

SA COUNCIL FOR THE  
**PROPERTY VALUERS PROFESSION**

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

**ANNUAL REPORT**

**2018/2019 FINANCIAL YEAR**

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## **PART A: GENERAL INFORMATION**

## 1. SACPVP'S GENERAL INFORMATION

**REGISTERED NAME:** SA Council for the Property Valuers Profession

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**EMAIL ADDRESS:** Registrar@Sacpvp.co.za

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**EXTERNAL AUDITORS:** Geyser & du Plessis

**BANKERS:** ABSA BANK

## 2. LIST OF ABBREVIATIONS/ACRONYMS

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

**3. FOREWORD BY THE PRESIDENT**



**JOHN CLOETE**  
**PRESIDENT**

This is my first term at the South African Council for the Property Valuers Profession (SACPVP) as the President. It is indeed an honour to be a member of the SACPVP and would like to thank the Honourable Minister of the Department of Public Works and Infrastructure (DPWI) for the opportunity given to serve as the President of the Council.

I look forward to stand up to the challenges we have in the valuers profession and therefore avail myself to serve selflessly during my term as President.

I would also not forget my predecessors in specific our outgoing President who bridged many gaps and who really served the profession zealously.

At an international level, the SACPVP is a member of the African Real Estate Society (AfRES) and also of the International Association of Assessing Officers (IAAO) and the Council's participation in the International Valuation Standard Council (IVSC) is ground breaking. The objective is to improve our South African valuation standards to international standards and therefore win more confidence in existing and potential investors (nationally and globally) as well as the public.

The Council is currently exploring opportunities into specialised valuations, for example, Plant and equipment valuations.

Locally we made some ground-breaking improvements in terms of mentorship and has now signed a Memorandum of Understanding (MoU) with the Local Government Sector Education and Training Authority (LGSETA).

At a professional level, the Council continues to grapple with hard pressing professional matters. Our applications for the Identification of Work and the publication of the Guidelines on Professional Fees with the Competition Commission is in its final stages.

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

I must extend my gratitude to the new Council members, the Registrar and his staff who work selflessly around the clock to make a positive difference in the Council. Their support and professionalism go without saying.

I believe that a firm foundation was laid in terms of prudent financial and fiscal discipline and sound operational policies.

The Council's strive to bridge more gaps in terms of education, transformation, our valuation standards, internal policies and procedures so as to vigorously serve South African and our international stakeholders better.

  
John Cloete

President

South African Council for the Property Valuers Profession

29 August 2019



**4. REGISTRAR AND CHIEF EXECUTIVE OFFICER'S OVERVIEW**



**MATSOBANE SEOTA  
REGISTRAR**

## **Introduction**

In line with the Strategic Plan of 2018/2019, the following strategic options were agreed as the main thrust and focus in the current financial year - revenue generation, growth, transformation, stakeholder management, creating internal capacity and training. through seminars, webinars and workshops.

The Council has approved the establishment of a Youth desk to address declining registration numbers and to make the profession accessible to a broader spectrum of the society. The Council mainly targets candidate valuers and young professionals. The intent is that participants should be able to connect to our IT platform and share formation and ideas among each other until a workable recommendation is attained and only then will the matter be tabled at a Council meeting to seek implementation.

## **Regulatory challenges**

SACPVP continues to receive complaints from the public about unregistered persons doing valuations for various purposes, mainly divorce matters. SACPVP ascribes this to the rejection of its application to publish its identified work which does not encourage non- registered persons/ valuers to register with the Council and creates a potential to dampen the spirit to promote the profession in the public domain. As a result of the above- mentioned rejection, only the police and our courts of law can deal with these non- registered persons as the Council has jurisdiction only on its registered person. Only after the approval of the said application by the Competition Commission can SACPVP be able to deal with unregistered persons. This will also criminalize anyone who performs valuation without being registered with this Council.

The Department of Public Works and Infrastructure (DPWI) has recently afforded an opportunity for all six Councils for the Built Environment (CBEPs) and the CBE to amend their legislations. This provides that changes be made to, among others, allowing for an Alternative Dispute Resolution (ADR) to settle cases where the stakes are not high for each party and a settlement agreement has already been reached. As the Property Valuers Profession Act, 2000 (Act No. 47 of 2000) provides that all investigated cases be heard by an externally appointed disciplinary tribunal. Composition of a tribunal includes at least an advocate and two assessors; it is time consuming and in the main, costly. The essence of this is that each respondent be afforded an opportunity to a fair presentation or hearing. However, the opportunity by DPWI for all CBEPs to amend its Acts may obviate the composition of a tribunal where parties agree to settle as stated above.

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

## **Registration of professional**

In order to increase the number of professionals, the Council hosts pre-examination workshops before they sit for each of the two examinations. The examination marks of those who attended these workshops tend to be better than those who did not attend. More emphasis is placed on Financial Mathematics (time value of money) and the legal aspects of valuation, especially the constitutional aspects when compensating for expropriation of land/ property for land reform purposes. This initiative has improved the number of candidates who pass the admission examinations to become professionals (Professional Associated Valuers and Professional Valuers).

2018 was the third year since SACPVP started to host a week-long practical work-school. This is a workshop intended to assist candidates (Candidate Valuers and Professional Associated Valuers) to hone in their valuation knowledge. The candidates are guided through presentations and valuation work exercises by experienced valuers and professionals in related fields. SACPVP has noted that more registered professionals would like to attend this work-school to keep abreast of professional developments and to gain CET points.

## **Programme accreditation**

SACPVP continues to recognize valuation programmes being offered at various tertiary institutions throughout the country. The total number of accredited programmes is 11. All programmes were accredited during the fourth term of Council. The fifth term of Council will start accreditation visits from 2020.

It can be seen that the bachelor degrees being accredited are four year degrees-professional degrees span over four instead of the usual three years for a junior degree.

## **Professional Fees and Identification of Work**

The President has mentioned the progress made on these topics (professional fees and Identification of Work) in his Foreword. These fees provide a basis from which professionals charge for their services and they serve to guide consumers of valuation services on what to expect as valuers (professional) fees. New fees will be published soon. Identification of Work will assist in explaining the competencies of various categories of valuers.

## **Internal capacitation**

SACPVP has planned to capacitate itself to be able to deliver on all its mandates as provided for in its Act. To this end, SACPVP and CBE have concluded a Memorandum of Understanding to embark on an exercise of appointing a service provider to upgrade its IT system to be in line with the CBE and other statutory bodies' reporting requirements. This will be an interactive IT system where registered persons are now able to log in and update their registration details. The platform still has to be improved to include discussion groups such as the Youth desk mentioned above.

### Stakeholder liaison

International organisations with offices in South Africa have begun to demand that their valuations both in South Africa and in Africa be done by internationally recognised valuers. To address this, the Council is a member of the International Valuation Standards Committee (IVSC) and the International Association of Assessing Officers- South African Chapter (IAAO-SA). These bodies are custodians of international standards. They play a central role in international recognition of private sector property valuers and municipal valuers, respectively. SACPVP intends to assist our valuers to acclimatize to the changing landscape and globalization of the valuer's profession. Furthermore, in line with the government's African Agenda, the Council is a member of the African Real Estate Society (AfRES), an African Chapter of the International Real Estate Society (IRES). This initiative aims at pursuing the idea of "an African valuer" by creating co-operation with other statutory bodies within Africa. This co-operation is intended to find a common ground and to agree on property valuation qualifications that all participating African valuation bodies should recognise.

### Conclusion

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

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



**Matsobane Seota**  
**Registrar and Chief Executive Officer**  
**South African Council for the Property Valuers Profession**  
**29 August 2019**

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

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

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

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

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

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

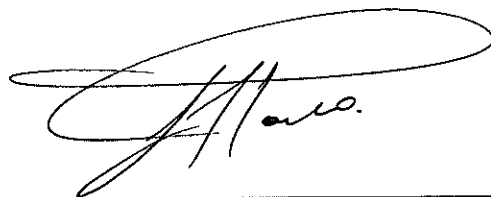
In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of SACPVP for the financial year ended 31 March 2019.

Yours faithfully



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Registrar and Chief Executive Officer of SACPVP  
Matsobane Seota  
29 August 2019



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John Cloete  
President  
South African Council for the Property Valuers Profession  
29 August 2019

## **6. STRATEGIC OVERVIEW**

### **6.1. Vision**

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

### **6.2. Mission**

The vision will be achieved by:

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

### **6.3. Values**

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

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

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Legislative Mandates

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

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

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

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

Table 1: Legislative Mandates

## **7.2 SACPVP'S Functions**

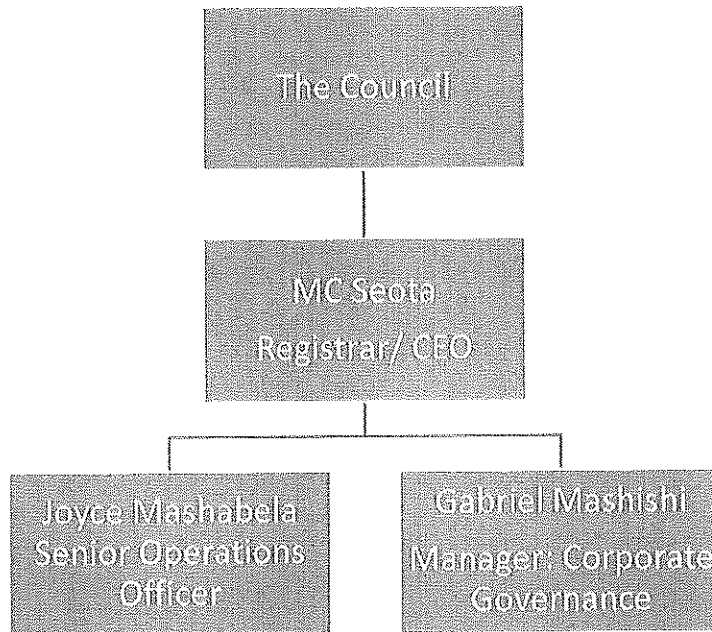
Under the Property Valuers Professional Act 2000, the SACPVP is required to:

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



## 8. MANAGEMENT STRUCTURE

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



## **PART B: PERFORMANCE INFORMATION**

### **1. SITUATIONAL ANALYSIS**

#### **1.1 Introduction**

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

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

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

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

#### **1.2 Service Delivery Environment**

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

International Valuation Standards Council:

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

Royal Institution of Chartered Surveyors:

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

Department of Rural Development and Land Reform:

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

International Association of Assessing Officers (IAAO)

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

African Real Estate Society (AfRES):

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

Property Valuation Voluntary Associations:

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

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

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

Council for the Built Environment (CBE):

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

Tertiary Institutions

- Accreditation of institutions offering valuation qualification

Department of Public Works (DPW):

- Advise on the valuation and related matters within the department

### 1.3 Organisational environment

#### 1.3.1 Strategic Goal 1: To increase the revenue of SACPVP

Outcome	Objectives	Key Performance Indicator	Baseline 2017	2018/19 Target / Measure	How we performed: Number	How we performed: %
Larger organisation	Improvement in retention of registered persons	% decrease in total cancellations	203	>5%	8 of 2075	0.4%
	Better value for customers to stakeholder management	% average of first point call resolution	New indicator	80%		
		% of queries responded to within 5 days	80%	85%		
	Increase in registrations	% increase in registrations	New Ca Val 5%	New Ca Val 7%	30 of 656	4.6%
			Prof 5%	Prof 7%	107 of 1419	7.5%
Facilitate candidate training	Number of candidates trained for examination preparation	60 candidates	70 candidates	63	90%	
Improved financial management	Increase in revenue from existing sources, total income	% increase in revenue from these sources	8%	10%	639k	9.8%
	Increase revenue opportunities	Income <u>other than annual fees</u> as a % of total income received	12%	8%	R1048k	16.0%
	Improve Credit Management	% annual fee collected within [60] days from invoice Age Analysis- 60,90,120d	63%	65%	68%	68%

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

Outcome	Objectives	Key Performance Indicator	Baseline 2012	2018/19 Target / Measure	How we performed
A SACPVP that responds to the developmental objectives of the country.	Understand country needs / Build inter-government relations	% increase in number of inter-governmental platforms used	Act, CBE quarterly reports	Perform as per CBE/DPW	100% reporting
	Create specific categories for registration	Number of persons within new categories	Appraisers to Valuers and Plant and Equipment Valuers	2 2	Rules drafted to enable this indicator
	Improve quality of service provided	Average response time to query	1 week	Anecdotal 3 days	50%
		Average time to action registration request	1 week	4 days	40%
	Strengthen communication with registered persons	(Newsletters, email and sms) Comm platforms in line with plan	Number as per plan	Quarterly and PRN	Quarterly and PRN
	Improve marketing through website	% increase in number of website hits	New indicator	20%	To be introduced on the website 2020/21
Increased participation of HDI particularly women – Transformation	Attract more HDI's to the profession	% of HDI's registered in the profession	26%	33%	768/2075 = 37%
		% of women registered	18%	25%	543/2075 = 26%

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

Outcome	Objectives	Key Performance Indicator	Baseline	2018/19 Target / Measure	How we performed
Improve technology utilisation	Enhance information management systems, i.e., automate / document processes and adopt best practice	Investigate and approve the automation / mechanisation of registration process	New indicator	To introduce in 2019/20	N/A
		Number of process, data and information areas mapped and documented	New indicator	80%	N/A
	Increase the technological reach of SACPVP by registered persons	Investigate the system	New indicator	To introduce in 2021	N/A
Increased understanding and awareness of consumer rights	Improve public protection	Number of public education campaigns held	New indicator	To introduce in 2021	N/A
		Number of information articles or reports produced for public benefit	New indicator	To introduce in 2021	N/A
Efficient regulatory function		% of cases managed within agreed procedural timescales	7	>60%	33%
	Improve measurement and self-assessment	Availability of the standard setting framework/ std operating procedures	New indicator	To introduce in 2021	N/A
		Develop self-assessment tool and the number of formal self-assessments conducted	New Indicator	To introduce in 2021	N/A
		% of reports / outputs produced accurately and on time	Registrar, AFS, CBE, SAQA	100%	100%
	Produce accurate management (including month end, control,	% of matters of emphasis effectively addressed through audits	100%	100%	100%

	budget, ad hoc) and statutory reports within set timetable	% of reports produced as per required accuracy, timeframe and formatting requirements	100%	100%	100%
		% of accounting reports kept up to date in line with legal requirements	100%	100%	100%
		Provide accurate project reporting and monitoring	% of projects reported on as per reporting timetable	100%	100%
	Ops and Functional structures	Approved structure and organogram	100%	100%	100%
	Corporate Governance	Effective strategic guidance for org delivery.	New Indicator	To introduce in 2020	N/A
		Clean financial audit	100% annually since inception	100%	100%
Increased partnerships / research alliances with valuation bodies	Promote partnerships and joint problem solving	Number of partnerships agreed nationally with voluntary associations (VAs)	# and reports of engagements with VAs	4	4
<p>List of Voluntary Associations:</p> <ol style="list-style-type: none"> <li>1. Black Professional Valuers Association</li> <li>2. Professional Valuers Association</li> <li>3. South African Institute of Valuers (Not that active)</li> </ol>					



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

Outcome	Objectives	Key Performance Indicator	Baseline	2018/19 Target / Measure	How we performed
A SACPVP that is a learning site and a resource centre for skills development and transfer	Increase research and development	Number of research papers. Number of persons accessing the reports	New indicator	N/A	N/A
SACPVP seen as a thought leader in the sector	Create new registration categories	Persons registered in new categories created	New indicator	Rules as per approved SACPVP guidelines	N/A

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

Outcome	Objectives	Key Performance Indicator	Baseline	2018/19 Target / Measure	How we performed
Professionals	Identify and close the skills gap among Professionals  Implement new training and mentorship programmes	% of training requirements addressed according to training and development plans	New indicator	To introduce in 2020/21	N/A
	Creating CET Programmes	Number of approved programmes and implementation in line with the plan	New Council to adopt programme	Measure after Council adoption	N/A
Relevant training of staff within the Council	Acquire services of education officer/ service provider to provide training and development of registered persons and staff	Develop training programmes (internal) including identification of skills gaps,  Each staff member's PDP	New indicator	To introduce in 2021/22	N/A
Good Corporate Governance	Build effective leadership, management and governance	Availability of an up to date risk management strategy/ plan	New indicator	Review risk framework 2021/22	N/A
		% compliance with milestones of the risk management plan	New indicator	To introduce in 2021/22	N/A
		Developed and approved appropriate policies	New indicator	To introduce in 2021/22	N/A
		% compliance with applicable legislation, policies and guidelines	New indicator	To introduce in 2021/22	N/A
	Develop effective teams living organisational values	Developed employee climate survey  % improvement in the results of the employee climate survey	Develop and administer staff satisfaction survey	To introduce in 2021/22	N/A

## 1.4 Accredited programmes

University	Programme	Accreditation Status
University of Cape Town	BSc Hons in Property Studies	Full Accreditation
	Post Graduate Diploma in Property Studies	Full Accreditation
	MSc in Property Studies	Full Accreditation
University of Johannesburg	BCom Hons (Property Valuation & Management) together with BCom Finance, Advanced Diploma or Bridging Course in Finance	Full Accreditation
University of Pretoria	BSc Hons Real Estate	Full Accreditation
	MSc Real Estate	Full Accreditation
University of Free State	Master of Land and Property Development Management (MLPM) Property Valuation	Conditional Accreditation
University of the Witwatersrand	BSc in Property Studies (four years)	Full Accreditation
	Post Graduate Diploma in Property Studies	Full Accreditation
	MSc in Property Studies	Full Accreditation
Cape Peninsula University of Technology	National Diploma in Real Estate (Property Valuation)  A degree in Real Estate will be introduced in 2020	Full Accreditation
University of South Africa	National Diploma in Real Estate (Property Valuation)	Discontinued end of 2011 academic year

## **PART C: GOVERNANCE**

## **1. INTRODUCTION**

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

## **2. EXECUTIVE AUTHORITY**

Statutorily, the council reports to the Department of Public Works and Infrastructure (DPWI). The DPWI Minister appoints members of the council. SACPVP hopes to progress the conclusion of DPWI's concern of it not being PFMA compliant. CBE and the CBEPs awaits Treasury Department's direction about how CBEPs are expected to comply with governance measures that will satisfy the Government because PFMA compliance requirements are costly and may be onerous for some CBEPs, for instance, the appointment of certain key personnel like a Chief Financial Officer.

## **3. THE ACCOUNTING AUTHORITY / COUNCIL**

The council was appointed by the Minister of Public Works and Infrastructure in terms of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000). During this period new member of (the fifth) Council were appointed and will be in office until 2022.

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

### Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
M Kubuzie	President	28 January 2014	N/A	MBA, BA, BEd, and BTech in Real Estate	Valuation and Strategic Mgt	None	Management and Transformation Comm	2
C Gavor	Vice President and Chair of Education Comm	28 January 2014	N/A	MBA, MSc and BSc in Land Economy	Valuation	None	Education and Registration and Management Comms	4
H Ndlovu	Chair of Registration Comm	28 January 2014	N/A	ND Estate Real	Valuation	None	Registration; Education and Investigations Comms	4
SD Kuppan	Members and Chair Investigation Com	28 January 2014 and 29 June 2018	N/A	ND Estate Real	Valuation	None	Education and Registration Comms	11
N Betela	Member	28 January 2014 and 29 June 2018	N/A	ND Estate Real	Valuation	None	Education, Registration, Transformation Comms	11
DB de Wet	Member and Chair of Investigation Com	28 January 2014 and 29 June 2018	N/A	ND Estate; MBA Real	Valuation	None	Education Marketing and Investigation Comms	15
ND Naidoo	Vice President and Chair of Education Comm	28 January 2014 and 29 June 2018	N/A	ND Estate; Admin Real B	Valuation	None	Public Relations & Marketing	13
CP Lawrence	Chair of Transformation Comm	28 January 2014 and 29 June 2018	N/A	BTech Real Estate (Property Valuation)	Valuation	None	Transformation Comm and Public Relations & Marketing	6
CD Kneale	Member	28 January 2014	N/A	Fellow of Chartered Institute of Secretaries and Administrators	Company Secretary	Chair of Audit and Risk Committee for Financial Intelligence Centre	Transformation; Registration Comms	1

JF Cloete	President	29 June 2018	N/A	ND Real Estate; MBA	Valuation	None	Management Transformation Comms	6
M Chidi	Chair of Marketing & Public Relation Comm	29 June 2018	N/A	ND Real Estate; MSc	Valuation	None	Public Relations & Marketing and Transformation Comms	6
T Letsholo	Member	29 June 2018	N/A	ND Real Estate	Valuation	None	Registration and Investigation	6
M Pitjeng	Member	29 June 2018	N/A	B Com	Valuation	Denel	Education, Investigation	3
G Rentzke	Member	29 June 2018	N/A	ND Real Estate	Valuation	None	Public Relations & Marketing	3



### Committees

Committee	No. of meetings held	No. of members	Name of members
Education	3	5	ND Naidoo, SD Kuppan, N Betela, M Pitjeng and D de Wet
Registration	2	5	SD Kuppan, N Betela, T Letsholo, G Rentzke and D de Wet
Marketing & Public Relations	2	4	M Chidi, N Naidoo, G Rentzke and C Lawrence
Investigations	2	3	D de Wet, T Letsholo and M Pitjeng
Transformation	2	4	C Lawrence, M Chidi, N Betela and J Cloete
Management	2	1	J Cloete and any member (by invitation)

### Remuneration of council members

The remuneration of Council members were initially determined in accordance with Treasury Guidelines for remuneration of board members and are being adjusted annually as per council's determination. All council members are remunerated per attendance of meetings. The following council members were remunerated as follows during the year under review.

Name	Remuneration	Total
M Kubuzie	0,00	0,00
C Gavor	100,148	100,148
N Betela	37,000	37,000
D de Wet	52,636	52,636
SD Kuppan	33,300	33,300
ND Naidoo	37,736	37,736
HV Ndlovu	34,384	34,384
CP Lawrence	31,808	31,808
CD Kneale	3,360	3,360
M Chidi	19,700	19,700
J Cloete	7,400	7,400
T Letsholo	7,400	7,400
M Pitjeng	11,100	11,100
G Rentzke	11,100	11,100
<b>TOTAL</b>	<b>387,072</b>	<b>387,072</b>

**4. RISK MANAGEMENT**

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

**5. FRAUD AND CORRUPTION**

SACPVP is part of the Council for the Built Environment Fraud Awareness and Prevention initiative.

**6. CODE OF CONDUCT**

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

**7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

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

## **PART D: HUMAN RESOURCE MANAGEMENT**

## 1. INTRODUCTION

- Overview of HR matters of SACPVP

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

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

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

- Policy development

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

- Challenges faced by SACPVP

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

- Future HR plans /goals

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

### **Personnel cost by salary band**

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2,395	73%	3	798
Skilled				
Semi-skilled	716	22%	4	179
Unskilled	153	5%	1	153
<b>TOTAL</b>	<b>3,264</b>	<b>100%</b>	<b>8</b>	<b>408</b>

**Employment changes**

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Semi-skilled	4	0	0	4
Unskilled	1	0	0	1
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>

No appointments and no resignations in the year under review.

**Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	0	0
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Labour Relations: Misconduct and disciplinary action**

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

**Equity Target and Employment Equity Status**

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

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	0	0
Semi-skilled	1	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Semi-skilled	3	3	0	0	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## **PART E: FINANCIAL INFORMATION**

**1. REPORT OF THE EXTERNAL AUDITOR**

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

**2. ANNUAL FINANCIAL STATEMENTS**

The 2018/ 2019 Audited Annual Financial Statements are annexed hereto.



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

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

**FINANCIAL STATEMENTS**

for the year ended

**31 MARCH 2019**



**GEYSER & DU PLESSIS**

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

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

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### FINANCIAL STATEMENTS

for the year ended

**31 MARCH 2019**

#### Members of the Council

##### 28 January 2014 - 28 June 2018

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

##### From 29 June 2018

J F Cloete (President)  
 N D Naidoo (Vice-President)  
 N Betela  
 M Chidi  
 S D Kuppan  
 C P Lawrence  
 T Letsholo  
 M Pitjeng  
 G M Rentzke  
 D B de Wet  
 M C Seota (Registrar)

#### Business address

77 Kariba Street  
 Lynnwood Glen  
 Pretoria  
 0081

#### Bankers

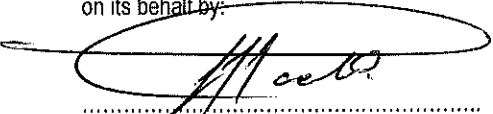
ABSA Bank Limited  
 Investec Private Bank

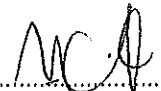
#### Auditors

Geyser and du Plessis, Pretoria

#### APPROVAL BY COUNCIL

The annual financial statements enclosed on pages 5 to 18 were approved by the Council on 23 August 2019 and signed on its behalf by:

  
 .....  
 PRESIDENT - J F Cloete

  
 .....  
 REGISTRAR - M C Seota

#### INDEX

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

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

Annexure - Other operating expenses	18
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**GEYSER & DU PLESSIS**

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

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

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

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

### **REPORT OF THE INDEPENDENT AUDITORS TO THE PRESIDENT AND MEMBERS**

for the year ended

**31 MARCH 2019**

#### ***Opinion***

We have audited the financial statements of South African Council for the Property Valuers Profession, which comprise the statement of financial position as at 31 March 2019, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 17.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of South African Council for the Property Valuers Profession as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized entities and the requirements of the Companies Act.

#### ***Basis for opinion***

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

#### ***Other information***

The members of the council are responsible for the other information. The other information comprises the Council's Report which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **VENNOTE / PARTNERS**

JC Greyling CA (SA) RA / J Leiding CA (SA) RA / FC Vorster CA (SA) RA / MW de Bruyn CA (SA) RA MBL MDP B-BBEE

#### **KONSULTANT / CONSULTANT**

JH du Plessis CA (SA)

#### **PROFESIONELE ASSISTENTE / PROFESSIONAL ASSISTANTS**

S Eksteen CA (SA) / M Botha CA (SA) / J Pretorius CA (SA)

M McCallum AGA (SA) / L Lambert PA (SA) / M Moolman PA (SA) / A Spammer PA (SA)

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

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

for the year ended

31 MARCH 2019

#### ***Responsibilities of the members of the Council for the Financial Statements***

The members of the Council are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the members of the Council are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the Council either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


#### ***Auditor's responsibilities for the audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Council.
- Conclude on the appropriateness of the members of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will communicate with the members of the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
 HC VORSTER CA(SA) - PARTNER  
 GEYLER & DU PLESSIS  
 Registered Auditors (S A)  
 PRETORIA

23/8/2019  
 Date

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### COUNCIL'S REPORT

for the year ended

31 MARCH 2019

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#### Introduction

The Council hereby presents its report on its activities for the year ended 31 March 2019.

#### Nature of business

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

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

#### Statements of responsibility

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

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

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

#### Overview of financial results

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

#### Administration of Bursary and Internship Schemes

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

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### COUNCIL'S REPORT - CONTINUED

for the year ended

31 MARCH 2019

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#### Events subsequent to year-end

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

#### Going concern

The members have reviewed the Council's budget and cash flow forecast for the year ending 31 March 2020. On the basis of this review and in the light of the current financial position, the members are satisfied that the Council is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

#### Council

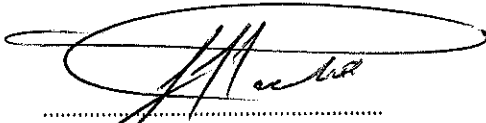
The Council is a statutory body juristic person, established by section 2 of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000). The Council was appointed on 29 June 2018, by the Minister of Public Works for a period of four years. The Council can be regarded as the legal custodian of the property valuers profession in South Africa.

#### ***Business address***

77 Kariba Street  
Lynnwood Glen  
Pretoria  
0081

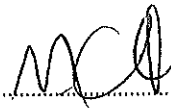
#### ***Postal address***

P O Box 114  
Menlyn  
0063



.....  
PRESIDENT

.....  
23 August 2019  
Date



.....  
REGISTRAR

.....  
23 August 2019  
Date

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### STATEMENT OF FINANCIAL POSITION

as at

31 MARCH 2019

	Notes	2019 R	2018 R
<b>ASSETS :</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	3 659 200	3 637 556
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	4 491 664	3 755 477
Deposits	3	4 451 782	3 752 151
Receivables	4	10 087	3 326
		29 795	-
<b>TOTAL ASSETS</b>		<b>8 150 863</b>	<b>7 393 033</b>
<b>EQUITY AND LIABILITIES :</b>			
<b>RESERVES</b>			
Accumulated funds		5 859 675	5 103 717
Non-distributable reserves		3 397 615	2 641 657
		2 462 060	2 462 060
<b>CURRENT LIABILITIES</b>			
Payables	5	2 291 189	2 289 316
Provisions	6	2 011 511	1 988 115
		279 678	301 201
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8 150 863</b>	<b>7 393 033</b>

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended

31 MARCH 2019

	Notes	2019 R	2018 R
<b>GROSS REVENUE</b>	7	5 465 599	5 434 212
<b>OTHER OPERATING INCOME</b>	8	1 047 793	440 474
<b>COUNCIL AND COMMITTEE MEETINGS</b>		6 513 391	5 874 686
		(339 320)	(443 942)
<b>EMPLOYEE COSTS</b>		(3 891 972)	(3 281 296)
<b>DEPRECIATION</b>		(47 046)	(36 639)
<b>OTHER OPERATING EXPENSES</b>	9	(1 965 495)	(2 340 656)
<b>INVESTMENT INCOME</b>	10	269 559	(227 848)
		487 289	498 050
<b>FINANCE COSTS</b>		(890)	(5)
<b>NET SURPLUS FOR THE YEAR</b>		755 958	270 199



## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### STATEMENT OF CHANGES IN EQUITY

for the year ended

**31 MARCH 2019**

	Non-distributable reserves R	Accumulated funds R	Total R
<b>BALANCE AT 31 MARCH 2017</b>	2 462 060	2 371 458	4 833 518
<b>NET SURPLUS FOR THE YEAR</b>	<u>-</u>	<u>270 199</u>	<u>270 199</u>
<b>BALANCE AT 31 MARCH 2018</b>	2 462 060	2 641 657	5 103 717
<b>NET SURPLUS FOR THE YEAR</b>	<u>-</u>	<u>755 958</u>	<u>755 958</u>
<b>BALANCE AT 31 MARCH 2019</b>	<u><u>2 462 060</u></u>	<u><u>3 397 615</u></u>	<u><u>5 859 675</u></u>

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

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

**STATEMENT OF CASH FLOWS**

for the year ended

**31 MARCH 2019**

	Notes	2019 R	2018 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		768 323	795 552
Cash received from registered persons and related entities		5 435 804	5 434 212
Cash paid to suppliers and employees		<u>(5 153 880)</u>	<u>(5 219 987)</u>
Cash generated from / (utilized in) operations	11	281 924	214 225
Investment income		487 289	498 050
Finance costs		<u>(890)</u>	<u>(5)</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<u>(68 692)</u>	<u>(75 849)</u>
Proceeds on disposal of assets		-	-
Acquisition of fixed assets		<u>(68 692)</u>	<u>(75 849)</u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		699 631	719 703
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>3 752 151</u>	<u>3 115 730</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	2	<u><u>4 451 782</u></u>	<u><u>3 752 151</u></u>

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

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

**SUMMARY OF ACCOUNTING POLICIES**

for the year ended

**31 MARCH 2019****Presentation of financial statements**

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

**Accounting policies**

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

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

**1. Property, plant and equipment**

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

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

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

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

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

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

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

***Impairment of assets***

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

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

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**SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

for the year ended

**31 MARCH 2019****2. Financial instruments***Financial assets*

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

*Financial liabilities*

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

*Recognition*

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

*Measurement*

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

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

**3. Revenue**

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

**4. Provisions**

Provisions are recognised when the following conditions have been met:

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

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

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended

**31 MARCH 2019**

	Total R	Office buildings R	Office equipment R	Office furniture R	Computer equipment R	Website and database development R	Computer software R
<b>1. Property, plant and equipment - 2019</b>							
Carrying value beginning of year	3 637 556	3 500 000	50 696	21 476	65 378	-	4
- At cost	1 064 915	-	297 654	115 254	214 433	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(927 359)	-	(246 958)	(93 778)	(149 055)	(163 919)	(273 651)
<b>Movements during the year</b>							
- Purchases, acquisitions and improvements	68 692	-	-	-	33 042	-	35 650
- Revaluations	-	-	-	-	-	-	-
- Depreciation	(47 046)	-	(15 199)	(4 912)	(26 935)	-	-
Carrying value end of year	3 659 200	3 500 000	35 497	16 564	71 485	-	35 654
- At cost	1 133 607	-	297 654	115 254	247 475	163 919	309 305
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(974 407)	-	(262 157)	(98 690)	(175 990)	(163 919)	(273 651)

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

**31 MARCH 2019**

	Total R	Office buildings R	Office equipment R	Office furniture R	Computer equipment R	Website and database development R	Computer software R
<b>Property, plant and equipment - 2018</b>							
Carrying value beginning of year	3 598 344	3 500 000	71 213	27 116	11	-	4
- At cost	989 066	-	297 654	115 254	138 584	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(890 722)	-	(226 441)	(88 138)	(138 573)	(163 919)	(273 651)
Movements during the year							
- Purchases, acquisitions and improvements	75 849	-	-	-	75 849	-	-
- Revaluations	-	-	-	-	-	-	-
- Depreciation	(36 639)	-	(20 517)	(5 640)	(10 482)	-	-
Carrying value end of year	3 637 556	3 500 000	50 696	21 476	65 378	-	4
- At cost	1 064 915	-	297 654	115 254	214 433	163 919	273 655
- At revaluation	3 500 000	3 500 000	-	-	-	-	-
- Accumulated depreciation	(927 359)	-	(246 958)	(93 778)	(149 055)	(163 919)	(273 651)

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended

31 MARCH 2019

	2019 R	2018 R
<b>1. <u>Property, plant and equipment - continued</u></b>		
Office building situated at 77 Kariba Street, Pretoria is described as Erf 221, Lynnwood Glen, Pretoria		
The office building was revalued at R3 500 000 on 4 June 2012 by a professional valuer - Gugu Makongwana.		
The total carrying value at the end of the year for property, plant and equipment:	3 659 200	3 637 556
<b>2. <u>Cash and cash equivalents</u></b>		
Absa Bank Limited	2 862 621	2 282 773
Investec Private Bank	1 587 129	1 465 853
Cash on hand	2 032	3 525
	4 451 782	3 752 151
<b>3. <u>Deposit</u></b>		
Municipal deposit	10 087	3 326
	10 087	3 326
<b>4. <u>Receivables</u></b>		
Trade receivables	29 795	
	29 795	-
<b>5. <u>Payables</u></b>		
CBE levies	61 710	82 525
SARS - PAYE/UIF/SDL	-	61 952
Carried forward	61 710	144 477

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

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

for the year ended

**31 MARCH 2019**

	2019 R	2018 R		
<b><u>Payables - continued</u></b>				
Brought forward	61 710	144 477		
Income received in advance	1 559 964	1 449 499		
Sundry creditors	127 595	216 559		
SARS - VAT	262 243	177 580		
	<b>2 011 511</b>	<b>1 988 115</b>		
<b>6. <u>Provisions</u></b>				
	Opening balance R	Additions R	Utilised during the year R	Total R
<i>Reconciliation of provisions - 2019</i>				
- Bonus provision	79 626	78 289	(79 626)	78 289
- Leave pay provision	221 575	201 389	(221 575)	201 389
	<b>301 201</b>	<b>279 678</b>	<b>(301 201)</b>	<b>279 678</b>
<i>Reconciliation of provisions - 2018</i>				
- Bonus provision	67 561	79 626	(67 561)	79 626
- Leave pay provision	281 668	221 575	(281 668)	221 575
	<b>349 229</b>	<b>301 201</b>	<b>(349 229)</b>	<b>301 201</b>
<b>7. <u>Gross revenue</u></b>				
Annual fees			2 996 840	4 635 576
Examination fees			611 521	448 380
Registration fees			1 833 754	341 437
Admin fees			23 484	8 817
			<b>5 465 599</b>	<b>5 434 212</b>



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

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

for the year ended

**31 MARCH 2019**

	2019 R	2018 R
<b>8. <u>Other operating income</u></b>		
Conferences, seminars and workshops	766 625	195 553
Rent received	242 950	102 000
Other	36 068	50 515
Duplicate certificates	2 150	6 006
Accreditation visit charge	-	86 400
	<u>1 047 793</u>	<u>440 474</u>
<b>9. <u>Other operating expenses</u></b>		
<i>Other operating expenses in the Annexure include:</i>		
- Audit services	53 689	55 185
	<u>53 689</u>	<u>55 185</u>
<b>10. <u>Investment income</u></b>		
Interest received	487 289	498 050
	<u>487 289</u>	<u>498 050</u>
<b>11. <u>Notes to the statement of cash flow</u></b>		
<b><u>Reconciliation of net surplus with cash generated from operations</u></b>		
Net surplus for the year	755 958	270 199
Adjustments for:		
- Finance costs	890	5
- Investment income	(487 289)	(498 050)
- Depreciation	47 046	36 639
	<u>316 605</u>	<u>(191 208)</u>
Changes in working capital	(34 681)	405 433
- Increase in creditors	1 874	405 433
- Increase in debtors	(36 555)	-
	<u>281 924</u>	<u>214 225</u>

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## ANNEXURE

## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

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

## OTHER OPERATING EXPENSES

for the year ended

31 MARCH 2019

	2019 R	2018 R
Subsistence and travel expenses	305 859	141 293
Other employee costs	294 147	209 861
Database upgrades and computing	217 339	167 204
Municipal rates, taxes and levies	204 148	149 270
Postage and communications	184 493	127 486
Training and workshops	161 300	60 834
Remuneration for Council work	123 340	117 071
Repairs and maintenance	100 164	143 387
Marketing and refreshments	97 056	39 612
Examination expenses	80 951	85 243
Membership fees IVSC	63 819	58 985
Staff recruitment, training and welfare	57 583	60 552
Insurance	56 208	47 661
Conferences and seminars	55 491	1 617
Auditors' remuneration	53 689	55 185
Disciplinary hearings and legal services	47 104	277 190
Fees for bookkeeper	44 133	268 800
Advertisements and notices	41 470	62 207
Recordings and transcripts	33 871	86 003
IT expenses	29 988	52 349
Consulting fees	24 708	82 690
Bank charges	19 989	35 116
Security	7 967	11 040
	<u>2 304 815</u>	<u>2 340 656</u>