



## **Council for the Built Environment Annual Report 2002/2003**

*For a better Built Environment*

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## ■ Introduction

The Council for the Built Environment Act (Act 43 of 2000) establishing the Council for the Built Environment (CBE) was passed by Parliament in November 2000 along with the suite of Acts regulating and re-establishing the seven built environment professions. The Act became operational in September 2001, following the establishment of the six Built Environment Councils for: Architects, Engineers, Landscape Architects, Project and Construction Managers, Property Valuers and Quantity Surveyors.

The CBE was established as an overarching body for the built environment professions. Its core objectives include:

- Ensuring consistent application of the policy within the professions
- Advising government on matters impacting on the built environment
- Managing coordination between the Councils to support matters of national interest
- Enabling the recognition of new professions
- Promoting the recognition of different categories within the professions
- Acting as an appeal body for affected professionals and aggrieved members of the public

Recognising this, the CBE endeavours to address certain shortcomings in the built environment and to enable a climate for ongoing transformation and development of the professions, whilst promoting the development of human capital and creating an informed public. The CBE also acts as the conduit for communication between government and the professions.

***Professional expertise in the country is a national asset and should be managed as a scarce resource of high value. While socio-economic development and the improvement of the quality of life in South Africa enjoys priority attention, professional expertise needs to be nurtured, professional standards need to be maintained and professional services need to be within reach of all communities.***

***To develop a profession and to keep a profession healthy, the profession must be regulated from within, as well as by government. Government has the duty to protect the public, while self-regulation by the professions ensures quality and development within the professions.***

Policy document on the Statutory Regulation of the Built Environment Professions, June 1999.







# Introduction

## ■ Mission

Through good governance of the built environment professions, facilitate integrated development, whilst promoting efficiency and effectiveness.

## ■ Vision

Sustainable built environment professions, serving public and national interests.

## ■ Value Statement

The CBE will pursue its mission, goals, strategies and mandate by actively demonstrating and applying its values, which are:

### **Practice Integrity**

We expect and will promote firm adherence to ethical conduct. Meeting commitments, and honest and trustworthy behaviour are a requirement in our business practices.

### **Cultivate Leadership**

We will promote the growth of the built environment. We will endeavour to empower it with knowledge and resources to get results and grow the industry.

### **Create Transparency**

We will openly share information, knowledge and the best ideas across the industry, realising that we are dependent on each other for the industry's success.

### **Drive Innovation**

We will always evaluate what we are doing to continually challenge the methods and ask how it can improve the built environment.

### **Support Diversity**

We will promote a built environment where people are valued and rewarded on the basis of their efforts and ideas, without regard to their race, gender or creed.





## ■ Chairperson's Message

The Council for the Built Environment Act, (Act 43 of 2000) established the Council for the Built Environment (CBE) and was passed by Parliament in November 2000 along with the suite of Acts regulating and re-establishing the seven built environment professions. The Act became operational in September 2001, following the establishment of the six Built Environment Councils for: Architects, Engineers, Landscape Architects, Quantity Surveyors, Project and Construction Managers, and Property Valuers.

The CBE is a unique creation, and in its current form exists nowhere else in the world. It was established to make a coordinated, valuable contribution to the process of developing South Africa. It will make an impact in three major ways. It will provide leadership to, and ensure good governance of the professions, while serving as a two-way channel for coordinated input, into the restructuring and

development process, between the professions and government.

Firstly, in establishing the CBE, government created a statutory body which will enable constructive engagement of the professions with the government addressing reconstruction and development issues with one voice.

Secondly, the legislation ensures managed coordination between the professions, while providing a forum for discussion to address issues impacting on the professions and in support of matters of high priority, towards development synergy, in the public interest.

Thirdly, the CBE ensures continuous good governance of the professions by coordinating the use and implementation of sound governance principles and procedures throughout the Councils for the Professions.

The CBE is fortunate to have a committed, representative and knowledgeable council, representing the respective professions, government and the public facilitating the execution of our mandate.

The Council's biggest challenge lies in the implementation of the CBE Act in such a way as to provide the optimum value to government, the public and the professions. Furthermore, the CBE must communicate its role to key stakeholders and solicit their support. It is also striving to deliver in terms of key coordination initiatives, critical to the effective and complimentary functioning of the individual built environment councils.

During the past year the emphasis has certainly been on identifying initiatives to address the challenges as defined in the Act, and the operationalisation of the CBE. Future years should see a marked shift in emphasis, to the implementation of the programmes, as set out in our Business Plan developed by the Council.

**Malcolm Campbell**  
**Chairperson**



# Messages

## ■ Registrar's Review (Acting)

It is a privilege to submit the inaugural Annual Report of the Council for the Built Environment (CBE) to the Minister of Public Works. The creation of the CBE on 8 April 2002, presented enormous challenges for all concerned. Setting up an organisation to provide leadership, for the first time, to six newly established councils was not going to be easy at the best of times. Despite all this the CBE took up the challenge.

During its first year, the CBE's Mission, Vision and Value Statement were formulated and adopted at a strategic planning session in July 2002. Having set our goals, a business plan was developed, outlining strategic priorities, while defining programmes to realise the CBE's mandate. These goals will be achieved with the support and commitment of the six Councils for the Professions that fall under the umbrella of the CBE, the Department of Public Works and other stakeholders.



*Laureen Statham, Registrar (Acting)*

As a matter of priority a basic financial management system and procedures for procurement were put in place. During the year in review we focused on developing a corporate identity for the CBE and profiling the organisation. We embarked on a recruitment drive to find a suitable candidate for the position of Registrar. Until such time as a suitable candidate is identified an acting registrar was appointed to fulfil the executive functions of the CBE. Negotiations were initiated to secure office space for the Council and the CBE is expected to take up the premises during the second quarter of 2003.

The CBE is looking forward to the year ahead, which is deemed to become the year in which it will establish itself as a leading force towards transforming the built environment professions.

Projects have been conceptualised for implementation during the forthcoming year, towards fulfilling our mandate. The Identification of Work project has been identified by all six councils as a matter of priority.

### **Identification of Work**

This project requires the identification of work, for the different categories, of registered persons. The CBE will establish a Committee on the Identification of Work and will liaise with the Competition Commission on behalf of the Councils for the Professions regarding the identification of work for the built environment professions.



The Councils for the Professions will consult with all voluntary associations, persons, bodies and industries that may be affected by any laws regulating the built environment professions regarding the identification of the type of work which may be performed by persons registered in a category of a profession. This will include work which may fall within the scope of any other profession regulated by the professions' Acts.

The framework for the identification of work submitted by the Councils for the Professions will be approved by the CBE.

### **Establishing a corporate identity and profiling the CBE**

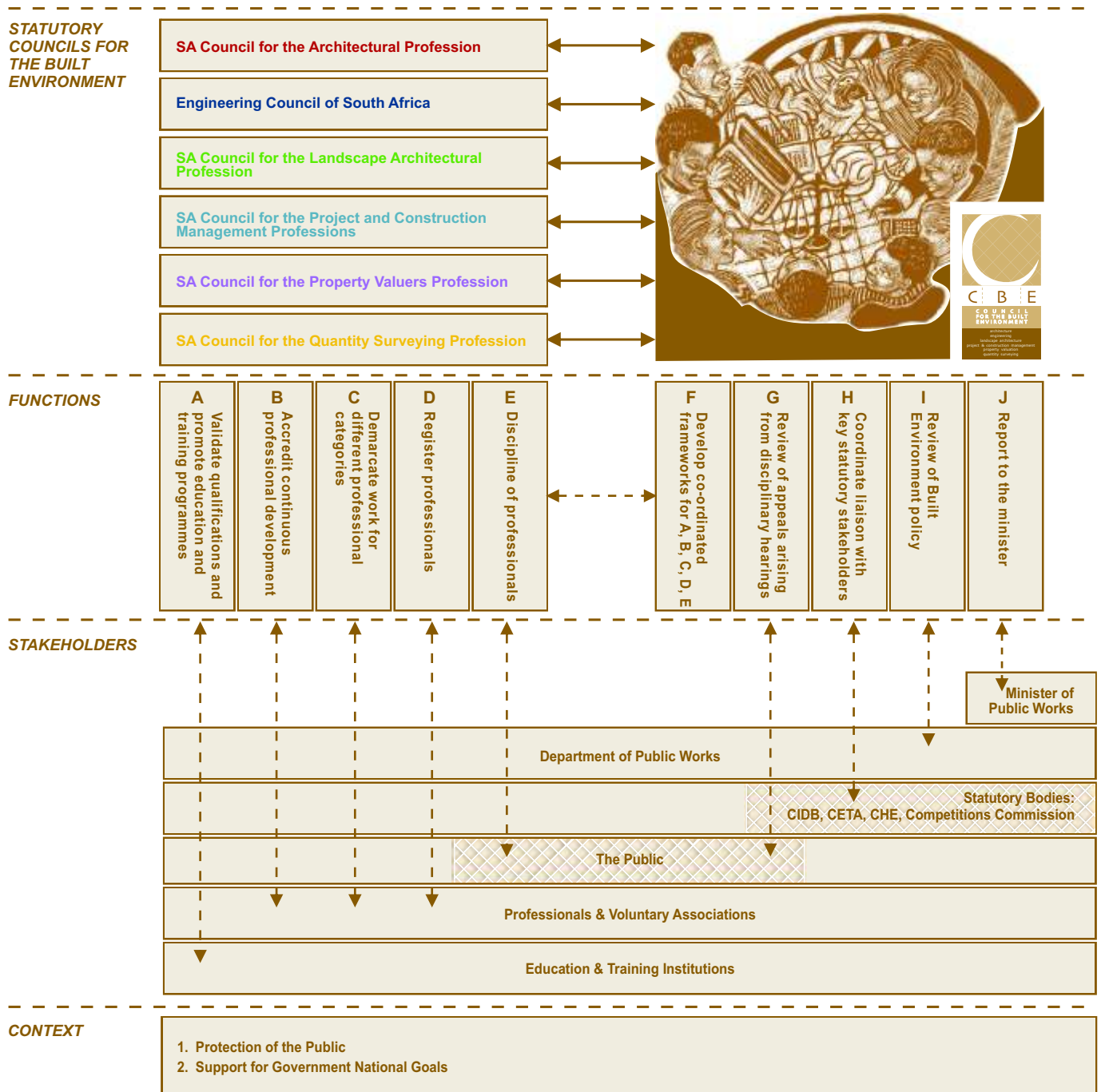
The CBE has developed a corporate identity, including a logo and pay-off line, branding the CBE for all future communications. Future communication initiatives will be focussed on building relationships with the organisation's key target audiences, including the public, the six professional Councils, voluntary associations, and private and public sector bodies that have a vested interest in ongoing transformation and development of the professions, whilst promoting the development of human capital and creating an informed public.

**Adv Laureen Statham**  
**Registrar (Acting)**



# Organisation

## ■ CBE Organisational Structure





## ■ CBE Members of the Council

The appointed Council reflects the spirit and the intent of the Act, (Act 43 of 2000), comprising representatives of the leadership of the six individual councils, representatives from key government departments and representatives from the public. These members were appointed on the strength of their experience in their particular fields of expertise and their commitment to the advancement of the built environment professions.

The Minister of Public Works appointed the 20 members of the CBE in January 2002. The CBE is founded on a 60-20-20 basis of representation, with the professions representing 60% of members, government representing 20% of members and the public representation accounting for the remaining 20%. The Members all embody skills and experience that will add value to the CBE. In appointing the members, the Minister took into account geographical areas represented by the members, as well as race and gender.

### **Malcolm Campbell**

#### **Chairperson**

*South African Council for the Architectural Profession*

Malcolm Campbell is one of two Directors of ACG Architects & Development Planners. He is a B.Arch. graduate from UCT and also holds an M.Sc. degree in Urban Development Planning from the University College of London. He is a member of the South African Institute of Architects, and an honorary member of the South African Institute of Architectural Technologists. He is President of the South African Council for the Architectural Profession. Malcolm is a past Vice-President of the South African Black Technical & Allied Careers Organisation (SABTACO). He has also served as an academic for ten years.



### **Sharoda Rapeti**

#### **Vice-Chairperson**

*Engineering Council of South Africa*

Sharoda Rapeti holds a Higher National Diploma in Electronic Engineering and an MBA from the University of Wales. She is the Managing Director of the technology division of the SABC, where one of her critical tasks is to migrate the SABC to digital broadcasting platforms. Sharoda has delivered several papers at international conferences. Sharoda is the Vice-President of the Engineering Council of South Africa.



# Members

## **Khotso Moleko**

### *South African Council for the Architectural Profession*

Khotso Moleko obtained his B.Arch. degree and a postgraduate diploma from the University of Natal. He is the Managing Director of K Moleko Architects. In 1996, he joined the Department of Public Works as Chief Director of Architectural Services. He is the past President of the Gauteng Institute for Architects, and a member of the Institute of South African Architects. He is also a board member of the South African Council for the Architectural Profession, and Vice-President of the African Union of Architects (South Region).



## **Robert (Bob) Pullen**

### *Engineering Council of South Africa*

Bob Pullen has Master's degrees in Engineering and Business Leadership and is a registered Professional Engineer. He specializes in water resource planning and management, flood hydrology, environmental management and hydraulics. He was a member of the SAICE council from 1972 to 1999. Since 2000, Bob has been a member of the Wits University Council and has been the President of the Engineering Council of South Africa since 1993. His professional experience started in the academic environment - from 1961 to 1969, followed by 12 years in the public sector and in consulting engineering firms since 1981. He is Deputy CEO of BKS Group (Pty) Ltd.



## **Eamonn O'Rourke**

### *South African Council for the Landscape Architectural Profession*

Eamonn O'Rourke is a qualified Landscape Architect and Environmental Manager. He is a member of the Institute of Landscape Architects of South Africa and serves on the South African Council for the Landscape Architectural Profession. Eamonn has been a member of the Cape Town City Council's Steering Committee on Outdoor Advertising, a member of the Stellenbosch Heritage Trust and the Stellenbosch Integrated Development Plan Task Team. Eamonn, a graduate of the University of Pretoria, heads up the Landscape Architecture Unit at Strategic Environmental Focus, based in the City of Tshwane.



## **Gwen Breedlove**

### *South African Council for the Landscape Architectural Profession*

Prof. Gwen Breedlove has a Master's degree from Texas A&M University and a Ph.D. from the University of Pretoria. She is the immediate past President of the Institute of Landscape Architects of South Africa and serves on the South African Certification Board for Landscape Architects. She is also a member of UNESCO's Cultural Landscapes Committee and the Academic Selection Committee for the International Urban Planning and Environment Association.



### ***Pantaleo (PD) Rwelamila***

*South African Council for the Project and Construction Management Professions*

PD Rwelamila is a Professor of Project Management at the Graduate School of Business Leadership (GSBL), University of South Africa and Associate of the CSIR. He is Vice-President (Education) of CIOB Africa. He graduated in Building Economics and Management (UCLAS), holds a M.Sc. in Construction Management (Brunel, UK), and a Ph.D. in Project Management and Procurement Systems from the University of Cape Town. He was an Associate Professor in the Department of Construction Economics and Management at UCT and Fellow of the CIOB - UK, MAACE, Pr.CPM and MAIC. He was a full-time secretariat member of the South African Government Task Team responsible for developing the Construction Industry policy (1998 and 1999). He received a joint CSIR Outstanding Achiever Award in 1999 and the 2002 Researcher of the Year Award, GSBL, University of South Africa.



### ***Ferdinand Fester***

*South African Council for the Project and Construction Management Professions*

Ferdinand C. Fester is a Fellow of the Chartered Institute of Building and Fellow of the South African Institute of Building. He is the President of the South African Council for the Construction and Project Management Professions. He is a past President of the South African Institute of Building, and of the Chartered Institute of Building Southern Africa. Ferdinand is Head of the Department of Construction Management and Quantity Surveying at the Technikon Witwatersrand.



### ***Jeanette (Jenny) Falck***

*South African Council for the Property Valuers Professions*

Jenny was appointed Vice-President of the South African Council for the Property Valuers Profession (SACPVP) in 2001. She is a Professional Valuer at Appraisal Corporation, based in Cape Town. She obtained the degrees B.Com. and Hons. B.Com. at Stellenbosch University. She also lectured part-time at the Cape Technikon, University of Cape Town and her alma mater. She was involved in the practical work school offered by the Southern Branch of the South African Institute of Valuers and served on the Southern Branch Executive prior to being appointed to the SACPVP.



### ***Andreas Mokweni***

*South African Council for the Property Valuers Professions*

Registered as a Professional Valuer, Andreas is currently serving as a Strategic Executive: Office of the City Manager, for the City of Cape Town. He holds a Certificate in Building Society Practice, ND: Property Valuation, bachelors degree in Business Administration and an MBA. He has served on the Southern Branch Executive of the Institute of Valuers and on the National Executive, including a term as Vice-President. Andreas is currently serving on the South African Council for the Property Valuers Profession. He is also serving as a member of the Executive Committee of the CBE.



### **Lucas Chauke**

#### ***South African Council for the Quantity Surveying Profession***

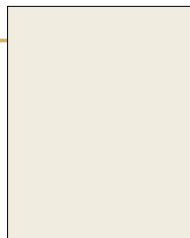
Lucas Chauke graduated with a B.Sc. in Quantity Surveying from the University of Natal, and also holds a diploma in Land Surveying. Lucas is a past President and current member of the Association of South African Quantity Surveyors. He is a member of SABTACO. He was a member of the Council of the University of Natal which has recently merged with the University of Durban-Westville. He was recently appointed President of the South African Council for the Quantity Surveying Profession. Lucas is also a council member of the Institute of South African Architects.



### **Abubaker Varachhia**

#### ***South African Council for the Quantity Surveying Profession***

Abubaker Varachhia holds a B.Sc degree in Quantity Surveying. He is a member of the Association of South African Quantity Surveyors and is Vice-President of the South African Council for the Quantity Surveying Profession. He is a member, and previous Chairperson, of the South African Black Technical and Allied Careers Organisation (SABTACO) in the Western Cape. He is the past Chairperson of the Western Cape branch of SAPOA.



### **Sarel Haasbroek**

#### ***Government Representative***

Sarel Haasbroek obtained his B.Sc. in Civil Engineering from the University of Pretoria and a B.Com. degree from UNISA. He is a member of the South African Institution of Civil Engineering and the Engineering Council of South Africa. Since 1994, Sarel has been Chief Engineer at the Northern Cape Department of Housing and Local Government. In August 2003 he became Director: Housing Performance in the same department. He completed courses in Project Management from the University of Stellenbosch, Strategic Planning and Management of Municipal Infrastructure at Harvard University, General Human Resource Management, and Municipal Finance at the University of the Western Cape.



### **Lindelwa Mabuntana**

#### ***Government Representative***

Lindelwa holds Master's degrees in Geographic Information Systems and Remote Sensing from the University of Cambridge and in City and Regional Planning from the University of Cape Town, and a junior degree in Geography from Glassboro State College. She joined the Department of Public Works as a Director in 1999. She was instrumental in the finalisation and implementation of the legislation regulating the Built Environment Professions. She represented government in the Southern Africa Regional Construction Industry Council and was also Secretariat member of the Construction Industry Development Task Team.

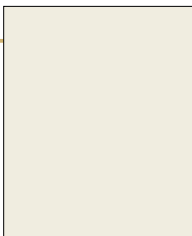




## ***Desiree Bopape-Dlomo***

### ***Government Representative***

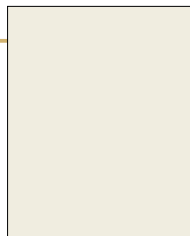
Desiree holds a BLURIS degree, LLB, and a Masters degree in social policy, and is particularly passionate about women's rights issues. Desiree is the Director: Mining Rights at the Department of Minerals and Energy. She is one of the few black women who have made a mark in property administration. Her involvement in property administration and management that spans over six years started in the real estate department of the Durban Metropolitan Council. Desiree is the past Chairperson of the Gauteng Valuation Appeal Board.



## ***Kgopana Mohlasedi***

### ***Government Representative***

Kgopana Mohlasedi holds a Masters degree in Building Management and a National Diploma in Surveying. He has been a Director of Professional Services in the Mpumalanga Provincial Government since 1998. He has acquired vast knowledge and experience in the built environment both in the private and public sectors since starting his career in 1984. He has worked as a Property Development Project Coordinator at Standard Bank and a quantity surveyor at Turner and Townsend. Kgopana is currently serving on the provincial committee of the Construction Education and Training Authority (CETA) and is a member of the Departmental Tender Committee.



## ***Andrew Tomane***

### ***Public Representative***

Andrew Tomane is the Managing Partner of Tomane Moteane Architects cc and partner of Khatleli Tomane Moteane Architects (Pty) Ltd in Lesotho. He graduated from the Florida A&M University in the United States, with degrees in B.Sc - Architecture and B.Arch. He is registered with the South African Council for the Architectural Profession and he is a member of the South African Institute of Architects. He is also a committee member of the South African Black Technical and Allied Careers Organisation (SABTACO), Free State Branch.



## ***Jacobus Pienaar***

### ***Public Representative***

Jacobus Pienaar is a practicing Quantity Surveyor. He lectures at the University of Pretoria, where he also obtained his B.Sc. in Quantity Surveying. He holds a postgraduate certificate in Management Development Programme for Real Estate Practitioners from the UNISA School of Business Leadership. He has worked in the private sector in different parts of southern Africa, where he acquired substantial experience in different aspects of the built environment.



## **Cannon Noyana**

### *Public Representative*

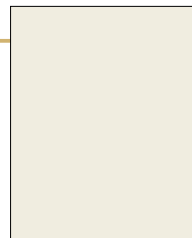
Cannon holds a diploma in Project Management 1993, is an accredited Construction Mentor and is registered with the SACMP as Construction Project Manager. He started his career in 1977 at LTA Engineering and obtained a certificate in Basic Engineering Draughting in 1981. He has progressed from freelance draughting, contractor and project manager to being Managing Director of Noyana's Management Consultancy. He served on the Board of Entrepreneurial Development of Southern Africa and the Inter-ministerial Task Team on Construction Industry Development. He is currently serving on the Construction Industry Development Board and Agrément South Africa Board.



## **Roykumar Sukuram**

### *Public Representative*

Roykumar Sukuram is the current President of the Eastern Cape branch of the Project Management Institute of South Africa. He has a B.Proc degree from UNISA and a Project Management Professional Certificate from the Project Management Institute in the USA. For the past 16 years he has been involved in project procurement, construction and development, management and training. Roykumar has worked as a Programme Manager of the Procurement Support Programme for the Department of Trade and Industry's National Small Business Support Programme. He serves as an alternative member of the Eastern Cape Provincial Tender Board and is national Vice-President of the South African Black Technical and Allied Careers Organisation (SABTACO).



## **Sadhasivan Ronnie Perumal**

### *Public Representative*

Dr. Perumal is a Senior Lecturer at the University of KwaZulu-Natal (Westville Campus). He has over 35 years personal experience in lecturing, administration business, the private sector and research. He obtained a B.Com.(Hons.) and M.Com. from UNISA and his D.Com. at the University of Durban-Westville. Dr. Perumal is Chairperson of the Advisory Board of Clairwood Hospital, a member of the Appeal Tribunal Tender Board, a member of the Joint Campus Curriculum Committee, Chairperson of the DCC Council and a School Merger Coordinator.





A U D I T O R - G E N E R A L

## ■ Report of the Auditor-General

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE COUNCIL FOR THE BUILT ENVIRONMENT FOR THE FIVE MONTHS ENDED 31 MARCH 2003

#### 1. Audit Assignment

The financial statements as set out on pages 18 to 20 for the five months ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act 12 of 1995) and section 18 of the Council for the Built Environment Act, 2000 (Act 43 of 2000). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

#### 2. Nature and Scope

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

#### 3. Audit Opinion

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Council for the Built Environment at 31 March 2003 and the results of its operations and cash flows for the five months then ended, in accordance with generally accepted accounting practice and in the manner required by the Council for the Built Environment Act, 2000 (Act 43 of 2000).

# Report



## 4. Emphasis of Matter

Without qualifying the audit opinion expressed above, attention is drawn to the following matters not affecting the financial statements:

### 4.1 Weaknesses in internal control

During the five-month period under review, the following control weaknesses existed:

- bank reconciliations were not prepared for the year,
- no formal procurement policy was developed to control procurement practices, and
- the contract for the only employee appointed during the period was not signed, nor was it filed appropriately to maintain a proper audit trail.

### 4.2 Non-compliance with section 47(2) of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)

The Council for the Built Environment is a national public entity as defined in the Public Finance Management Act.

In terms of section 47(2) of the PFMA, the accounting authority of a public entity that is not listed in either schedule 2 or 3 of the PFMA must notify the National Treasury without delay, in writing, that the entity is not listed.

During the period under review, no formal communication was sent to the National Treasury in this regard to ensure the timeous listing of the entity in the appropriate schedule of the PFMA.

## 5. Appreciation

The assistance rendered by the staff of the council during the audit is sincerely appreciated.

**J Scott**  
**for Auditor-General**

**Pretoria**  
**30 July 2004**







## ■ **Report of the Council for the five months ended 31 March 2003**

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Supplementary schedules do not form part of the annual financial statements, and are unaudited.





## **Statement of responsibility and approval**

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 annual financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999.

The Council is also responsible for the association's system of internal financial control. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the 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 association has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 18 to 20 were approved by the Council on 25 June 2004, and signed on its behalf by:

**Adv LK Statham**  
**Registrar (Acting)**

**Mr F Fester**  
**Chairperson: Finance Committee**

## **Report of the Council for the five months ended 31 March 2003**

### **Report of the Council**

In terms of the Council for the Built Environment, 2000 (Act 43 of 2000), the Council submits its report for the five months ended 31 March 2003.

### **General review**

The Council as an association, was incorporated under the Council for the Built Environment Act, (Act 43 of 2000).

The annual financial statements adequately disclose the results of the operation for the period under review and the state of the financial affairs at 31 March 2003.

There has been no material fact or occurrence since the end of the financial year on which we consider it necessary to report.





## Objects

The objects of the Council are to:

- Promote and protect the interests of the public in the built environment
- Promote and maintain a sustainable built environment and natural environment
- Promote ongoing human resource development in the built environment
- Facilitate participation by the built environment professions in integrated development in the context of national goals
- Promote appropriate standards of health, safety and environmental protection within the built environment
- Promote sound governance of the built environment professions
- Promote liaison in the built environment in the field of training, both in the Republic and elsewhere, and to promote the standards of such training in the Republic
- Serve as a forum where the representatives of the built environment professions may discuss the relevant
  - required qualifications
  - standards of education
  - training and competence
  - promotion of professional status
  - legislation impacting on the built environment
- Ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

## Council

Adv LK Statham  
Mr M Campbell  
Ms S Rapeti

*Registrar (Acting)*  
*Chairperson*  
*Vice-Chairperson*

Mrs DR Bopape-Dlomo  
Prof G Breedlove  
Mr RL Chauke  
Ms J Falck  
Mr F Fester  
Mr S Haasbroek  
Ms L Mabuntana  
Mr KM Mohlasedi  
Mr SA Mokweni

Mr K Moleko  
Mr CM Noyana  
Mr E O'Rourke  
Dr S Perumal  
Mr J Pienaar  
Mr R Pullen  
Prof PD Rwelamila  
Mr A Tomane  
Mr A Varachhia

Resigned:  
Mr R Sukuram resigned on 03 July 2002.



## Balance sheet

at 31 March 2003

	notes	Five month period ending 31 March 2003 R
<b>Assets</b>		
<b>Current assets</b>		<b>1 904 573</b>
Cash and cash equivalents	6.2	1 904 573
<b>Total assets</b>		<b>1 904 573</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Accumulated profit		1 904 573
<b>Total equity and liabilities</b>		<b>1 904 573</b>

## Income statement

for the five months ended 31 March 2003

	notes	Five month period ending 31 March 2003 R
Grant income	2	2 000 000
Operating costs		(108 960)
Bank charges		151
Entertainment costs		1 282
Expenses for general meetings		2 349
Marketing		4 617
Registrar fees		75 000
Travel and accommodation		25 562
Operating profit	3	1 891 040
Net interest received	4.5	13 533
<b>Net profit for the period</b>		<b>1 904 573</b>

## Statement of changes in equity

for the five months ended 31 March 2003

	Accumulated profit R
Balance at 01 November 2002	-
Surplus for the year	1 904 573
<b>Balance at 31 March 2003</b>	<b>1 904 573</b>



## Cash flow statement

for the five months ended 31 March 2003

	notes	Five month period ending 31 March 2003 R
Cash flows from operating activities	6.1	1 904 573
Cash generated from operating activities		1 891 040
Net interest received		13 533
Net increase in cash and cash equivalents		1 904 573
Cash and cash equivalents at beginning of the period		-
<b>Cash and cash equivalents at end of the period</b>	<b>6.2</b>	<b>1 904 573</b>

## Notes to the financial statements

for the five months ended 31 March 2003

### 1. Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting practice. The financial statements are prepared under the historical cost basis as modified by the revaluation of certain fixed assets, marketable securities and investment properties where appropriate.

#### 1.1 Revenue recognition

Revenue is recognised when received.

#### 1.2 Financial instruments

Financial instruments carried on the balance sheet only include cash and bank balances. Financial instruments are initially measured at cost. Subsequent to initial recognition, cash and cash equivalents are measured at cost plus interest income as it accrues.

Risks related to financial instruments:

Credit risk - Where one party to a financial instrument fails to discharge an obligation and cause the other party to incur a financial loss.

Interest rate risk - where the value of a financial instrument will fluctuate due to changes in interest rates.

Offsetting of financial assets and liabilities - these will not be settled on a net basis nor will the asset be realised or the liability settled simultaneously, as there is no such legally enforceable right.

Gains and losses that arise from a change in the fair value of financial instruments are included in the Income Statement in the period in which it arises.

#### 1.3 Government grants

Government grants are recognised at their fair value when received and made available for use. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.



Five month  
period ending  
31 March 2003  
R

**2. Government grants**

Government grants released

**2 000 000**

**3. Operating profit**

Operating profit is stated after the following:

Registrar fees (Adv LK Statham)

**75 000**

**4. Interest received**

First National Bank - Current account

**548**

First National Bank - 1 Day investment account

**2 448**

First National Bank - 32 Day investment account

**10 538**

**13 534**

**5. Interest paid**

First National Bank

**(0.36)**

**6. Notes to the cash flow statement**

**6.1 Cash generated by operating activities**

Net profit

**1 904 573**

Adjustments for:

Depreciation

-

Net interest received

**(13 533)**

**1 891 040**

Movements in working capital

Increase in trade receivables

-

Increase in trade payables

-

**1 891 040**

**6.2 Cash and cash equivalents**

First National Bank - Current account

**941 587**

First National Bank - 1 Day investment account

**152 448**

First National Bank - 32 Day investment account

**810 538**

**1 904 573**

**7. Financial instruments**

**Credit risk**

Financial assets that could subject the Council to credit risk consist principally of cash at bank and cash equivalents, deposits and accounts receivable. The Council's cash equivalents are placed with high credit quality financial institutions. Accounts receivable is presented at cost.

**Interest rate risk**

The cash flow is not significantly effected by fluctuations in interest rates. All cash is placed with reputable financial institutions.

**Fair values**

The carrying amount of cash and cash equivalents, deposits, accounts receivable and accounts payable approximated their fair values due to the short term maturities of those assets and liabilities.



## ■ Reports of the Councils for the Professions

### General

The purpose of this chapter of the Annual Report of the CBE is to provide the Minister of Public Works with a summary of the activities of the Councils for the Professions that fall within the mandate of the CBE. These Councils are the South African Council for the Architectural Profession, the Engineering Council of South Africa, the South African Council for the Landscape Architectural Profession, the South African Council for the Project and Construction Management Professions, the South African Council for the Property Valuers Profession, and the South African Council for the Quantity Surveying Profession.

In terms of section 4(v) of the Council for the Built Environment Act, 2000, the CBE is obliged to submit a summary of the annual reports of the Councils for the Professions. The particular section reads as follows:

“receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister;”

Of the six Councils for the Professions, only three have managed to submit an annual report for the period under review (the South African Council for the Architectural Profession, the South African Council for the Project and Construction Management Professions and the South African Council for the Property Valuers Profession). However, the CBE developed a questionnaire that was completed by all the Councils and which was used to provide the summary to the Minister of Public Works of the activities of these Councils. Although the information obtained from these Councils does not fulfil the statutory obligation on the Councils in question, it does provide the necessary overview of their activities. Each of the Councils submitted their audited financial statements for the period under review and these are included in Annexures to this Annual Report.



# Council Reports



## ■ South African Council for the Architectural Profession

### Legislative Background

The Architects Act (Act 35 of 1970) established the South African Council for Architects on 1 March 1971. This legislation, with amendments, remained in force for almost 30 years. New legislation, the Architectural Profession Act, 2000 (Act 44 of 2000) was published on 1 December 2000 and came into operation on 26 January 2001.

### Vision and Mission

#### Vision

To be an appropriate regulatory body for a dynamic, robust and ever-evolving architectural profession that is in the forefront of the development of the built environment.

#### Mission

To guide, facilitate and promote a high standard of competency and responsibility in the architectural profession and to increase public awareness of the range of architectural services offered. To ensure the profession fulfils its total role in the development of South Africa.

### Organisation

#### Members

The Minister called for nominations and appointed the first members of the Council. Its inaugural meeting in terms of the new legislation took place in September 2001. The Council consists of 11 members and is led by its President, Mr ME Campbell, and Vice-President, Ms G Groenewald. The other members of the Council are, in alphabetical order, Mr L Chauke, Mr E Finsen, Mr MS Manyathela, Mr L Moleko, Mr T Mthethwa, Ms R Naiker, Mr S Njobe, Mr D Scott-Hayward and Mr D Yuill.

The Council met three times during the year, two of the meetings being preceded by a workshop. The workshop dealt, in the main, with strategic priorities which included mechanisms to protect public interest, the identification and recognition of competency levels of professionals, education standards, control of professional conduct and identification of work for the various categories of registered persons.

#### Institutional Arrangements

The organisation is headed by its registrar, Mr M Knoetze, and is assisted by four other personnel members responsible for office administration, registration and finance. Over and above the Executive Committee there are nine other standing committees in place to ensure compliance with the legislation, and these are:

- Education Fund
- Continuing Professional Development
- Criteria for Registration and Identification of Work





- Identification of Work Committee
- Practical Training Policy Committee
- RPL/Assessment Committee
- Heads of Schools
- Communication
- Investigation Committee
- Registration
- Professional Fees
- Code of Conduct
- Validation
- Research

## Registered Persons

The Council has 3 593 registered persons. The number of registered persons are as follows:

Professional Architects	2 648
Professional Senior Architectural Technologists	381
Professional Architectural Technologists	126
Professional Architectural Draughtspersons	68
Candidate Architects	347
Candidate Senior Architectural Technologists	4
Candidate Architectural Technologists	8
Candidate Architectural Draughtspersons	11

The number of registered persons has remained stable. No new categories of registration have been developed since the inception of the new legislation. With regard to complaints against registered persons relating to their conduct, three complaints were considered by the committee responsible. In all cases there was no prima facie evidence of any breach of the code of conduct and it was recommended to Council that no further action be taken. A new code of conduct was finalised and approved by the Council. It was forwarded to the CBE for approval.

With regard to the identification of work, the committee responsible for this programme met several times and established a subcommittee to develop recommendations for eventual submission to the CBE. The subcommittee met several times and produced a matrix which was put on the website for comment. This elicited severe criticism. The committee also discussed possible measures to be taken to enforce the regulations, which identified work for the various categories of registered persons by way of amendments to the national building regulations.

With regard to the determination of guideline fees for registered persons, liaison with the voluntary associations took place via their representation on the Fees Committee. The Fees Committee, after finalising proposed increases, will obtain approval from the Council.



The South African Council for the Architectural Profession (SACAP) has also published new professional fees since the commencement of the new Act. A meeting with representatives of the Department of Public Works took place on 29 May 2003 to discuss:

- Recognition of the Council's recommended tariff of professional fees
- Fees for extended contract periods
- Cooperation with the department

These matters have not been resolved as yet.

## **Education and Training**

There are several courses that are accredited by SACAP at various universities and technikons. The courses accredited are first degree BAS, BSc.(Arch.) etc. at universities and B.Tech. (Pretoria and Witwatersrand Technikons) for Senior Architectural Technologist. B.Arch. at Pretoria, Witwatersrand, Natal, Port Elizabeth, Free State and Cape Town universities and M.Tech. at Pretoria Technikon for Professional Architect. During the year to 30 June 2003 SACAP visited the Cape Technikon and the University of Natal.

SACAP developed a matrix which dealt with the registration of persons with qualifications and persons with experience. SACAP will continue to set the professional practice examination, which candidates and persons applying to be upgraded to a category have to pass. The standard of the examination was upgraded. It also initiated the development of a policy document related to the practical training of candidates, documentation setting out the requirements for practical training and the syllabus for the professional practice examination. It is also in the process of producing documentation setting out the policy and procedures for the assessment of prior learning for the purposes of registration and, in addition, documentation setting out the basis for the assessment of persons applying for upgrading to a higher category. The Heads of Schools Committee is tasked with a variety of duties. Representation is by the Heads of Schools and Departments of Architecture at tertiary level institutions. It is an advisory committee dealing with higher education. The agreements reached by the Heads of Schools and Departments of Architecture are available for closer scrutiny if required.

With regard to Continuing Professional Development (CPD), a number of universities and technikons have short courses suitable for CPD. These courses still have to be graded and accredited. Administration of a system of CPD is currently being considered. The committee driving this issue has been greatly assisted by the Engineering Council of South Africa (ECSA) which made its preliminary proposals available.

SACAP is in the process of finalising a Memorandum of Understanding with the Council on Higher Education (CHE), which has already indicated that it would recognise the outcomes of SACAP's accreditation visits to universities and technikons. Several seminars in connection with the various delegation models and quality assurance functions of the CHE were attended.

With regard to the South African Qualifications Authority (SAQA), there is a Standards Generating Body for Architecture under NSB12. The SACAP registrar is the convener. SACAP is presently writing standards for university and technikon qualifications.





With regard to the Education Fund, the relevant committee met to allocate grants for first year students and dealt with a number of applications for ad hoc grants. Education grants totalling R159 877 were made during the year (26% of normal income), CPD courses were subsidized and the fund financed visiting board expenditure and the costs of lecturer exchanges. Expenditure is, if possible, limited to 75% of income to allow for growth in accumulated funds.

Eight professional councils are represented by their registrars on a sub-committee of the Construction Education and Training Authority (CETA), called the CETA Built Environment Professional Councils' Technical Advisory committee. In addition to professions falling within the ambit of the Council for the Built Environment the Planners and Land Surveyors are represented. This sub-committee has been a disappointment due mainly to poor administration at CETA. With the appointment of Professor Gaye le Roux as Chairperson and a main board member, it is expected that there will be a substantial improvement.

## **Communication**

The Council has communicated with other Councils for the Professions on matters of joint interest. These communications have been informal and on an ad hoc basis. It has liaised with international organisations such as the Royal Institute of British Architects and the Commonwealth Association of Architects with regard to professional standards and accreditation/validation of qualifications.

## **Voluntary Associations**

The existing voluntary associations are the South African Institute of Architects, the South African Institute of Architectural Technologists and the South African Institute of Building Designers. Guidelines for the recognition of voluntary associations were developed and submitted to the CBE to assist it with the development of the CBE framework.

## **Financial Information**

Although the Council's financial year for the purposes of this report ran from 1 July to 30 June, SACAP is in the process of adjusting its financial year end to coincide with that of the CBE. The audited statements for the period under review are attached. Please see Annexure A, page 41.



# ■ Engineering Council of South Africa

## Legislative Background

The Engineering Council of South Africa (ECSA) was established in terms of the Engineering Profession Act, 2000 (Act 46 of 2000), which was assented to on 26 November 2000 and commenced on 26 January 2001. ECSA's predecessor was established ten years earlier by the Engineering Profession of South Africa Act, 1990 (Act 114 of 1990). It in turn had its roots in the Professional Engineers' Act, 1968 (Act 81 of 1968).

## Mission Statement

### Mission

To ensure through a cooperative process of quality assurance that persons wishing to enter the profession are educated and trained according to widely accepted standards so as to be able to render a professional service for the benefit of the public and the country as a whole.

## Organisation

### Members

The Minister called for nominations and appointed the first members of the Council. Its inaugural meeting in terms of the new legislation took place in August 2001. The Council consists of 50 members and is led by its President, Mr RA Pullen, and Vice-President, Ms S Rapeti. The other members of the Council are, in alphabetical order, Allie MF, Anderson H, Burdes JP, Camay P, Chinkanda NP, Cilliers M, Currin BN, De Koker JJ, Dlamini TTC, Du Plessis AD, Franks OSW, Gamede CV, Goba TT, Grimsehl UHJ, Grobler DT, Harker RA, Havenga CFB, Holmwood RA, J Van Vuuren AM, Joubert PJJ, Kunene NR, Lacquet BM, Le Roux AS, Madisha LJ, Madonsela SE, Makaleng JKS, Malatse JP, Mkhacane HS, Mohring RP, Mokotedi MD, Msiwa M, Murphy RT, Nel V, Petersen FW, Ramagwede FL, Ramjee K, Reinders FB, Sardiwalla CM, Sithole LM, Sonnekus M, Stidworthy TE, Van Der Merwe AJ, Van Der Walt PW, Van Der Westhuizen JLJ, Van Wyk AJ, Vries EV, Wells BK, Xoko CJ. Normally two meetings per year are held in April and August. Since the Council's inaugural meeting in August 2001, three additional meetings were held with one additional meeting scheduled in August 2002. The reason for having more Council meetings than normal was to assist the new members to become acquainted with all the facets of ECSA's operations.

### Institutional Arrangements

The organisation is headed by its chief executive officer, Mr P Roux, and 33 other personnel members responsible for office administration, registration, programmes, legal advice, finance, etc. Over and above the Executive Committee there are 36 other standing committees in place to ensure compliance with the legislation. These are:

- General (7)
- Education (11)
- Standards and Procedures (2)
- Registration (16)





## Registered Persons

The Council has 24 340 registered persons. The number of registered persons as of June 2002 is as follows:

Professional Engineers	14 736
Professional Engineering Technologists	2 258
Professional Certificated Engineers	776
Professional Engineering Technicians	156
Registered Engineering Technicians	1 492
Registered Engineering Technicians (Master)	553
Candidate Engineers	3 172
Candidate Engineering Technologists	465
Candidate Certificated Engineers	85
Candidate Engineering Technicians	489
Registered Lift Inspectors	150
Lift Technicians	8

There has been a decrease in the engineer categories (professional as well as candidate) whilst there has been a slight increase in the other categories. The decrease can be ascribed to a lack of sufficient inflow into engineering, lack of sufficient incentive to register (no compulsory registration), emigration, low levels of remuneration of engineering personnel *vis-a-vis* legal/medical professions. The increase in registration levels of other categories can be ascribed to the low base of previous registrations (no compulsion to register) and the increasing relevance of registration for these categories, aided by publicity of the new legislation.

ECSA has recognised new categories of registration in terms of its enabling Act. Registered lift inspectors has been formally established as a specified category under section 18(1)(c) of the new Act. This category was previously accommodated under the technician category. A number of new specified categories are being developed at present, i.e. metrologists, non-destructive testers, clinical engineering technicians, installation and master installation electricians, experimental test pilots, pressure vessel inspectors and gas installers. The new category, Professional Engineering Technician, was implemented under section 18(1)(a)(iv) of the new Act. One hundred and fifty one persons were registered as Registered Lift Inspectors (Specified Category) and 156 Professional Engineering Technicians were registered since 28 August 2001.

With regard to the identification of work, ECSA called on stakeholders and industry to comment and submit suggestions regarding identification of functions (and compulsory registration) which was also published on ECSA's website. The Legal Matters Committee is responsible for driving the process.



With regard to the determination of guideline fees for registered persons, ECSA has established a Fees Committee which is responsible for consultation with stakeholders. The Fees Committee consists of representatives from:

- ECSA Council members
- South African Association of Consulting Engineers (SAACE) and SABTACO as providers
- South African Property Owners Association (SAPOA) as users of engineering services
- Department of Public Works as user of engineering services
- Department of Water Affairs as user of engineering services
- National Roads Agency as user of engineering services

The Fees Committee, after finalising proposed increases, will obtain approval from Council, followed by consultation of voluntary associations, registered persons and other stakeholders, by publication of these recommendations on the website, and by direct invitation to comment. ECSA has also published new percentage-based fees and time-based fees since the commencement of the new Act.

## **Education and Training**

Several courses are accredited by ECSA at various universities and technikons. A number of new programmes have been accredited by ECSA. The new Council has withdrawn accreditation of one programme at a university and is considering withdrawal of accreditation of one programme at a technikon.

ECSA is in the process of finalising a Memorandum of Understanding with the Council on Higher Education (CHE). The CHE already indicated that they would recognise the outcomes of ECSA's accreditation visits to universities and technikons. Several seminars in connection with the various delegation models and quality assurance functions of the CHE were attended.

ECSA, in its efforts to ensure portability of engineering qualifications and professional competency of its registered members, has committed itself to the objectives of the National Qualifications Framework and to work with national education and training structures. In this light, ECSA facilitated the formation of the Engineering Standards Generating Body and its recognition by the South African Qualifications Authority as the Engineering Standards Generating Body in the Higher Education Band. It is also ECSA's official Standards Generating Committee for purposes of registration under the Engineering Profession Act, 2000. ECSA regularly consults and cooperates with the South African Qualifications Authority to ensure that assessment of candidates against standards for professional status in various engineering disciplines is in line with set standards for professional competency and for education and training outcomes.

Eight professional councils are represented by their registrars on a sub-committee of the Construction Education and Training Authority, called the CETA Built Environment Professional Councils' Technical Advisory Committee. In addition to professions falling within the ambit of the Council for the Built Environment, the Planners and Land Surveyors are represented.





## **Communication**

The Council has communicated with other Councils for the Professions on matters of joint interest. These communications have been informal and on an ad hoc basis. It has liaised with international organisations and is a signatory to the Washington Accord (Mutual Recognition of Academic Programmes for Engineers at Universities), Sydney Accord (Mutual Recognition of Academic Programmes for Technologists at Technikons), and the Dublin Accord (Mutual Recognition of Academic Programmes for Technicians at Technikons). It is also a partner in the Engineers Mobility Forum (Mutual Recognition at Experienced Professional Level for Engineers), Engineering Technologists Mobility Forum (Mutual Recognition at Experienced Professional Level for Technologists), and a party to the Mutual Exemption Agreement with the Institute of Civil Engineers (London). Further professional contact has been made with countries in Africa, i.e. Mozambique, Tanzania, Zimbabwe, Zambia and Namibia.

## **Voluntary Associations**

The existing voluntary associations are AMMSA, AMRE, CEASA, CET, ICMEESA, ILESA, ILIASA, IPET, RAeSSA, SABI, SBTACO, SAACE, SACEA, SACMA, SAIAE, SAICE, SAIChE, SAID, SAIEE, SAIETE, SAIIE, SAIMC, SAIMEchE, SAIMENA, SAIMM, SAINT, SAIRAC, SAIW, SAWEK and SPE. A framework for the recognition of voluntary associations has been completed for submission to the CBE, and the process of developing the detailed requirements is under way.

## **Financial Information**

The Council's financial year runs from 1 April to 31 March. The audited statements for the period under review are attached. Please see Annexure B, page 48.



## ■ South African Council for the Landscape Architectural Profession

### Legislative Background

The South African Council for the Landscape Architectural Profession (SACLAP) is one of two newly enacted built environment Councils. SACLAP replaces the old Board of Control for Landscape Architects of South Africa, which was established and regulated by the Architects Act, 1970 (Act 35 of 1970). New legislation, the Landscape Architectural Profession Act, 2000 (Act 45 of 2000) was assented to on 26 November 2000 and commenced on 24 August 2001.

### Vision and Mission

#### Mission

In the service of protecting the public's health, safety and welfare, SACLAP:

- registers professionals,
- identifies categories in the landscape architecture profession, and
- provides for coordination between SACLAP and the CBE.

#### Vision

In the service of the public, ensuring sustainability in all environments.

### Organisation

#### Members

The first meeting of the Council in terms of its new legislation took place on 24 August 2002. The Council consists of 10 members and is led by its President, Mr J Barnard, and Vice-President, Ms L Fick (resigned in February 2003). The other members of the Council are, in alphabetical order: Dr G Breedlove, Ms T de Villiers, Ms T du Plessis, Mr L Labuschagne (appointed in November 2002), Mr S Mhlungu, Ms G Munro (resigned in October 2001), Mr E O'Rourke, Ms P Radebe, and Mr J van Papendorp. The Council held four meetings during the period under review.

#### Institutional Arrangements

The organisation has no registrar and Johan Barnard is acting as the Registrar (Ms Kruger resigned in February 2003), and no other staff was employed by the Council. There are, however, five committees in place, which are:

- Legislation
- Registration
- Finance
- Professional practice
- Education







## **Registered Persons**

The Council has 110 registered persons, 90 registered as Professional Landscape Architects and 20 registered as Candidate Landscape Architects. The Council has also created new categories for registration since its inception and these are Landscape Technologist, Landscape Technician, Landscape Assistant and a category for 'Candidate' in each of these new categories. Three members have registered under Landscape Technologist categories. There has been a steady increase in membership due primarily to new candidates and professionals completing the examinations. There are about 40 landscape architects working who have not yet registered with the Council.

## **Education and Training**

Two new courses have been accredited since the inception of the new Council, i.e. University of Pretoria, B.Sc. Landscape Architecture (Landscape Technologist) and University of Cape Town, master's in Landscape Architecture (Professional Landscape Architect). No liaison has commenced with the Council on Higher Education. With regard to the South African Qualifications Authority, the Council has joined the Standards Generating Body, the Green Industry Council which includes the landscape contractors, horticulturists, landscape designers, irrigation contractors and nurserymen association.

## **Communication**

The Council has communicated with other Councils for the Professions on matters of mutual interest. These communications have been informal and on an ad hoc basis. It has also liaised with the International Federation of Landscape Architects regarding international registration, professional standards and training accreditation.

## **Voluntary Associations**

The existing voluntary associations are the Institute for Landscape Architects of South Africa, the Green Industries Council, the Institute for Environment and Recreation Management and the International Association for Impact Assessment (South Africa). The Council has developed guidelines for the recognition of new voluntary associations. They have initiated the process of consultation, for the purposes of determining the principles during 2002 and submitted their guidelines to the CBE in March 2003, in terms of which the guideline professional fees will be formulated.

## **Financial Information**

The Council's financial year runs from 1 April to 31 March. The audited statements for the period under review are attached. Please see Annexure C, page 57.





## ■ South African Council for the Project and Construction Management Professions

### Legislative Background

The South African Council for the Project and Construction Management Professions (SACPCMP) is one of two newly enacted built environment councils. Until the creation of this particular Council, all project and construction managers were not required to register as such. The Project and Construction Management Professions Act, 2000 (Act 48 of 2000) was assented to on 26 November 2000 and commenced on 26 January 2001.

### Mission Statement

#### Mission

The Council will promote development of the professions by:

- promoting equitable access to the Project and Construction Management Professions by the wider members of society,
- promoting professional standards regulating practice of the Professions,
- ensuring competency through appropriate tertiary education, continuing professional practice and code of conduct, and
- building of quality relationships and collaborations with stakeholders to continually improve the well being of The professions.

### Organisation

#### Members

The Minister called for nominations and appointed the first members of the Council. Its first meeting in terms of the new legislation took place in September 2001. For the period under review, the Council focussed on becoming operational. It developed a business plan to the satisfaction of the Department of Public Works and thereafter turned its attention towards interviewing and appointing personnel. The Council consists of 10 members and is led by its President, Mr FC Fester, and Vice-President, Prof R Schloss. The other members of the Council are, in alphabetical order: Mr C Badenhorst, Mr M Boule (resigned August 2002), Mr A Bowen (resigned April 2002), Ms M Burger, Ms N Mandindi, Ms T Marah (resigned August 2002), Mr O Narker, and Prof PD Rwelamila. Following the above-mentioned resignations, Mr RWJ Newberry was appointed in June 2002 and Prof JJ Smallwood and Mr W Hlabangwane in October 2002. The Council held nine meetings and one workshop during the period under review.





## **Institutional Arrangements**

The organisation is headed by its registrar, Ms T Machimane, and one other staff member responsible for office administration. There are, however, seven committees in place to ensure compliance with the legislation. These are:

- Finance
- Education
- Marketing
- Identification of work and registration criteria
- Recognition criteria for voluntary associations
- Business planning
- Executive

## **Registered Persons**

The Council has not yet begun its process of registering persons although it is expected that approximately 1 500 professionals and candidates will register. The Council is in the process of creating the necessary criteria for registration in all of its categories. These include formal qualifications and prior learning. The Council has furthermore initiated a process of public participation for the purposes of making recommendations to the CBE with regard to the work that has to be identified for project and construction managers. The identified work was debated by voluntary associations and individuals and published in the Government Gazette for comment. The Council will embark on a second round of discussion with the other Councils for the Professions. With regard to the determination of guideline fees for registered persons, the Council has not yet determined the principles on which these fees will be based and will benchmark these with the fees of the other built environment professionals.

## **Education and Training**

The Council will turn its attention to education and training in the next financial year. To date it has focussed on determining the necessary qualifications and skills that are required in these professions. In this regard it will liaise with the other Councils for the Professions, Voluntary Associations, and the Council on Higher Education and the South African Qualifications Authority. Several seminars in connection with the various delegation models and quality assurance functions of Council for Higher Education were attended.

Eight professional councils are represented on a sub-committee of the Construction Education and Training Authority (CETA), called the CETA Built Environment Professional Councils' Technical Advisory committee by their registrars. In addition to professions falling within the ambit of the council for the Built Environment the Planners and Land Surveyors are represented.



## **Communication**

The Council has communicated with other Councils for the Professions primarily on operational issues and the creation of systems and procedures. These communications have been informal and on an ad hoc basis. It has not as yet initiated any liaison with similar international organisations and will delay contact until such time as it has determined professional standards and undertaken training accreditation.

## **Voluntary Associations**

The Council is in the process of developing guidelines for the recognition of voluntary associations and has received feedback from several of the voluntary associations. The existing voluntary associations are ACPM, SAICE, SAACE, PMI SA, SAIA, ASAQS, CIOB SA.

## **Financial Information**

The Council's financial year runs from 1 January to 31 December. The audited statements for the period under review are attached. Please see Annexure D, page 62.







## ■ South African Council for the Property Valuers Profession

### Legislative Background

The South African Council for Valuers was established on 1 January 1983 by section 2 of the Valuers' Act, 1982 (Act 23 of 1982). On 31 August 2001, the Council was replaced by the South African Council for the Property Valuers Profession (SACPVP). It was established by section 2 of the Property Valuers Profession Act, 2000 (Act 47 of 2000).

### Mission Statement

#### Mission

The Vision of the Council will be achieved by:

- promoting professionalism and high standard of competency through education and continuous professional development,
- promoting access to the profession by all members of society,
- to promote awareness of the range of valuation services offered by the profession, and
- to make the profession a career of choice to all members of society.

### Organisation

#### Members

The Minister called for nominations and appointed the first members of the Council. Its first meeting in terms of new legislation took place in August 2001. The Council consists of 10 members and is led by its President, Mr TI Lehobye, and Vice-President, Ms JL Falck. The other members of the Council are, in alphabetical order, Mr KMK Bothongo, Mr AH Bray, Mr SJ Erasmus, Ms JK Louter, Mr SA Mokweni, Mr JGC Smal, Mr TG Tsekoa and Mr A Zybrands .

#### Institutional Arrangements

The organisation is headed by its registrar, Mr G van Zyl, and three other personnel members responsible for the office administration, registration and finances. Over and above the Executive Committee there are three other committees in place to ensure compliance with the legislation, these are:

- Working Committee
- Public Relations Committee
- Education Committee



Several working groups were also established to attend to matters of the Council and these are:

- Continuing Education and Training
- Recognition of Prior Learning
- Recognition of Voluntary Associations
- Identification of Work
- Professional Conduct
- Professional Fees

## Registered Persons

The Council has 2 276 registered persons, 693 registered as Professional Valuers, 658 as Professional Associated Valuers and 925 registered as Candidate Valuers. There has been an increase in the number of registered persons primarily due to the special dispensation that was granted to certain professional associated valuers to register as professional associated valuers without restrictions or as professional valuers. The Council has also identified the need to create a new category to accommodate estate agents. It was done after several discussions with the Institute of Estate Agents of South Africa and the South African Institute of Valuers. The new category will be created after incorporation of the comment received on the publication of the proposed rules.

With regard to the determination of guideline fees for registered persons, the Council has initiated consultation with the South African Institute of Valuers. The Council has not published new guideline fees for their registered persons for the period under review.

## Education and Training

The courses that are accredited by the SACPVP are National Diploma in Real Estate (Property Valuation), Technikon SA and Technikons Natal and Witwatersrand; Recognised Academic examinations/qualifications: B.Sc. and B.Sc. (Hons) UCT; B.Sc. Property Economics and M.Sc. Building Economics University of Natal, M.Sc. Building Management University of Pretoria (Royal Institute of Chartered Surveyor) UK; B.Sc. Land Economy Copperbelt, Zambia; and B.Sc. Land Economy Kumasi, Ghana.

It is envisaged that accreditation visits to the relevant institutions in terms of the new legislation will take place in the succeeding financial year.

The Council has liaised with the Council for Higher Education in order to establish a Memorandum of Understanding in terms of which the SACPVP will be entitled to accredit training institutions in order to comply with the Higher Education Act, 1997. A Standards Generating Body for Real Estate (property management, estate agency and property valuation) has been established under the auspices of the Service SETA. The drafting of standards will be finalised shortly.





Eight professional councils are represented by their registrars on a subcommittee of the Construction Education and Training Authority, called the CETA Built Environment Professional Councils' Technical Advisory committee. In addition to professions falling within the ambit of the Council for the Built Environment, the Planners and Land Surveyors are represented.

## **Communication**

The Council has communicated with other Councils for the Professions on matters of joint interest. These communications have been informal and on an ad hoc basis. It does not have any contact with international organisations regarding training standards or international recognition for the period under review but there several international qualifications that are accredited by the Council.

## **Voluntary Associations**

There is one existing voluntary association, namely the South African Institute of Valuers. A draft framework for the guidelines for the recognition of voluntary associations has been prepared and submitted to the CBE. No mention is made of the statutory process and whether it was followed.

## **Financial Information**

The Council's financial year runs from 1 April to 31 March. The audited statements for the period under review are attached. Please see Annexure E, page 72.





## ■ South African Council for the Quantity Surveying Profession

### Legislative Background

The quantity surveying profession has benefited from a governing institution in one form or another since 1905. The Association of South African Quantity Surveyors was formed in 1971 with the proclamation of Act 36 of 1970. This legislation, with amendments, governed the profession up until the establishment of the South African Council for the Quantity Surveying Profession (SACQSP) in terms of the Quantity Surveying Profession Act, 2000 (Act 49 of 2000), which was assented to on 26 November 2000 and commenced on 26 January 2001.

### Vision and Mission

#### Vision

To facilitate world-class professional practice in quantity surveying.

#### Mission

Continuous evaluation and enhancement of internationally acclaimed standards of education, performance and ethics which support integrated development and public protection.

### Organisation

#### Members

The Minister called for nominations and appointed the first members of the Council. Its first meeting in terms of the new legislation took place in August 2001. The Council consists of 16 members and is led by its President, Mr RL Chauke, and Vice-President, Mr A Varachhia. The other members of the Council are, in alphabetical order, Ms B Africa, Mr M Grant, Mr JN Jansen van Vuuren, Mr MP Kgole, Mr A Krüger, Mr M Laatoe, Prof GK le Roux, Prof RN Nkado, Mr H Ntene, Mr FF Ntumbu, Mr FJ Pretorius, Mr BW Probert, Mr NC van der Hoven, Mr J van Jaarsveld and Prof JJP Verster. The Council held two meetings during the period under review.


#### Institutional Arrangements

The organisation is headed by its registrar, Mr B Verster, and seven other personnel members responsible for office administration, registration, programmes and finances. The personnel and infrastructure are shared between the South African Council for the Quantity Surveying Profession and the Association of South African Quantity Surveyors. Over and above the Executive Committee there are seven other committees in place to ensure compliance with the legislation. These are:

- Education
- Professional Fees
- Finance
- Professional Misconduct





- 
- Legal and Legislative
  - Registration
  - Empowerment

## Registered Persons

The Council has 2 223 registered persons, 1 583 registered as Professional Quantity Surveyors, 491 registered as Candidate Quantity Surveyors and 149 retired professional Quantity Surveyors. The Council has not created any new categories for registration since its inception. There has been a decrease in membership due primarily to registered persons resigning from the profession or retiring.

The Council has furthermore initiated a process of public participation for the purpose of making recommendations to the CBE with regard to the work that has to be identified for quantity surveyors. Detailed descriptions of the core activities and functions inherent in delivering professional quantity surveying services have been developed and proposals will be submitted to the CBE in this regard once it has been approved by the Council in principle.

With regard to the determination of guideline fees for registered persons, the primary principles identified by the Council are to recover what is necessary to cover the expenditure of Council and for it to be self-sufficient. It is intended to consult with the Association of South African Quantity Surveyors, the South African Property Owners Association and the Department of Public Works. The Council has, however, published new guideline fees for their registered persons.

## Education and Training

The courses that are accredited by the SACQSP are B.Sc. Quantity Surveying (PrQS), B.Sc. Construction Management (PrQS), B.Tech. Quantity Surveying (PrQS) and B.Tech. Construction Management (PrQS). The first accreditation visits to the relevant institutions in terms of the new legislation took place during October 2002.

The Council has liaised with the Council for Higher Education in order to establish a Memorandum of Understanding in terms of which the SACQSP will be entitled to accredit training institutions in order to comply with the Higher Education Act, 1997. It has also been established as a Standards Generating Body under the South African Qualifications Authority regime and is represented on the NSB.

Several seminars in connection with the various delegation models and quality assurance functions of the Council for Higher Education were attended.

Eight professional councils are represented by their registrars on a subcommittee of the Construction Education and Training Authority (CETA), called the CETA Built Environment Professional Councils' Technical Advisory committee. In addition to professions falling within the ambit of the Council for the Built Environment, the Planners and Land Surveyors are represented.



## **Communication**

The Council has communicated with other Councils for the Professions on matters of joint interest. These communications have been informal and on an ad hoc basis. It has initiated liaison with the Royal Institute of Chartered Surveyors (RICS) on matters relating to education standards and accreditation of tertiary institutions for international recognition.

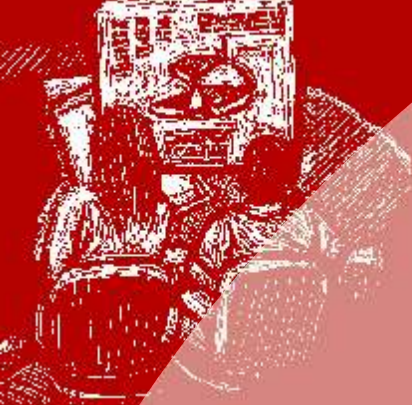
## **Voluntary Associations**

There is one existing voluntary association, the Association of South African Quantity Surveyors (ASAQS). A draft proposal for discussion between the Council and the Association regarding guidelines for the recognition of voluntary associations has been prepared for further submission to the CBE after the statutory consultation process has taken place.

## **Financial Information**

The Council's financial year runs from 1 March to 28 February. The audited statements for the period under review are attached. Please see Annexure F, page 82.





## ■ Financial Statements of the South African Council for the Architectural Profession

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### The Council's approval of the financial statements

The financial statements set out on pages 43 to 47 were approved by the Executive Committee on 29 September 2003, and signed on its behalf by:

**Mr ME Campbell**  
President

**Mr M Knoetze**  
Registrar





## **Report of the independent auditors**

**to the members of the South African Council for the Architectural Profession**

We have audited the annual financial statements of the South African Council for the Architectural Profession set out on pages 42 to 47 for the year ended 30 June 2003. These financial statements are the responsibility of the Executive Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

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

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

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

### **Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Council at 30 June 2003 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice and in the manner prescribed by the Architectural Profession Act of 2000.

**KPMG Inc.**  
**Registered Accountants and Auditors**

**Per R Cooper**  
**Director**  
**29 September 2003**





## Income statement

for the year ended 30 June 2003

	2003 R	2002 R
<b>Operating income</b>	<b>1 924 302</b>	<b>1 347 148</b>
Annual fees	1 363 142	937 000
Annual fees recovered	38 041	46 985
Exam fees	68 750	29 114
Interest received	255 972	187 882
Labels/lists	4 925	1 339
Registration fees	192 075	141 400
Rent recovery	1 397	-
Profit on sale of vehicles	-	507
Sundry income	-	2 921
<b>Expenditure</b>	<b>1 643 251</b>	<b>1 406 552</b>
Audit fee	14 855	10 530
Bank charges	9 440	7 699
Computer expenses	38 914	51 549
Cost of building	21 207	-
Cost of website	61 710	35 782
Council for the building environment	48	10 349
Delivery expenses	615	90
Depreciation	67 760	70 172
Electricity and water	5 972	2 726
Entertainment and travel	1 039	553
Exam expenses	22 699	10 137
Insurance	22 690	21 238
Legal expenses	13 250	6 804
Licences	5 388	5 499
Loss on disposal of assets	-	6
Maintenance contracts	10 382	7 860
Meeting expenses	186 501	143 477
Membership certificate costs	12 934	827
Motor vehicle expenses	26 312	15 960
Postage	26 886	24 343
Printing and stationery	50 961	53 772
Professional fees	-	1 173
Record storage	-	1 255
Refreshments	2 128	1 862
Relocation expenses	-	42 359
Rent	195 168	171 479
Rental office equipment	39 322	37 916
Repairs and maintenance	2 417	147
RSC levies	2 161	1 779
Salaries and wages	712 258	606 620
Security	15 562	9 133
Staff welfare	1 691	1 019
Subscriptions	2 403	1 656
Sundry expenses	838	526
Telephone	69 740	49 560
Training	-	695
Surplus/(deficit) for the year	<b>281 051</b>	<b>(59 404)</b>



## Balance sheet

at 30 June 2003

	notes	2003 R	2002 R
<b>Assets</b>			
Property, plant and equipment	2	142 730	191 403
Investments	3	1 995 605	1 765 612
<b>Current assets</b>		<b>262 692</b>	132 606
Annual fees in arrears		26 838	14 748
Accounts receivable		159 592	61 054
Bank and cash		76 262	56 804
<b>Total assets</b>		<b>2 401 027</b>	2 089 621
<b>Equity and liabilities</b>			
<b>Accumulated surplus</b>		<b>2 239 661</b>	1 958 610
<b>Current liabilities</b>		<b>161 366</b>	131 011
Fees received in advance		14 386	11 271
Accounts payable and provisions		146 980	119 740
<b>Total equities and liabilities</b>		<b>2 401 027</b>	2 089 621

## Statement of changes in equity

for the year ended 30 June 2003

	Accumulated surplus R
Balance at 1 July 2001	2 018 014
Deficit for the year	(59 404)
<b>Balance at 1 July 2002</b>	1 958 610
Surplus for the year	281 051
<b>Balance at 30 June 2003</b>	<b>2 239 661</b>



## Cash flow statement

for the year ended 30 June 2003

	notes	2003 R	2002 R
<b>Cash flows from operating activities</b>			
Cash generated/(utilised) by operating activities	4	12 566	(169 258)
Interest received		255 972	187 882
<b>Cash inflow from operating activities</b>		<b>268 538</b>	<b>18 624</b>
<b>Cash flows from investing activities</b>			
Disposal of fixed assets		-	2 425
Acquisition of fixed assets		(19 087)	(78 413)
(Increase)/decrease in investments		(229 993)	48 446
<b>Cash outflow from investing activities</b>		<b>(249 080)</b>	<b>(27 542)</b>
<b>Net increase/(decrease) in cash</b>		<b>19 458</b>	<b>(8 918)</b>
Cash at bank at beginning of year		56 804	65 722
Cash at bank at end of year		<b>76 262</b>	<b>56 804</b>

## Notes to the financial statements

for the year ended 30 June 2003

### 1. Accounting policies

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year.

#### 1.1 Statement of compliance

The financial statements are prepared in accordance with South African statements of generally accepted accounting practice and the requirements of the South African Companies Act.

#### 1.2 Basis of preparation

The financial statements are prepared on the historical cost basis, except for financial instruments and recognised assets and liabilities that are hedged.

#### 1.3 Property, plant and equipment

Fixed assets are stated at cost and are depreciated on the straight line basis at rates considered appropriate to reduce their cost to residual value over their estimated useful lives.



#### 1.4 Annual fees

Annual fees comprise of subscription fees receivable from members and are accounted for on the accrual basis.

#### 1.5 Tax

The receipts and accruals to the council are exempt from income tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act (the Act).

#### 1.6 Provisions

Provisions are recognised when the council has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### 1.7 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the council unless otherwise stated.

#### 1.8 Comparative figures

Where necessary comparative figures are reclassified.

### 2. Property, plant and equipment

	Cost R	Accumulated depreciation R	Net book value R
<b>2003</b>			
Motor vehicles	99 000	55 687	43 313
Furniture and equipment	139 737	67 364	72 373
Computer equipment	281 818	254 774	27 044
	<b>520 555</b>	<b>377 825</b>	<b>142 730</b>
<b>2002</b>			
Motor vehicles	99 000	30 937	68 063
Furniture and equipment	135 089	52 448	82 641
Computer equipment	267 378	226 679	40 699
	<b>501 467</b>	<b>310 064</b>	<b>191 403</b>



## 2.1 Reconciliation of book value of fixed assets

	Motor vehicles R	Furniture & equipment R	Computer equipment R
<b>2003</b>			
Net book value at 30 June 2002	68 063	82 641	40 699
Acquired during the year	-	4 647	14 440
Depreciation	(24 750)	(14 915)	(28 095)
Net book value at 30 June 2003	43 313	72 373	27 044
<b>2002</b>			
Net book value at 30 June 2001	92 813	32 611	59 656
Acquired during the year	-	61 239	17 174
Disposals during the year	-	(4)	(1 914)
Depreciation	(24 750)	(11 205)	(34 217)
Net book value at 30 June 2002	68 063	82 641	40 699
	<b>2003</b>	<b>2002</b>	
	R	R	

## 3. Investments

BOE Bank Limited - 3 months fixed deposit	-	310 150
BOE Bank Limited - call account	-	13 671
First National Bank - call account	1 669 108	44 687
Franklin Templeton NIB	-	313 661
Franklin Templeton NIB - call account	-	156 359
Investec fixed deposit	-	284 755
Nedcor Investment Bank	-	333 894
NIB money fund	76 497	58 435
Participation mortgage bonds	250 000	250 000
<b>Total investments</b>	<b>1 995 605</b>	<b>1 765 612</b>

## 4. Reconciliation of surplus for the year to cash generated/(utilised) by operating activities

Surplus/(deficit) for the year	281 051	(59 404)
Adjustments for:		
- depreciation	67 760	70 172
- interest received	(255 972)	(187 882)
- profit on sale of vehicles	-	(507)
Operating surplus/(deficit) before working capital changes	92 839	(177 621)
Working capital changes		
(Increase) in annual fees in arrears and accounts receivable	(110 628)	(19 580)
Increase in current liabilities	30 355	27 943
<b>Cash generated/(utilised) by operating activities</b>	<b>12 566</b>	<b>(169 258)</b>





## ■ Financial Statements of the Engineering Council of South Africa

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### Statement by the Council

The financial statements set out on pages 50 to 56 for the year ended 31 March 2003 were approved by the Council on 18 July 2003, and signed on its behalf by:

**Mr RA Pullen**  
President

**Mr P Roux**  
Chief Executive Officer





## **Report of the independent auditors**

**to the members of the Engineering Council of South Africa**

We have audited the financial statements set out on pages 50 to 56 for the year ended 31 March 2003. These financial statements are the responsibility of the Council's Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

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

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

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

### **Audit opinion**

In our opinion the financial statements fairly present, in all material aspects, the financial position of the Council at 31 March 2003 and the results of its activities, changes in funds and cash flows for the year then ended, in accordance with South African Statements of Generally Accounting Practice, except for the accounting policies referred to in Note 1, and according to the rules of the Council.

**VAN WYK**  
**Chartered Accountants (S.A.)**

**18 July 2003**  
**Pretoria**



## Balance sheet

at 31 March 2003

	notes	2003 R	2002 R
<b>Assets</b>			
<b>Non-current assets</b>	2	7 922 023	3 131 736
Fixed property and assets	3	1 330 001	1 330 001
Investments		6 592 022	1 801 735
<b>Current assets</b>		2 171 416	3 084 409
Accounts receivable and prepayments	4	1 335 568	763 517
Inventory	5	1	1
Cash at bank and in hand	11.3	835 847	2 320 891
<b>Total assets</b>		<b>10 093 439</b>	<b>6 216 145</b>
<b>Equity and liabilities</b>			
<b>Reserves</b>		7 333 681	4 144 923
Accumulated funds		4 505 794	1 986 628
Funds reserved for future expenses	6	2 827 887	2 158 295
<b>Non-current liabilities</b>			
Long-term liabilities	7	1 077 325	1 100 299
<b>Current liabilities</b>		1 682 433	970 923
Accounts payable		1 103 723	382 838
Annual- and application fees received in advance		514 938	514 850
Current portion of interest bearing borrowings	7	63 772	73 235
<b>Total equities and liabilities</b>		<b>10 093 439</b>	<b>6 216 145</b>



## Income statement

for the year ended 31 March 2003

	notes	2003 (12 months) R	2002 (7 months) R
<b>Income</b>			
<b>Fees</b>		<b>15 537 236</b>	<b>7 308 890</b>
Annual fees		12 654 545	6 574 559
Application fees		1 352 478	87 314
		<b>14 007 023</b>	<b>6 661 873</b>
<b>Other income</b>	<b>8</b>	<b>1 530 213</b>	<b>647 017</b>
<b>Expenditure</b>		<b>12 052 019</b>	<b>7 149 958</b>
Council and committee meetings	<b>9</b>	2 163 410	1 271 752
Administrative expenditure	<b>10</b>	8 865 900	5 329 535
Auditors' remuneration		36 000	15 500
Consulting fees		446 053	367 400
Fixed assets written off		233 256	14 210
Legal costs and inquiry expenses		115 450	-
Interest on long-term liabilities		191 950	151 561
<b>Net surplus for the year</b>		<b>3 485 217</b>	<b>158 932</b>

## Statement of changes in equity

for the year ended 31 March 2003

	Accumulated funds R	Funds reserved R	Total R
Funds received from the previous Council (incorporated under Act 114 of 2000) at 28 August 2001	2 260 964	1 745 315	4 006 279
Net surplus for the period	158 932	-	158 932
Transfer to funds reserved	(433 268)	433 268	-
Funds expenditure	-	(20 288)	(20 288)
Balance at 31 March 2002	1 986 628	2 158 295	4 144 923
Net surplus for the year	3 485 217	-	3 485 217
Transfer to funds reserved	(966 051)	966 051	-
Funds expenditure	-	(296 459)	(296 459)
<b>Balance at 31 March 2003</b>	<b>4 505 794</b>	<b>2 827 887</b>	<b>7 333 681</b>

## Cash flow statement

for the year ended 31 March 2003

	notes	2003 (12 months) R	2002 (7 months) R
<b>Cash flows generated from operating activities</b>		<b>3 328 217</b>	<b>272 814</b>
Operating surplus before working capital changes	11.1	2 427 267	17 161
Working capital changes	11.2	139 459	134 170
Cash flows applied to operations		2 566 726	151 331
Interest and dividends received		953 441	273 044
Interest paid on long-term liabilities		(191 950)	(151 561)
<b>Cash flow from investing activities</b>		<b>(4 790 287)</b>	<b>(3 131 736)</b>
Increase of fixed assets		-	(1 330 001)
Increase in investments		(4 790 287)	(1 801 735)
<b>Cash flow from financing activities</b>		<b>(22 974)</b>	<b>5 179 813</b>
Funds received from previous Council at 28 August 2001		-	4 006 279
Increase in long-term liabilities		(22 974)	1 173 534
Net increase in cash and cash equivalents		(1 485 044)	2 320 891
Cash and cash equivalents at beginning of this year		2 320 891	-
<b>Cash and cash equivalents at the end of this year</b>	11.3	<b>835 847</b>	<b>2 320 891</b>

## Notes to the financial statements

for the year ended 31 March 2003

### 1. Accounting policies

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, except for note 1.1 and 1.2. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties.

#### 1.1 Fixed assets

- Fixed assets are reflected at a nominal value. Replacements and additions are written off in the year of purchase. Fixed property is shown at cost. No depreciation is provided on fixed property.
- Fixed assets leased under financial leases are not capitalised. Lease payments are charged against income as incurred.

#### 1.2 Investments

No provision is made for differences between the cost and market value of long-term investments, which are to be held to maturity.





### 1.3 Revenue recognition

Fees are recorded in the financial statements at the date when the services are performed.

	2003 R	2002 R
<b>2. Fixed property and - assets</b>		
<b>Property at cost</b>	<b>1 330 000</b>	1 330 000
Property consists of: - Sections 9 & 10, Waterview Corner (South), Bruma, Johannesburg		
<b>Fixed assets at nominal value</b>	<b>1</b>	1
Fixed assets comprise a motor vehicle, computer equipment, office furniture and equipment.		
	<b>1 330 001</b>	1 330 001
<b>3. Investments</b>		
<b>3.1 Long - term investments</b>		
Standard Bank fixed and call investments	<b>4 589 704</b>	-
Momentum Endowment Policy - at cost	<b>435 591</b>	309 135
BOE Private Bank	<b>1 566 727</b>	1 492 600
	<b>6 592 022</b>	1 801 735
<b>4. Accounts receivable</b>		
Annual- and application fees outstanding	<b>366 672</b>	484 368
Prepaid expenses and sundry debtors	<b>265 683</b>	15 350
SETA's financing Engineering Standards Generating Board expenses	<b>703 213</b>	263 799
	<b>1 335 568</b>	763 517
<b>5. Inventory</b>		
Inventory consists of De Jongh Graphic Posters Estimated value	<b>1</b>	1



	2003 R	2002 R
<b>6. Funds reserved</b>		
Funds set aside on an ongoing basis to provide for the replacement of:		
<b>Motor vehicle</b>		
Balance - beginning of this year	135 610	135 610
Funds set aside	-	-
Balance - end of this year	135 610	135 610
<b>Computer software</b>		
Balance - beginning of this year	14 371	25 629
Funds set aside	9 900	6 600
Expenditure	(11 145)	(17 858)
Balance - end of this year	13 126	14 371
<b>Internet</b>		
Balance - beginning of this year	9 107	9 107
Funds set aside	-	-
Expenditure	(9 107)	-
Balance - end of this year	-	9 107
<b>Professional services</b>		
Balance - beginning of this year	1 999 207	1 574 969
Funds set aside	956 151	426 668
Expenditure	(276 207)	(2 430)
Balance - end of this year	2 679 151	1 999 207
<b>Total funds reserved</b>	<b>2 827 887</b>	<b>2 158 295</b>
<b>7. Long-term liabilities</b>		
ABSA Bank - Mortgage bond	1 141 097	1 173 534
Less: Short-term portion transferred to current liabilities	63 772	73 235
	<b>1 077 325</b>	<b>1 100 299</b>

The loan is:

- Secured by fixed property with a cost price of R1 330 000
- Interest is payable at a rate of prime plus 1,25% per annum
- Repayable in monthly payments of R18 698,87



	2003	2002
	R	R
<b>8. Other income</b>		
Bad debts recovered	187 053	35 144
Dividends received	-	7 383
Interest received - on long-term investments	953 441	265 661
Inspection of register and duplicate certificate fees	3 403	3 245
Profit with realisation of investments	-	6 614
Rent received	386 316	327 939
Special examinations	-	1 031
	<b>1 530 213</b>	<b>647 017</b>
<b>9. Council and committee meetings</b>		
Member expenses for attending meetings	718 191	439 115
Travel, accommodation and refreshments	1 445 219	832 637
	<b>2 163 410</b>	<b>1 271 752</b>
<b>10. Administrative expenditure</b>		
Accountancy fees	-	2 500
Bank charges	79 481	53 135
General expenses	31 871	73 519
Insurance	63 445	43 498
Leasing of computer equipment	215 792	117 108
Leasing of office equipment	354 701	182 295
Maintenance of computer and office equipment	25 349	37 774
Maintenance of offices	111 396	56 768
Personnel recruitment	148 661	124 592
Personnel travel and related expenses	44 787	135 485
Printing, stationery and publications	469 346	194 290
Rent, electricity and parking	1 317 310	682 833
Salaries and related expenses	5 401 115	3 073 551
Secretarial services	142 760	229 229
Telephone and postage	459 886	322 958
	<b>8 865 900</b>	<b>5 329 535</b>



	2003 R	2002 R
<b>11. Cash flow statement</b>		
<b>11.1 Cash flow from operations</b>		
Net surplus for the period	3 485 217	158 932
Adjustment for:		
- reserve funds expenditure	(296 459)	(20 288)
- interest and dividends received	(953 4410)	(273 044)
- interest paid on long-term liabilities	191 950	151 561
Operating surplus before working capital changes	<u>2 427 267</u>	<u>17 161</u>
<b>11.2 Working capital changes</b>		
Increase in accounts receivable	(572 051)	(763 517)
Increase in accounts payable	711 510	897 688
Increase in inventory	-	(1)
	<u>139 459</u>	<u>134 170</u>
<b>11.3 Bank and cash</b>		
Current bank account	831 259	2 317 691
Cash on hand	4 588	3200
	<u>835 847</u>	<u>2 320 891</u>

## 12. Staff retirement funding

It is the policy of the Council to provide retirement benefits for staff by way of a separate pension fund.

The pension fund consists of a defined benefits plan and a defined contribution fund and is governed by the Pension Fund Act, (Act 24 of 1956). Current service contributions are included with salaries and related expenses in the financial statements.

The fund was last valued as at 31 March 1999 and the independent actuary's opinion was that the fund is in a sound financial position.

## 13. Taxation

The Council is exempt from taxation.

## 14. Comparative figures

The comparative figures represent the results for the first 7 months of the Board as registered in terms of Act 46 of 2000.



## ■ Financial Statements of the South African Council for the Landscape Architectural Profession

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### Approval of the annual financial statements

The financial statements set out on pages 59 to 61 were approved by the Council, and signed on its behalf by:

**Mr J Barnard**  
President







## Report of the independent auditors

to the members of the South African Council for the Landscape Architectural Profession

I have audited the annual financial statements of the South African Council for the Landscape Architectural Profession set out on pages 59 to 61 for the year ended 31 March 2003. These financial statements are the responsibility of the trustees/entity's management. My responsibility is to express an opinion on these financial statements based on our audit.

### Scope

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

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

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

### Qualification

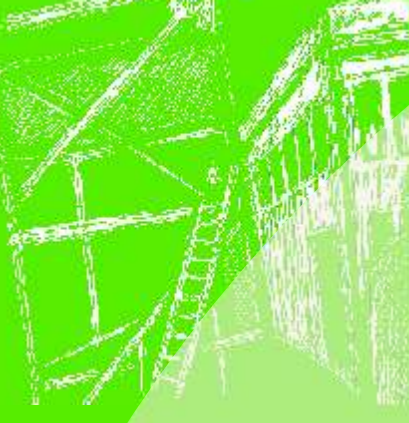
In common with similar organisations, it is not feasible for the society/trust/organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

### Qualified audit opinion

In my opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Council at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

**PJ Nel**

**Registered Accountant and Auditor / Chartered Accountant (S.A.)**



## Balance sheet

as at 31 March 2003

	2003 R	2002 R
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed assets	0	-
Investments	25 000	6 191
<b>Current assets</b>	31 179	41 557
Debtors	2 996	2 187
Cash in bank	28 187	39 095
Cash on hand	(4)	275
<b>Total assets</b>	<b>56 179</b>	<b>47 748</b>
<b>Equity and liabilities</b>		
<b>General fund</b>	<b>54 911</b>	<b>46 998</b>
<b>Non-current liabilities</b>		
Interest-bearing loans	-	-
<b>Current liabilities</b>	<b>750</b>	<b>750</b>
Creditors	750	750
Bank overdraft	-	-
<b>Total equities and liabilities</b>	<b>55 661</b>	<b>47 748</b>



## Income statement

for the year ended 31 March 2003

	2003 R	2002 R
<b>Income</b>		
Fees	64 112	53 766
<b>Expenses</b>	<b>60 281</b>	<b>84 216</b>
<b>Operational- and administrative expenses</b>	<b>60 281</b>	<b>84 216</b>
Auditing	750	750
Advertising and promotion	1 140	3 300
Bad debts	3 674	-
Bank charges	410	477
Donations	-	2 000
Education Committee	3 749	6 957
Legal fees	-	2 925
Legislation Committee	-	2 055
Postage and printing	2 161	459
Refreshments	183	744
Registrar's fees	30 000	29 700
Registration Committee	269	-
Rent of office equipment	-	300
Stationery	663	1 384
Telephone	4 078	5 710
Travelling	13 204	27 455
Personnel	-	-
Depreciation	-	-
Profit from activities	3 831	(30 450)
Financing cost	4 082	6 661
Interest received	4 082	6 661
Interest paid	-	-
Profit before taxation	7 913	(23 789)
Tax expense	-	-
<b>Net profit for the year</b>	<b>7 913</b>	<b>(23 789)</b>



## Statement of changes in equity

for the year ended 31 March 2003

	2003 R	2002 R
<b>Accumulated income</b>		
Balance - beginning	46 998	70 787
Net profit for the year	7 913	(23 789)
Balance - end	54 911	46 998

## Notes to the financial statements

for the year ended 31 March 2003

### 1. Basis of preparation

The annual financial statements are prepared in accordance with the requirements of Statements of General Accepted Accounting Practice. The measurement basis used is historical costs.

The financial statements are prepared on a going concern basis.

### 2. Accounting policies

The following are the principle accounting policies used in the preparation of the financial statements.

#### Revenue recognition

Revenue is generally recognised when it is probable that economic benefits will flow to the body corporate and the amount of revenue and cost in respect of the transaction can be measured reliably. The accounting policies regarding the various elements of gross revenue are as follows:

#### Membership fees

Membership fees are recognised as revenue when the risk and rewards of membership are transferred to the member.

#### Interest received

Interest is recognised as revenue on a time proportion basis that takes into account the effective yield on the asset.

### 3. Comparative figures

No comparative figures were given as this is the first year of reporting for the Council. The accumulated funds Were brought over from the previous Board of Control of Landscape Architects.

### 4. Taxation

The Council applied to the Commissioner of Revenue to be exempted from taxation.



## ■ **Financial Statements of the South African Council for the Project and Construction Management Professions**

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### **Executive Council's approval of the annual financial statements**

The financial statements set out on pages 64 to 71 were approved by the Council on 30 January 2004, and signed on its behalf by:

**Mr FC Fester**  
**President**

**Ms T Machimane**  
**Registrar**







## **Report of the independent auditors**

**to the members of the South African Council for the Project and Construction Management Professions**

We have audited the annual financial statements of the South African Council for the Project and Construction Management Profession set out on pages 64 to 71 for the year ended on 31 December 2003. These financial statements are the responsibility of the Council. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

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

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

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

### **Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Council at 31 December 2003 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

### **Accounting and secretarial duties**

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

### **Supplementary information**

The supplementary schedule set out on page 70 to 71 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

**G Naidoo and Associates**  
**Chartered Accountants (S.A.)**  
**Registered Accountants and Auditors**

**30 January 2004**



## Balance sheet

as at 31 December 2003

	notes	2003 R	2002 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	26 777	28 957
<b>Current assets</b>			
Accounts receivable		1 192 715	533 163
Cash and cash equivalents		14 039	15 020
		1 178 676	518 143
<b>Total assets</b>		<b>1 219 492</b>	<b>562 120</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Accumulated surplus		1 080 388	539 587
<b>Current liabilities</b>			
Accounts payable		139 104	22 533
Provisions		5 142	4 128
		133 962	18 405
<b>Total equities and liabilities</b>		<b>1 219 492</b>	<b>562 120</b>

## Income statement

for the year ended 31 December 2003

	notes	2003 R	2002 R
Subscription received	3	183 750	7 700
Other income		1 003 074	1 000 000
Operating costs		721 168	514 969
Operating surplus	4	465 656	492 731
Interest received		75 416	46 956
Finance costs		(271)	(100)
Net surplus for the year		540 801	539 587
Accumulated surplus at beginning of year		539 587	-
<b>Accumulated surplus at end of year</b>		<b>1 080 388</b>	<b>539 587</b>

## Statement of changes in equity

for the year ended 31 December 2003

	Accumulated surplus R
<b>Balance at 01 January 2002</b>	-
Net surplus for the year	539 587
<b>Balance at 01 January 2003</b>	539 587
Net surplus for the year	540 801
<b>Balance at 31 December 2003</b>	<b>1 080 388</b>



## Cash flow statement

for the year ended 31 December 2003

	notes	2003 R	2002 R
<b>Cash flows from operating activities</b>		<b>668 100</b>	<b>551 103</b>
Cash receipts from customers		183 750	7 700
Cash paid to suppliers and employees		409 205	496 547
Cash generated by operating activities	7.1	592 955	504 247
Interest received		75 416	46 956
Interest paid		(271)	(100)
<b>Cash flows from investing activities</b>			
<b>Expenditure to maintain operating capacity</b>			
Property, plant and equipment acquired		(7 567)	(32 960)
Increase in cash and cash equivalents		660 533	518 143
Cash and cash equivalents at beginning of the year	7.2	518 143	-
<b>Cash and cash equivalents at end of the year</b>	7.2	<b>1 178 676</b>	<b>518 143</b>

# Notes to the financial statements

for the year ended 31 December 2003

## 1. Basis of preparation

The annual financial statements are prepared in under the historical cost basis and incorporate the following principal accounting polies, which are consistent with that of the previous years and comply with South African Statements of Generally Accepted Accounting Practice.

### 1.1 Revenue recognition

Subscription fees are accounted for as and when the members register with the council.

### 1.2 Property, plant and equipment

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

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Furniture and fittings	20%
Office equipment	20%
Computer equipment	33.3%

### 1.3 Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

## 2. Property, plant and equipment

	2003			2002		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Furniture and fittings	18 386	4 877	13 509	18 386	1 200	17 186
Office equipment	5 102	1 720	3 382	5 102	699	4 403
Computer equipment	17 039	7 153	9 886	9 472	2 104	7 368
	<b>40 527</b>	<b>13 750</b>	<b>26 777</b>	<b>32 960</b>	<b>4 003</b>	<b>28 957</b>





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

	Carrying value at beginning of the year	Additions	Depreciation	Carrying value at the end of the year
	R	R	R	R
<b>2002</b>				
Furniture and fittings	-	18 386	(1 200)	417 186
Office equipment	-	5 102	(699)	4 403
Computer equipment	-	9 472	(2 104)	7 368
	-	32 960	(4 003)	28 957
<b>2003</b>				
Furniture and fittings	17 186	-	(3 677)	13 509
Office equipment	4 403	-	(1 021)	33 882
Computer equipment	7 368	7 567	(5 049)	9 886
	28 957	7 567	(9 747)	26 777

### 3. Gross revenue

Gross revenue comprises turnover, which excludes value-added tax and represents the subscription fees received.

### 4. Operating surplus

	2003 R	2002 R
Operating surplus is stated after:		
<b>Expenditure</b>		
<b>Auditors' remuneration</b>		
Audit fee	8 400	7 000
<b>Depreciation</b>		
Property, plant and equipment	9 747	4 003
<b>Lease rentals</b>		
Premises	49 038	30 629

### 5. Taxation

No provision has been made for 2003 taxation as the Council is exempt from income tax under section 10(l) (cA) (i) of the income tax act.

## 6. Comparative figures

Certain comparative figures have been restated, in order to present a more meaningful comparison.

## 7. Notes to the cash flow statement

	2003 R	2002 R
<b>7.1 Cash generated by operating activities</b>		
Net profit	540 801	539 587
Adjustments for:		
Depreciation	9 747	4 003
Interest received	(75 416)	(46 956)
Finance costs	271	100
Movement in provisions	115 557	-
	<b>590 960</b>	496 734
Movements in working capital		
Decrease (increase) in accounts receivable	981	(15 020)
Increase in accounts payable	1 014	22 533
	<b>592 955</b>	504 247
<b>7.2 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and balances with banks.		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<b>1 178 676</b>	518 143



## Detailed income statement

for the year ended 31 December 2003

	2003 R	2002 R
<b>Gross revenue</b>		
Subscription fees	183 750	7 700
<b>Other income</b>	1 078 490	1 046 956
Interest received	75 416	46 956
Grant received	1 000 000	1 000 000
Sundry income	3 074	-
<b>Total income</b>	1 262 240	1 054 656
<b>Expenditure</b> (refer to page 71)	721 439	515 069
Net surplus for the year	540 801	539 587
Accumulated surplus at beginning of year	539 587	-
<b>Accumulated surplus at end of year</b>	1 080 388	539 587



## Detailed income statement

for the year ended 31 December 2003

	2003	2002
	R	R
<b>Expenditure</b>	<b>721 439</b>	<b>515 069</b>
Accounting fees	12 000	6 263
Advertising	1 119	5 600
Allowance - Councillors	120 000	-
Auditors' remuneration	8 400	7 000
Bank charges	4 978	2 467
CBE levies	5 111	-
Cleaning	7 204	4 402
Computer expenses	4 777	904
Computer network and website	5 731	12 831
Consulting fees	-	350
Depreciation	9 748	4 003
General expenses	1 967	-
Honorarium - President	24 000	8 000
Insurance	2 599	1 583
Interest	271	100
Lease rentals	49 038	30 629
Leasing charges	5 997	8 395
Legal expenses	2 239	-
Market costs	4 622	2 503
Meetings	4 207	2 540
Printing and stationery	17 280	11 528
Professional fees	-	80 000
Recruitment fees	-	2 120
Refreshments	1 266	1 341
Regional service council levies	1 509	626
Registrars' relocation costs	-	10 000
Repairs and maintenance	3 972	-
Salaries	328 387	229 767
Security	4 428	6 242
Software expenses	640	9 036
Staff training	1 285	-
Subscriptions	-	110
Tangible assets written off	-	1 867
Telephone and fax	44 087	20 324
Travel and accommodation	44 577	44 538



## ■ Financial Statements of the South African Council for the Property Valuers Profession

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### The Council's approval of the financial statements

The financial statements set out on pages 75 to 81 were approved by the Council, and signed on its behalf by:

**Mr TI Lehobye**  
President

**Mr GJ van Zyl**  
Registrar







## **Report of the independent auditors**

### **to the members of the South African Council for the Property Valuers Profession**

We have audited the annual financial statements of the South African Council for the Property Valuers Profession set out on pages 75 to 81 for the year ended 31 March 2003. These financial statements are the responsibility of the members. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

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

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

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

### **Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Practice.

**MSGM MASUKU JEENA (GAUTENG) INCORPORATED**

**Registered Accountants and Auditors**

**Chartered Accountants (S.A.)**

**Pretoria**

**10 September 2003**



## Report of the members of the Council for the year ended 31 March 2003

### Nature of business

The South African Council for the Property Valuers Profession is a non profit making statutory body, that is governed by the South African Council for Property Valuers Act, 2001. The main statutory functions of the Council can be summarised:

- to provide for the registration of property valuers,
- to promote the professional development of property valuers,
- to promote the property valuers profession to the public, and
- to set, maintain and protect ethical and professional standards for property valuers.

### Review of financial position and results

The results of the Council operations during the year and the state of affairs under review are set out in the attached financial statements and notes thereto.

The results may be summarised as follows:

	2003 R	2002 R
REVENUE	1 382 099	852 827
NET SURPLUS/(DEFICIT) FOR THE YEAR	159 762	(48 596)

### Subsequent events

The Members are not aware of any matters or circumstances arising since the end of the financial period not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the company or the results of its operations.



## Balance sheet

as at 31 March 2003

	notes	2003 R	2002 R
<b>Assets</b>			
<b>Non-current assets</b>		<b>1 110 027</b>	<b>1 103 198</b>
Property, plant and equipment	2	1 110 027	1 103 198
<b>Current assets</b>		<b>456 132</b>	<b>250 111</b>
Trade and other receivables		34 530	13 413
Cash and cash equivalents		421 602	236 698
<b>Total assets</b>		<b>1 566 159</b>	<b>1 353 309</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Accumulated surplus		1 490 121	1 330 359
<b>Current liabilities</b>			
Trade and other payables		76 038	22 950
<b>Total equities and liabilities</b>		<b>1 566 159</b>	<b>1 353 309</b>



## Income statement

for the year ended 31 March 2003

	notes	2003 R	2002 R
Operating revenue		1 249 376	739 589
Other income		70 941	66 558
<b>Gross income</b>		<b>1 320 317</b>	<b>806 147</b>
Operating expenses		(1 221 939)	(901 423)
Personnel costs		(507 179)	(334 419)
Administration costs		(714 760)	(567 004)
<b>Surplus/(deficit) from operations</b>	<b>3</b>	<b>98 378</b>	<b>(95 276)</b>
Net finance income	<b>4</b>	<b>61 384</b>	<b>46 680</b>
<b>Net surplus/(deficit) for the year</b>		<b>159 762</b>	<b>(48 596)</b>

## Statement of changes in equity

for the year ended 31 March 2003

	Accumulated surplus R
Accumulated surplus at 31 March 2001	1 378 955
Net deficit for the year	(48 596)
Balance at 31 March 2002	1 330 359
Net surplus for the year	159 762
<b>Balance at 31 March 2003</b>	<b>1 490 121</b>



## Cash flow statement

for the year ended 31 March 2003

	notes	2003 R	2002 R
<b>Net cash inflow/(outflow) from operating activities</b>		<b>202 160</b>	<b>(17 010)</b>
Cash received from members and other sources		<b>1 299 200</b>	<b>804 712</b>
Cash paid for suppliers and employees		<b>(1 158 424)</b>	<b>(868 402)</b>
Cash generated/(utilised) by operating activities	<b>6</b>	<b>140 776</b>	<b>(63 690)</b>
Interest paid		<b>(398)</b>	<b>-</b>
Interest received		<b>61 782</b>	<b>46 680</b>
<b>Net cash outflow from investing activities</b>		<b>(17 256)</b>	<b>(60 832)</b>
Acquisition of plant, property and equipment		<b>(17 756)</b>	<b>(60 832)</b>
Proceeds on disposal of plant, property and equipment		<b>500</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		<b>184 904</b>	<b>(77 842)</b>
Cash and cash equivalents at beginning of the year		<b>236 698</b>	<b>314 540</b>
<b>Cash and cash equivalents at end of the year</b>		<b>421 602</b>	<b>236 698</b>





# Notes to the financial statements

for the year ended 31 March 2003

## 1. Accounting policies

The annual financial statements incorporate the following principal accounting policies, set out below, which are consistent with those adopted in the previous financial year, unless otherwise indicated.

### 1.1 Statement of compliance

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

### 1.2 Basis of preparation

The financial statements are prepared on the historical cost basis.

### 1.3 Property, plant and equipment

Property, plant and equipment are stated at original cost less depreciation provided on the straight line method.

Depreciation is provided for at the following annual rates, which are considered appropriate to writedown cost over the estimated useful lives of the assets:

Office furniture	10 years
Office equipment	5 years
Computer equipment	3 years
Computer software	2 years

### 1.4 Revenue recognition

Revenue is recognised on accrual of membership and registration fees and is exclusive of Value Added Tax.

### 1.5 Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on calls with banks and bank balances.

### 1.6 Comparative figures

Comparative figures have been adjusted to conform with changes in presentation in the current year.



## 2. Property, plant and equipment

Owned Assets:	2003			2002		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Office buildings	1 037 940	-	1 037 940	1 035 380	-	1 035 380
Office equipment	66 894	(33 445)	33 449	155 485	(117 794)	37 691
Office furniture	52 195	(26 420)	25 775	49 090	(42 968)	6 122
Computer equipment	29 612	(20 526)	9 086	23 459	(7 313)	16 146
Computer software	11 487	(7 710)	3 777	11 487	(3 629)	7 858
	<b>1 198 128</b>	<b>(88 101)</b>	<b>1 110 027</b>	<b>1 274 901</b>	<b>(171 704)</b>	<b>1 103 197</b>

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

2002					
	Carrying value at beginning of the year R	Additions/ Transfers R	Disposals/ Transfers R	Depreciation R	Carrying value at the end of the year R
Office buildings	1 035 380	-	-	-	1 035 380
Office equipment	12 821	33 000	-	(8 130)	37 691
Office furniture	5 456	5 100	-	(4 434)	6 122
Computer equipment	4 959	14 890	-	(3 703)	16 146
Computer software	1 983	7 842	-	(1 967)	7 858
	<b>1 060 599</b>	<b>60 832</b>	<b>-</b>	<b>(18 234)</b>	<b>1 103 198</b>

2003					
	Carrying value at beginning of the year R	Additions/ Transfers R	Disposals/ Transfers R	Depreciation R	Carrying value at the end of the year R
Office buildings	1 035 380	2 560	-	-	1 037 940
Office equipment	37 691	4 500	(500)	(8 243)	33 449
Office furniture	6 122	10 696	(6 153)	15 111	25 775
Computer equipment	16 146	6 153	-	(13 214)	9 086
Computer software	7 858	-	-	(4 081)	3 777
	<b>1 103 198</b>	<b>23 909</b>	<b>(6 653)</b>	<b>(10 427)</b>	<b>1 110 027</b>



	2003	2002
	R	R
<b>3. Net surplus/(deficit) for the year</b>		
Net surplus/(deficit) for the year is stated after the following		
<b>Expenses:</b>		
Auditors' remuneration	12 500	11 200
Depreciation:	10 427	18 234
Office equipment	8 243	8 130
Office furniture	(15 111)	4 434
Computer equipment	13 214	3 703
Software	4 081	1 967
<b>4. Net finance income</b>		
Interest received	61 782	46 680
Interest paid	(398)	-
	<b>61 384</b>	<b>46 680</b>
<b>5. Taxation</b>		
The Council is exempted from taxation in terms of section 10(1) (CA) of the Income Tax Act, 1962.		
<b>6. Notes to the cash flow statement</b>		
Reconciliation of net surplus/(deficit) before taxation to cash (utilised)/generated from operations		
Net surplus/(deficit) for the year	159 762	(48 596)
Adjustment for:	(50 957)	(28 446)
Depreciation	10 427	18 234
Interest paid	398	-
Interest income	(61 782)	(46 680)
Operating surplus/(deficit) before working capital changes	108 805	(77 042)
Working capital changes	31 971	13 352
(Increase) in trade and other receivables	(21 117)	(1 435)
Increase in trade and other payables	53 088	14 787
Cash generated from operations	<b>140 776</b>	<b>(63 690)</b>



## Detailed income statement

for the year ended 31 March 2003

	2003 R	2002 R
Annual fees	1 023 901	688 507
Examination fees	6 316	1 316
Registration fees	218 527	41 476
Interest received	61 782	46 680
Rent received	70 941	66 558
Other revenue from operations	632	8 290
<b>Gross income</b>	<b>1 382 099</b>	<b>852 827</b>
<b>Expenses</b>	<b>1 222 337</b>	<b>901 423</b>
Accounting fees	14 705	18 824
Audit fees	12 500	11 200
Bank charges	9 755	5 126
Committee expenses	64 600	1 104
Computer expenses	2 987	2 598
Depreciation	10 427	18 234
Examination expenses	960	1 415
Financial assistance and grants	96 000	-
Insurance	9 742	9 927
Interest paid	398	-
Legal fees	37 630	70 787
Meetings	22 748	5 114
Municipal costs	31 914	26 837
Postage, printing and stationery	98 261	79 819
Publications	8 486	886
Recording and transcriptions	1 928	1 160
Recruitment expenses	67 669	-
Refreshments	24 128	13 680
Remuneration for Council work	52 719	58 207
Repairs and maintenance	31 229	40 792
RSC levies	1 370	1 178
Salaries and benefits	439 010	334 419
Security expenses	11 587	6 599
Subscriptions	26 313	16 067
Subsistence and travel	115 653	158 797
Telephone and fax	25 518	18 653
Training	500	-
Website maintenance	3 600	-
<b>Net surplus/(deficit) for the year</b>	<b>159 762</b>	<b>(48 596)</b>



## ■ Financial Statements of the South African Council for the Quantity Surveying Profession

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### Executive Council's approval of the annual financial statements

The financial statements set out on pages 84 to 87 were approved by the Executive Committee on 19 November 2003, and signed on its behalf by:

**Mr RL Chauke**  
**President**

**Mr EF Wortmann**  
**Registrar**





# Report of the independent auditors

to the members of the South African Council for the Quantity Surveying Profession

We have audited the annual financial statements of the South African Council for the Quantity Surveying Profession set out on pages 84 to 87 for the year ended 28 February 2003. These financial statements are the responsibility of the Council. Our responsibility is to express an opinion on these financial statements based on our audit.

## Scope

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

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

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

## Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Council at 28 February 2003 and the results of its operations and cash flows for the year then ended in accordance with the South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

## Supplementary information

The supplementary schedule set out on page 87 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

**G Naidoo & Associates**  
**Chartered Accountants (S.A.)**  
**Registered Accountants and Auditors**

**Johannesburg**  
**19 November 2003**



## Balance sheet

as at 28 February 2003

	2003 R	2002 R
<b>Assets</b>		
<b>Current assets</b>		
Accounts receivable	87 257	1 300 071
Cash and cash equivalents	53 448	68 182
<b>Total assets</b>	<b>140 705</b>	<b>1 368 253</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Accumulated surplus	1 717	2 182
<b>Current liabilities</b>	<b>138 988</b>	<b>1 366 071</b>
Accounts payable	62 506	192 332
Deferred income	-	976 790
The Association of South African Quantity Surveyors	76 482	196 949
<b>Total equities and liabilities</b>	<b>140 705</b>	<b>1 368 253</b>

## Income statement

for the year ended 28 February 2003

	notes	2003 R	2002 R
Gross revenue	2	940 297	860 472
Other income		126 778	63 267
Operating costs		1 068 705	1 040 873
Operating deficit		(1 630)	(117 134)
Interest received		1 165	5 112
Deficit for the year		(465)	(112 022)
Accumulated surplus at beginning of year		2 182	5 112
<b>Accumulated surplus at end of year</b>		<b>1 717</b>	<b>2 182</b>

## Statement of changes in equity

for the year ended 28 February 2003

	Distributable reserve R
Balance at 01 March 2001	114 204
Net loss for the year	(112 022)
Balance at 01 March 2002	2 182
Net loss for the year	(465)
<b>Balance at 28 February 2003</b>	<b>1 717</b>

## Cash flow statement

for the year ended 28 February 2003

	notes	2003 R	2002 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		<b>940 297</b>	860 472
Cash paid to suppliers and employees		<b>(956 196)</b>	(930 076)
Cash utilised in operating activities	<b>4.1</b>	<b>(15 196)</b>	(69 604)
Interest received		<b>1 165</b>	5 112
<b>Net cash from investing activities</b>		<b>(14 734)</b>	(64 492)
Decrease in cash and cash equivalents	<b>4.2</b>	<b>(14 734)</b>	(64 492)
Cash and cash equivalents at beginning of the year		<b>68 182</b>	132 674
<b>Cash and cash equivalents at end of the year</b>	<b>4.2</b>	<b>53 448</b>	68 182



# Notes to the financial statements

at 28 February 2003

## 1. Basis of preparation

The financial statements are prepared under the historical cost basis and incorporate the following principal accounting policies which are consistent with that of the previous years and comply with South African Statements of Generally Accepted Accounting Practice.

### 1.1 Revenue recognition

Subscription fees are recorded in the financial statements at the date when services are performed.

### 1.2 Debtors

Debtors are carried at anticipated realisable value. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the year end. Bad debts are written off during the year which they are identified.

## 2. Gross revenue

Gross revenue comprises turnover, which excludes value added tax and represents the invoiced value of services supplied.

## 3. Taxation

No provision has been made for 2003 taxation as the Council is exempt from income tax under section 10 (1) (CN).

## 4. Notes to the cash flow statement

	2003 R	2002 R
<b>4.1 Cash utilised in operating activities</b>		
Net loss	(465)	(112 022)
Adjustments for:		
Interest received	(1 165)	(5 112)
Deferred revenue	-	976 790
Other non-cash items	-	197 149
	<u>(1 630)</u>	<u>1 056 805</u>
Movements in working capital		
Decrease (increase) in accounts receivable	1 212 814	(1 300 071)
Increase in accounts payable	(1 227 083)	173 662
	<u>(15 899)</u>	<u>69 604</u>
<b>4.3 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>53 448</u>	<u>68 182</u>

## Detailed income statement

for the year ended 28 February 2003

	2003 R	2002 R
<b>Gross revenue</b>		
Subscription fees	940 297	860 472
<b>Other income</b>	127 943	68 379
Bad debts recovered	59 025	-
Council examination and assessment of professional competence fees	46 410	47 885
Interest received	1 165	5 112
Registration fees	21 343	15 382
<b>Total income</b>	1 068 240	928 851
<b>Expenditure</b>	1 068 705	1 040 873
Administration fee - The Association of South African Quantity Surveyors	-	12 000
Advertising	-	4 386
Auditors' remuneration	12 425	7 650
Bad debts	-	108 000
Bank charges	14 460	8 727
CPD administration	57 288	-
Computer expenditure	13 017	9 489
Electricity and water	7 488	8 394
Inscribing certificates	-	356
Insurance	7 680	8 865
Leases, rentals, etc.	140 089	137 610
Legal expenses	5 124	8 251
Meeting expenses	125 102	89 929
Metropolitan Council levies	1 968	1 768
Postage	32 015	28 101
Printing and stationery	107 157	43 373
Repairs and maintenance	722	507
Salaries and wages	448 893	485 623
Staff benefits - retirement and medical aid	45 348	43 138
Staff recruitment	6 690	1 546
Sundry expenses	2 000	1 772
Telephone and telefax	39 734	29 696
Transport	1 505	1 692
Deficit for the year	(465)	(112 022)
Accumulated surplus at beginning of year	2 182	114 204
<b>Accumulated surplus at end of year</b>	1 717	2 182



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