now five tertiary institutions offering seven accredited valuation qualifications. SACPVP has further resolved to conduct various workshops in major metros to train and develop registered persons.

1.2 Service Delivery Environment

Given the close link between property markets and economic performance, people, governments, banks and commercial organisations are looking for more certainty around standards and ethics. As a result of monitoring the implementation of the Act and changes in the internal and external environment several areas were identified where some changes are necessary. SACPVP is currently involved in current projects, both nationally, regionally and internationally; including but not limited to some of the following projects:

International Valuation Standards Council:

- training of Valuers in machinery as well as business valuations
- Input into valuation standards and customising the standards to suit local conditions

Royal Institution of Chartered Surveyors:

- Pursuing training and development of opportunities
- Recognition of South African registered Professionals

Department of Rural Development and Land Reform:

- Participation in the establishment of the proposed Office of the Valuer General

International Association of Assessing Officers (IAAO)

- Localising municipal valuation standards in consultation with the Department of Cooperative Governance and Traditional Affairs

African Real Estate Society (AfRES):

- Continue liaison with African built environment bodies in collaboration with the DPW's International Relations Directorate

Property Valuation Voluntary Associations:

- Reviewing of training of candidates and exploring changes to the current preparations for Professional admission examinations

Local Government SETA (LGSETA) and Department of Cooperative Governance and Traditional Affairs (CoGTA):

- Completion of the development of a municipal qualifications to address the skills shortage for implementation of the Municipal Property Rates Act, 2004 as amended

Council for the Built Environment (CBE):

- Completion of the Identification of Work document to classify various jobs within valuation for Valuers and specific valuation categories
- Completion of Frameworks for inter alia, registration, professional fees, continuing education and development and code of conduct

Tertiary Institutions

- Accreditation of institutions offering valuation qualification

Department of Public Works (DPW):

- Advise on the valuation and related matters within the department

1.3 Organisational environment

1.3.1 Strategic Goal 1: To increase the revenue of SACPVP

Outcome	Objectives	Key Performance Indicator	Baseline 2012	2016/17 Target / Measure	How we performed: Number	How we performed: %
Larger organisation	Improvement in retention of registered persons	% decrease in total cancellations	New indicator	>5%	94 of 2060	4.6%
	Better value for customers to stakeholder management	% average of first point call resolution	New indicator	80%		
		% of queries responded to within 5 days	80%	85%		
	Increase in registrations	% increase in registrations	New Ca Val 7%	New Ca Val 10%	146 of 602	24%
			Prof 10%	Prof 10%	48 of 1324	4%
	Facilitate candidate training	Number of candidates trained for examination preparation	60 candidates	75 candidates	63	84%
	Introduce Practical examinations in place of Practical workschool before Admissions Exams for SRPA	Number of candidates to submit practical examinations	10	10	N/A	N/A
Improved financial management	Increase in revenue from existing sources, total income	% increase in revenue from these sources	10%	15%	419k	9.5%
	Increase revenue opportunities	Income <u>other than annual fees</u> as a % of total income received	15%	15%	R825k	17%
	Improve Credit Management	% annual fee collected within [60] days from invoice Age Analysis- 60,90,120d	63%	65%	62%	72%

1.3.2 Strategic Goal 2: To increase the number of registered persons

Outcome	Objectives	Key Performance Indicator	Baseline 2012	2016/17 Target / Measure	How we performed
A SACPVP that responds to the developmental objectives of the country.	Understand country needs / Build inter-government relations	% increase in number of inter-governmental platforms used	Act, CBE quarterly reports	Perform as per CBE/DPW	100% reporting
	Create specific categories for registration	Number of persons within new categories	Appraisers, Public sector Valuers, Plant and Machinery Valuers	2, 2, 2,	2
	Improve quality of service provided	Average response time to query	1 week	2.5 days	Anecdotally 3 days
		Average time to action registration request	1 week	2.5 days	3 days
	Strengthen communication with registered persons	(Newsletters, email and sms) Comm platforms in line with plan	Number as per plan	Quarterly and PRN	Quarterly and PRN
	Improve marketing through website	% increase in number of website hits	New indicator	20%	Introduced on the website 2016/17
Increased participation of HDI particularly women – Transformation	Attract more HDI's to the profession	% of HDI's registered in the profession	562=26%	31%	646/1926= 34%
		% of women registered	390=18%	23%	451/1926 = 23%

1.3.3 Strategic Goal 3: To improve SACPVP delivery mechanisms to support customer service delivery and stakeholder management.

Outcome	Objectives	Key Performance Indicator	Baseline	2016/17 Target / Measure	How we performed
Improve technology utilisation	Enhance information management systems, i.e., automate / document processes and adopt best practice	Investigate and approve the automation / mechanisation of registration process	New indicator	To introduce in 2018/19	N/A
		Number of process, data and information areas mapped and documented	New indicator	80%	N/A
	Increase the technological reach of SACPVP by registered persons	Investigate the system	New indicator	To introduce in 2018	N/A
Increased understanding and awareness of consumer rights	Improve public protection	Number of public education campaigns held	New indicator	To introduce in 2019	N/A
		Number of information articles or reports produced for public benefit	New indicator	To introduce in 2019	N/A
Efficient regulatory function		% of cases managed within agreed procedural timescales	6	>60%	75%
	Improve measurement and self-assessment	Availability of the standard setting framework/ std operating procedures	New indicator	To introduce in 2019	N/A
		Develop self-assessment tool and the number of formal self-assessments conducted	New Indicator	To introduce in 2019	N/A
		% of reports / outputs produced accurately and on time			
	Produce accurate management (including month end, control,	% of matters of emphasis effectively addressed through audits	100%	100%	100%

	budget, ad hoc) and statutory reports within set timetable	% of reports produced as per required accuracy, timeframe and formatting requirements	100%	100%	100%
		% of accounting reports kept up to date in line with legal requirements	100%	100%	100%
	Provide accurate project reporting and monitoring	% of projects reported on as per reporting timetable	100%	100%	100%
	Ops and Functional structures	Approved structure and organogram	100%	100%	100%
	Corporate Governance	Effective strategic guidance for org delivery.	New Indicator	To introduce in 2018	N/A
		Clean Financial audit	100%	Annually	100%
Increased partnerships / research alliances with valuation bodies	Promote partnerships and joint problem solving	Number of partnerships agreed nationally with voluntary associations (VAs)	# and reports of engagements with VAs	4	4
List of Voluntary Associations: 1. Black Professional Valuers Association 2. Professional Valuers Association 3. South African Institute of Valuers					

1.3.4 Strategic Goal 4: To reposition SACPVP in the market place

Outcome	Objectives	Key Performance Indicator	Baseline	2016/17 Target / Measure	How we performed
A SACPVP that is a learning site and a resource centre for skills development and transfer	Increase research and development	Number of research papers. Number of persons accessing the reports	New indicator	N/A	N/A
SACPVP seen as a thought leader in the sector	Create new registration categories	Persons registered in new categories created	New indicator	Policy as per approved SACPVP guidelines	N/A

1.3.5 Strategic Goal 5: To improve Professional skills base and create sustainable platform for growth

Outcome	Objectives	Key Performance Indicator	Baseline	2016/17 Target / Measure	How we performed
Professionals	Identify and close the skills gap among Professionals Implement new training and mentorship programmes	% of training requirements addressed according to training and development plans	New indicator	To introduce in 2017/18	N/A
	Creating CET Programmes	Number of approved programmes and implementation in line with the plan	100%	>85%	85%
Relevant training of staff within the Council	Acquire services of education officer/ service provider to provide training and development of registered persons and staff	Develop training programmes (internal) including identification of skills gaps, Each staff member's PDP	New indicator	To introduce in 2017/18	N/A
Good Corporate Governance	Build effective leadership, management and governance	Availability of an up to date risk management strategy/ plan	New indicator	Review risk framework 2017/18	N/A
		% compliance with milestones of the risk management plan	New indicator	To introduce in 2017/18	N/A
		Developed and approved appropriate policies	New indicator	To introduce in 2017/18	N/A
		% compliance with applicable legislation, policies and guidelines	New indicator	To introduce in 2017/18	N/A
	Develop effective teams living organisational values	Developed employee climate survey % improvement in the results of the employee climate survey	New indicator	Develop and administer staff satisfaction survey	N/A

ACCREDITED EDUCATIONAL PROGRAMMES

University	Programme	Accreditation Status
University of Cape Town	BSc Hons in Property Studies	Full Accreditation
	Post Graduate Diploma in Property Studies	Full Accreditation
	MSc in Property Studies	Full Accreditation
University of Johannesburg	BCom Hons (Property Valuation & Management) together with BCom Finance, Advanced Diploma or Bridging Course in Finance	Full Accreditation
University of Pretoria	BSc Hons Real Estate	Full Accreditation
	MSc Real Estate	Full Accreditation
University of Free State	Master of Land and Property Development Management (MLPM) Property Valuation	Conditional Accreditation
University of the Witwatersrand	BSc in Property Studies (four years)	Full Accreditation
	Post Graduate Diploma in Property Studies	Full Accreditation
	MSc in Property Studies	Full Accreditation
Cape Peninsula University of Technology	National Diploma in Real Estate (Property Valuation)	Full Accreditation
University of South Africa	National Diploma in Real Estate (Property Valuation)	Discontinued end of 2011 academic year

PART C: GOVERNANCE

1. INTRODUCTION

The council submits its Annual Financial Statements as well as its Annual Report to both the Council for the Built Environment and the Department of Public Works (DPW).

2. EXECUTIVE AUTHORITY

Statutorily, the council reports to the Department of Public Works. The DPW Minister appoints members of the council. SACPVP hopes to progress the conclusion of DPW's concern of it not being PFMA compliant. This matter will involve Treasury negotiations as one of the compliance requirements with PFMA warrants appointment of certain key personnel, e.g., a Chief Financial Officer.

3. THE ACCOUNTING AUTHORITY / COUNCIL

The council was appointed by the Minister of Public Works in terms of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000).

The role of the council is to register property valuers and to regulate the profession, ensuring the protection of the public against the (improper) conduct of those registered. One key responsibility of council members is to appoint the Registrar who will also act as the Chief Executive Officer of the council. Also to ensure that staff are appointed to achieve the mandates of the PVP Act. See other SACPVP functions under Part A, item 7.2 supra.

Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
M Kubuzie	President	28 January 2014	N/A	MBA, BEd, and BTech in Real Estate	Valuation and Strategic Mgt	None	Management and Transformation Comm	7
C Gavor	Vice President	28 January 2014	N/A	MBA, MSc and BSc in Land Economy	Valuation	None	Education and Registration and Mgt Comms	12
H Ndlovu	Chair of Investig	28 January 2014	N/A	ND Estate Real	Valuation	None	Registration; Education	9

	ations Comm						and Investigatio ns Comms	
SD Kuppan	Member	28 January 2014	N/A	ND Estate Real	Valuation	None	Education and Registra- tion Comms	10
N Betela	Member	28 January 2014	N/A	ND Estate Real	Valuation	None	Education and Registratio n Comms	9
DB de Wet	Member	28 January 2014	N/A	ND Estate Real	Valuation	None	Education Marketing and Investiga- tion Comms	10
ND Naidoo	Chair of Marketin g & Public Relation Comm	28 January 2014	N/A	ND Estate; Real BAdmin	Valuation	None	Marketing & Public Relations and Transforma tion	9
CP Lawrenc e	Chair of Transfor mation Comm	28 January 2014	N/A	BTech Real Estate (Property Valuation	Valuation	None	Transforma tion Comm	7
CD Kneale	Member	28 January 2014	N/A	Fellow of Chartered Institute of Secretaries and Administrat ors	Company Secretary	Chair of Audit and Risk Committ ee for Financial Intelligen ce Centre	Transforma tion; Registra- tion Comms	6

Committees

Committee	No. of meetings held	No. of members	Name of members
Education	4	5	C Gavor, N Naidoo, SD Kuppan, HV Ndlovu and D de Wet,
Registration	4	5	C Gavor, SD Kuppan, HV Ndlovu, N Betela and KC Kneale
Marketing & Public Relations	3	2	N Naidoo and D de Wet
Investigations	3	2	SD Kuppan and D de Wet
Transformation	3	3	C Lawrence, CD Kneale, M Kubuzie and ND Naidoo
Management	6	2	M Kubuzie and C Gavor

Remuneration of council members

The remuneration scale of council members has been determined in accordance with Treasury Guidelines for remuneration of board members. All council members are remunerated per attendance of meetings. The following council members were remunerated as follows during the year under review.

Name	Remuneration	Total
M Kubuzie	13,500	13,500
C Gavor	83,080	83,080
N Betela	28,074	28,074
D de Wet	67,115	67,115
SD Kuppan	36,380	36,380
ND Naidoo	42,750	42,750
HV Ndlovu	32,025	32,025
CP Lawrence	17,500	17,500
CD Kneale	13,860	13,860
TOTAL	334,284	334,284

4. RISK MANAGEMENT

The committee will be formed by the new council early during its term of office.

5. FRAUD AND CORRUPTION

SACPVP is part of the Council for the Built Environment Fraud awareness and Prevention initiative. Plans to draft a policy for this are underway for consideration by the new council.

6. CODE OF CONDUCT

All registered persons are subject to the Code of Conduct which is sent to them at first and subsequent registration/s with the council. A summary of this code is presented at each workshop, educational seminar and conference to keep Valuers constantly aware thereof. Any breach of the code is subject to disciplinary measures as contained in the Property Valuers Profession Act, 2000.

7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Like with other built environment councils, valuers have to be aware of health and safety issues. The council is a signatory of the CBE Constructions Health and Safety Agreement.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

- Overview of HR matters of SACPVP

The staff complement for the SACPVP has grown steadily in the past years, from four in 2005 to seven at the end of the financial year under consideration. One member retired and another resigned during the financial year.

- Set HR priorities for the year under review and the impact of these priorities

The outsourcing of some of the activities of SACPVP is a short term strategy while the council tries to find an equitable level of its personnel complement. To this end a permanent finance position has been approved by council.

- Policy development

Owing to the low staff complement, policies are generally developed with the help of council members.

- Challenges faced by SACPVP

With the demand to be fully PFMA compliant, SACPVP has to acquire more skills and this will increase staff costs.

- Future HR plans /goals

Depending on when the Department of Public Works and Treasury would like to see SACPVP being full PFMA compliant, the number of employees will have to increase to meet that demand.

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2,190	67%	3	730
Skilled				
Semi-skilled	934	29%	4	233
Unskilled	145	4%	1	140
TOTAL	3,269	100%	8	408

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	2	2
Semi-skilled	4	0	1	3
Unskilled	1	0	0	1
Total	8	0	2	6

No appointments and no resignations in the year under review.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	1	12.5%
Dismissal	0	0
Retirement	1	12.5%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	2	25%

Labour Relations: Misconduct and disciplinary action

There were no misconduct or disciplinary measures taken against any employee.

Equity Target and Employment Equity Status

The following are the current staff complement of SACPVP. There are no plans to increase the staff complement in the near future.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	1	2	0	0	0	0	0	0

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Semi-skilled	3	3	0	0	0	0	0	1
Unskilled	1	1	0	0	0	0	0	0
TOTAL	6	7	0	0	0	0	0	1

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

PART E: FINANCIAL INFORMATION

1. REPORT OF THE EXTERNAL AUDITOR

This audit report forms part of the Audited Annual Financial Statements annexed hereto.

2. ANNUAL FINANCIAL STATEMENTS

The 2016/ 2017 Audited Annual Financial Statements are annexed hereto.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2017



GEYSER & DU PLESSIS

**Geregistreeerde Rekenmeesters & Ouditeure
Registered Accountants & Auditors**

Waterkloofweg 267 Waterkloof Road Pretoria 0181
Posbus / PO Box 95288 Waterkloof 0145
Telefoon / Telephone (012) 346 2030
Faks / Fax (012) 346 1620
E-pos / E-mail: gdpglobal@gdp.za.net

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2017

Members of the Council

M Kubuzie (President)
 C K Gavor (Vice-President)
 C P Lawrence
 H V Ndlovu
 N D Naidoo
 S D Kuppan
 C D Kneale
 N C Betela
 D B de Wet
 M C Seota (Registrar)

Business address

77 Kariba Street
 Lynnwood Glen
 Pretoria
 0081

Bankers

ABSA Bank Limited
 Investec Private Bank

Auditors

Geyser and du Plessis, Pretoria

APPROVAL BY COUNCIL

The annual financial statements enclosed on pages 5 to 18 were approved by the Council on 27 July 2017 and signed on its behalf by:


 PRESIDENT - M Kubuzie


 REGISTRAR - M C Seota

INDEX

PAGE

General information	2
Report of the independent auditors to the President and members	3 & 4
Council's report	5 & 6
Statement of financial position	7
Statement of profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Summary of accounting policies	11 & 12
Notes to the annual financial statements	13 - 17

The following supplementary annexure does not form part of the financial statements and is unaudited:

Annexure - Other operating expenses

18



GEYSER & DU PLESSIS

**Geregistreerde Rekenmeesters & Ouditeure
Registered Accountants & Auditors**

Waterkloofweg 267 Waterkloof Road Pretoria 0181
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SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE PRESIDENT AND MEMBERS

for the year ended

31 MARCH 2017

Opinion

We have audited the financial statements of South African Council for the Property Valuers Profession, which comprise the statement of financial position as at 31 March 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 17.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of South African Council for the Property Valuers Profession as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized entities and the requirements of the Companies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The members of the council are responsible for the other information. The other information comprises the Council's Report which we obtained prior to the date of this report. 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 or 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.

Vennote - Partners: JC Greyling, J Leiding, FC Vorster

Konsultante - Consultants: JH du Plessis

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE PRESIDENT AND MEMBERS - CONTINUED

for the year ended

31 MARCH 2017

Responsibilities of the members of the Council for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities and the requirements of the Companies Act, 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 members of the Council are responsible for assessing the entity'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 members of the Council either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

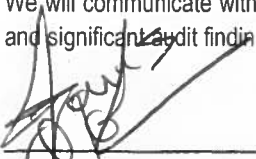
Auditor's responsibilities for the audit of the Financial Statements

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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, 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 members of the Council.
- Conclude on the appropriateness of the members of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If 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 will communicate with the members of the Council 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.


FC VORSTER CA(SA) - PARTNER
GEYSER & DU PLESSIS
Registered Auditors (S A)
PRETORIA

27 July 2017
Date

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

COUNCIL'S REPORT

for the year ended

31 MARCH 2017

Introduction

The Council hereby presents its report on its activities for the year ended 31 March 2017.

Nature of business

The South African Council for the Property Valuers Profession is a non-profit making statutory body that is governed by the Property Valuers Profession Act (Act No. 47 of 2000) and was granted exemption from taxation by the South African Revenue Service. The main statutory functions of the Council are:

- to provide for the registration of professionals, candidates and specified categories in the property valuers profession;
- to provide for the regulation of the relationship between the South African Council for Property Valuers Profession and the Council for the Built Environment.
- to provide for the protection of the public regarding the conduct of registered persons.

Statements of responsibility

The Council is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements.

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

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

Overview of financial results

The results of the entity and its state of affairs are set out in the financial statements and do not, in our opinion, require further comments. It should be noted that the fixed property of the Council is reflected at its market value of R3 500 000 in the financial statements of the Council. The office building has been revalued on 4 June 2012 at a revaluation value of R3 500 000.

Administration of Bursary and Internship Schemes

Between 2007 and 2013, the Council administered a bursary scheme and an internship scheme on behalf of the Local Government: Sector Education and Training Authority (LGSETA) and the Department: Cooperative Governance and Traditional Affairs (CoGTA). The aim of these schemes was to increase the number of property valuers within municipalities so as to facilitate the implementation of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004). During the 2012/2013 financial year, some of the funds intended for this scheme were reallocated and used for the development of municipal qualifications. There has not been any funds transfer during the year under review.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

COUNCIL'S REPORT - CONTINUED

for the year ended

31 MARCH 2017

Events subsequent to year-end

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

Going concern

The members have reviewed the Council's budget and cash flow forecast for the year ending 31 March 2018. On the basis of this review and in the light of the current financial position, the members are satisfied that the Council is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

Council

The Council is a statutory body juristic person, established by section 2 of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000). The Council was appointed on 28 January 2014, by the Minister of Public Works for a period of four years. The Council can be regarded as the legal custodian of the property valuers profession in South Africa.

Business address

77 Kariba Street
Lynnwood Glen
Pretoria
0081


.....
PRESIDENT

27 July 2017

Postal address

P O Box 114
Menlyn
0063


.....
REGISTRAR

27 July 2017

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

STATEMENT OF FINANCIAL POSITION

as at

31 MARCH 2017

	Notes	2017 R	2016 R
ASSETS :			
NON-CURRENT ASSETS			
Property, plant and equipment	1	3 598 346	3 551 625
CURRENT ASSETS			
Cash and cash equivalents	2	3 119 056	2 401 936
Deposits	3	3 115 730	2 396 179
Receivables	4	3 326	3 326
		-	2 431
TOTAL ASSETS		6 717 401	5 953 560
EQUITY AND LIABILITIES :			
RESERVES			
Accumulated funds		4 833 518	4 843 626
Non-distributable reserves		2 371 458	2 381 566
		2 462 060	2 462 060
CURRENT LIABILITIES			
Payables	5	1 883 883	1 109 933
Provisions	6	1 534 654	839 163
		349 229	270 770
TOTAL EQUITY AND LIABILITIES		6 717 401	5 953 560

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended

31 MARCH 2017

	Notes	2017 R	2016 R
GROSS REVENUE	7	4 845 721	4 426 304
OTHER OPERATING INCOME	8	824 897	571 631
		<u>5 670 618</u>	<u>4 997 935</u>
COUNCIL AND COMMITTEE MEETINGS		(451 658)	(502 286)
EMPLOYEE COSTS		(3 515 369)	(3 548 685)
DEPRECIATION		(29 279)	(28 524)
OTHER OPERATING EXPENSES	9	(2 043 797)	(2 196 233)
		<u>(369 485)</u>	<u>(1 277 793)</u>
INVESTMENT INCOME	10	359 493	337 056
FINANCE COSTS		<u>(116)</u>	<u>(391)</u>
NET DEFICIT FOR THE YEAR		<u>(10 108)</u>	<u>(941 128)</u>

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

STATEMENT OF CHANGES IN EQUITY

for the year ended

31 MARCH 2017

	Non-distributable reserves R	Accumulated funds R	Total R
BALANCE AT 31 MARCH 2015	2 462 060	3 322 694	5 784 754
NET DEFICIT FOR THE YEAR	<u>-</u>	<u>(941 128)</u>	<u>(941 128)</u>
BALANCE AT 31 MARCH 2016	2 462 060	2 381 566	4 843 626
NET DEFICIT FOR THE YEAR	<u>-</u>	<u>(10 108)</u>	<u>(10 108)</u>
BALANCE AT 31 MARCH 2017	<u><u>2 462 060</u></u>	<u><u>2 371 458</u></u>	<u><u>4 833 518</u></u>

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

STATEMENT OF CASH FLOWS

for the year ended

31 MARCH 2017

	Notes	2017 R	2016 R
CASH FLOW FROM OPERATING ACTIVITIES		795 552	(891 781)
Cash received from registered persons and related entities		4 848 152	4 457 164
Cash paid to suppliers and employees		(4 411 977)	(5 685 610)
Cash generated from / (utilized in) operations	11	436 175	(1 228 446)
Investment income		359 493	337 056
Finance costs		(116)	(391)
CASH FLOW FROM INVESTMENT ACTIVITIES		(76 000)	-
Proceeds on disposal of assets		-	-
Acquisition of fixed assets		(76 000)	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		719 553	(891 780)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2 396 179	3 287 959
CASH AND CASH EQUIVALENTS AT END OF YEAR	2	3 115 730	2 396 179

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

SUMMARY OF ACCOUNTING POLICIES

for the year ended

31 MARCH 2017

Presentation of financial statements

The principal accounting policies adopted in the preparation of these financial statements are set out below and are consistent with those applied in the previous year.

Accounting policies

The financial statements are prepared in accordance with the historical cost convention.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates.

1. Property, plant and equipment

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Other property, plant and equipment are stated at cost less accumulated depreciation.

Any increase in an assets' carrying amount, as a result of a revaluation, is credited directly to equity in the revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Depreciation is calculated on the straight-line-basis to write off the cost of each asset over its estimated useful life as follows:

- Office equipment @ 20% per annum
- Office furniture and fittings @ 10% per annum
- Computer equipment @ 33.3% per annum
- Computer software @ 50% per annum
- Website Development @ 50% per annum

Major improvements to items of property, plant and equipment are capitalized. Repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Gains or losses on disposal or retirement of an asset are determined by reference to their carrying amounts and are taken into account in determining operating profit.

Impairment of assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

SUMMARY OF ACCOUNTING POLICIES - CONTINUED

for the year ended

31 MARCH 2017

2. Financial instruments

Financial assets

The entity's principal financial assets are bank balances and cash and trade receivables.

Financial liabilities

Financial liabilities are classified according to the substance of contractual arrangements entered into. Significant financial liabilities include trade and other payables.

Recognition

Financial instruments are initially recognised using the trade date accounting method.

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

- *Cash and cash equivalents*
Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and bank overdrafts.
- *Accounts receivable*
Accounts receivable are stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.
- *Accounts payable*
Accounts payable are stated at their nominal value.

3. Revenue

Revenue from registration, annual and other fees is recognised on receipt and is net of value-added tax.

4. Provisions

Provisions are recognised when the following conditions have been met:

- The Council has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reasonable estimate of the obligation can be made.

A present obligation is considered to exist when the Council has no realistic alternative but to make the transfer of economic benefits. The amount recognised as a provision is the best estimate at the reporting date of the expenditure required to settle the obligation. Only expenditure related to the purpose for which the provision is raised is charged against the provision.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended

31 MARCH 2017

	Total R	Office buildings R	Office equipment R	Office furniture R	Computer equipment R	Website and database development R	Computer software R
1. Property, plant and equipment - 2017							
Carrying value beginning of year	3 551 625	3 500 000	12 930	32 944	5 745	-	7
- At cost	913 066	-	221 654	115 254	138 584	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(861 441)	-	(208 724)	(82 310)	(132 839)	(163 919)	(273 648)
Movements during the year							
- Purchases, acquisitions and improvements	76 000	-	76 000	-	-	-	-
- Revaluations	-	-	-	-	-	-	-
- Depreciation	(29 279)	-	(17 717)	(5 828)	(5 734)	-	-
Carrying value end of year	3 598 346	3 500 000	71 213	27 116	11	-	7
- At cost	989 066	-	297 654	115 254	138 584	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(890 720)	-	(226 441)	(88 138)	(138 573)	(163 919)	(273 648)

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

31 MARCH 2016

	Total R	Office buildings R	Office equipment R	Office furniture R	Computer equipment R	Website and database development R	Computer software R
Property, plant and equipment - 2016							
Carrying value beginning of year	3 580 149	3 500 000	20 514	38 873	20 755	-	7
- At cost	913 066	-	221 654	115 254	138 584	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(832 917)	-	(201 140)	(76 381)	(117 829)	(163 919)	(273 648)
Movements during the year							
- Purchases, acquisitions and improvements	-	-	-	-	-	-	-
- Revaluations	-	-	-	-	-	-	-
- Depreciation	(28 524)	-	(7 584)	(5 929)	(15 010)	-	-
Carrying value end of year	3 551 625	3 500 000	12 930	32 944	5 745	-	7
- At cost	913 066	-	221 654	115 254	138 584	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(861 441)	-	(208 724)	(82 310)	(132 839)	(163 919)	(273 648)

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

31 MARCH 2017

	2017 R	2016 R
1. <u>Property, plant and equipment - continued</u>		
Office building situated at 77 Kariba Street, Pretoria is described as Erf 221, Lynnwood Glen, Pretoria		
The office building was revalued at R3 500 000 on 4 June 2012 by a professional valuer - Gugu Makongwana.		
The total carrying value at the end of the year for property, plant and equipment:	3 598 346	3 551 625
2. <u>Cash and cash equivalents</u>		
Absa Bank Limited	1 744 309	1 128 154
Investec Private Bank	1 367 884	1 266 720
Cash on hand	3 537	1 305
	3 115 730	2 396 179
3. <u>Deposit</u>		
Municipal deposit	3 326	3 326
4. <u>Receivables</u>		
S A Revenue Services - VAT	-	2 431
5. <u>Payables</u>		
CBE levies	69 350	12 658
SARS - PAYE/UIF/SDL	61 591	50 107
Carried forward	130 941	62 764

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

31 MARCH 2017

		2017 R	2016 R	
<u>Payables - continued</u>				
Brought forward		130 941	62 764	
Income received in advance		996 537	668 866	
Sundry creditors		352 839	107 534	
SARS - VAT		54 337	-	
		1 534 654	839 163	
<hr/>				
6. <u>Provisions</u>				
	Opening balance R	Additions R	Utilised during the year R	Total R
<i>Reconciliation of provisions - 2017</i>				
- Bonus provision	70 895	67 561	(70 895)	67 561
- Leave pay provision	199 876	281 668	(199 876)	281 668
	270 771	349 229	(270 771)	349 229
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Reconciliation of provisions - 2016</i>				
- Bonus provision	54 241	70 895	(54 241)	70 895
- Leave pay provision	172 529	199 876	(172 529)	199 876
	226 770	270 770	(226 770)	270 770
	<hr/>	<hr/>	<hr/>	<hr/>
7. <u>Gross revenue</u>				
Annual fees		4 145 526	3 940 104	
Examination fees		396 122	326 102	
Registration fees		299 222	160 098	
Admin fees		4 851	-	
		4 845 721	4 426 304	
		<hr/>	<hr/>	

Geyser & du Plessis

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

31 MARCH 2017

	2017 R	2016 R
8. <u>Other operating income</u>		
Conferences, seminars and workshops	668 552	411 180
Rent received	137 108	116 100
Income from insurance claim	11 226	-
Other	6 200	2 632
Duplicate certificates	1 811	1 719
Accreditation visit charge	-	40 000
	<u>824 897</u>	<u>571 631</u>
9. <u>Other operating expenses</u>		
<i>Other operating expenses in the Annexure include:</i>		
- Audit services	44 855	39 973
	<u>44 855</u>	<u>39 973</u>
10. <u>Investment income</u>		
Interest received	359 493	337 056
	<u>359 493</u>	<u>337 056</u>
11. <u>Notes to the statement of cash flow</u>		
<u>Reconciliation of net deficit with cash generated from operations</u>		
Net deficit	(10 108)	(941 128)
Adjustments for:		
- Profit / (Loss) on disposal of assets	-	-
- Finance costs	116	391
- Investment income	(359 493)	(337 056)
- Depreciation	29 279	28 524
	<u>(340 206)</u>	<u>(1 249 269)</u>
Changes in working capital	776 381	20 824
- Increase in creditors	773 950	(10 036)
- Decrease / (Increase) in debtors	2 431	30 860
	<u>436 175</u>	<u>(1 228 446)</u>

ANNEXURE

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Established by Section 2 of The Property Valuers Profession Act, 2000

OTHER OPERATING EXPENSES

for the year ended

31 MARCH 2017

	2017 R	2016 R
Advertisements and notices	5 263	559
Auditors' remuneration	44 855	39 973
Bank charges	40 184	33 596
Conferences and seminars	116 451	617 146
Consulting fees	37 885	59 024
Database upgrades and computing	243 302	130 002
Disciplinary hearings and legal services	88 974	143 068
Examination expenses	54 286	19 547
Fees for bookkeeper	253 978	211 622
Insurance	43 681	18 196
IT expenses	16 815	12 995
Marketing and refreshments	79 100	113 565
Membership fees IVSC	156 433	72 160
Municipal rates, taxes and levies	114 866	114 953
Other employee costs	89 317	63 897
Postage and communications	113 609	157 211
Printing and stationery	21 734	31 452
Remuneration for Council work	273 827	189 229
Repairs and maintenance	65 285	64 890
Security	14 800	31 004
Staff recruitment, training and welfare	-	31 667
Subscriptions	-	5 566
Subsistence and travel expenses	81 090	11 548
Training and workshops	88 062	23 366
	2 043 797	2 196 233