



# Annual Report 2014/2015



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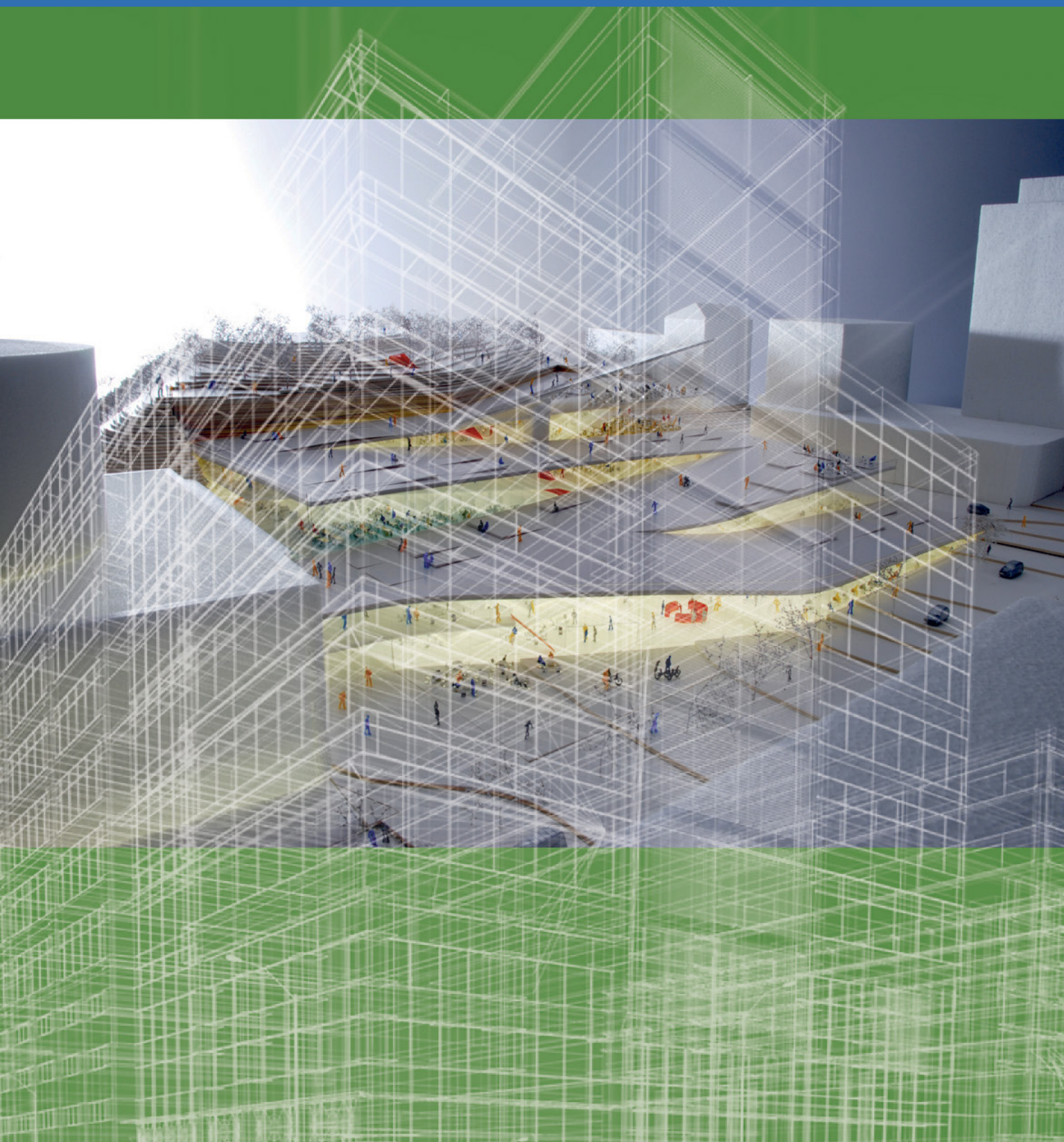
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# PART 1



# GENERAL INFORMATION

Registered name:	South African Council for the Architectural Profession (SACAP)
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E-mail address:	info@sacapsa.com
Website address:	<a href="http://www.sacapsa.com">http://www.sacapsa.com</a>
External auditors:	Nexia SAB&T
Bankers:	First National Bank

# LIST OF ABBREVIATIONS/ACRONYMS

## Stakeholders (National)

CBE	Council for the Built Environment
CHE	Council on Higher Education
CIDB	Construction Industry Development Board
DAC	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DHET	Department of Higher Education and Training
DPW	Department of Public Works
DTI	Department of Trade and Industry
ECSA	Engineering Council of South Africa
NHBRC	National Home Builders Regulators Council
QTCO	Quality Council for Trade & Occupations
SACLAP	South African Council for the Landscape Architectural Profession
SACPVP	South African Council for Property Valuers Profession
SACPCMP	South African Council for Project & Construction Managers Profession
SACQSP	South African Council for Quantity Survey Profession
SAQA	South African Qualification Authority

## Stakeholders (international)

AUA	African Union of Architects
ARB	Architectural Regulations Board
CAA	Commonwealth Association of Architects
RIBA	Royal Institute of British Architects
UIA	Union of International Architects

## Stakeholders (Architectural Learning Sites)

CPUT	Cape Peninsula University of Technology
DUT	Durban University of Technology
NMMU	Nelson Mandela Metropolitan University
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg
UKZN	University of Kwa-Zulu Natal
UP	University of Pretoria
TUT	Tshwane University of Technology
WITS	University of the Witwatersrand

## Stakeholders (Voluntary Associations)

BKIA	Border Kei Institute of Architects
CIA	Cape Institute for Architecture
ECIA	Eastern Cape Institute of Architects
FSIA	Free State Institute of Architects
GIFA	Gauteng Institute for Architecture
KZNIA	Kwa-Zulu Natal Institute for Architecture
PIA	Pretoria Institute for Architecture
SAIA	South African Institute of Architects
SAIAT	South African Institute of Architectural Technologists
SAIBD	South African Institute of Building Designers

SAID	South African Institute of Draughting
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## SACAP Categories of Registration

CAD	Candidate Architectural Draughtsperson
CAT	Candidate Architectural Technologist
CSAT	Candidate Senior Architect Technologist
CANT	Candidate Architect
PAD	Professional Architectural Draughtsperson
PAT	Professional Architectural Technologist
PSAT	Professional Senior Architectural Technologist
Pr Arch	Professional Architect

## Other – generic

Act	Architectural Professions Act, 2000 (Act No.44 of 200)
ALS	Accredited Learning Sites
CPD	Continuing Professional Development
HR	Human Resources
ICT	Information, Communication and Technology
MCS	Management Control Systems
PFMA	Public Finance Management Act
QMS	Quality Management Systems

## Regulator South African Council for the Architectural Profession

RPL	Recognition of Prior Learning
SCM	Supply Chain Management
IDoW	Identification of Work



# FOREWORD



**Mr. Yashaen Luckan**  
President

The Public Works Ministry appointed and inaugurated the 4th Term Council in the current financial year under review and I am delighted to have been elected as the President.

The last three Council terms focussed on the growth of the Architectural profession; in the 4th Term we have a new focus and direction: transformation. Transformation will be the overarching focus across all pillars of the profession.

Transformation will ensure that the demographic representation in the profession aligns with that of the Country. Transformation is not merely seen as “colour by numbers”, but further deals with issues of professional development and the quality of architectural education as this impacts on the spatial transformation of the built environment. Transformation will also be projected into the future as architecture is a key factor influencing the urban fabric, the spatial transformation of existing cities and settlements and the design of new cities.

Our profession is at the helm of the development process, as such designing for the future starts in the present. Going forward, the transformation of people, places and systems will underpin everything that we do. Transformation will also guide us in how we perceive the profession, not only from a South African perspective but from a global one, thus ensuring that we keep pace with what is happening on the international agenda.

Our aim is to be the best regulator in the Built Environment Profession (BEP). In this regard, the Council has throughout the year focussed on the following:

- SACAP’s new vision, mission and values;
- Development of a 5 year business/strategic plan;

- Appointment of Council’s committees;
- SACAP’s Policies;
- Categories of Registration; and
- International Benchmarking

Transformation further relates to systems and processes and the implementation thereof in order to develop a sustainable profession.

## **SACAP’s new vision, mission and values**

The Council had developed and adopted a new vision, mission and set of values and has positioned itself to ensure that the vision, mission and values that have just been structured are achieved as these will guide the profession and sustain its inherent value within the Built Environment Profession. The Council has further developed three main objectives, namely transformation, growth and development and regulation. These objectives will act as guidelines to the Council’s activities.

Our role as the regulator is to guide the profession and protect the public. This mandate leads to our new vision of People-centred architecture for South Africa. Our mission is to transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence in the broader scope of our work.

The value of excellence begins with the promotion of architecture as a career, at school level, to ensure that children know about the profession and perceive it as a desirable career path. SACAP has developed a rigorous validation system, guided by the “Purple Book”, which acts as its quality assurance mechanism for architectural education. Our relationship with the Canberra Accord now affords SACAP the opportunity to benchmark our quality of education and the accreditation thereof against international best practice. Excellence, very

importantly, also refers to the promotion and development of excellence in architectural practice in order to improve the value of architecture to society. The quality and value of CPD courses are of critical importance in this regard. Excellence in terms of service delivery is another key value. SACAP, as a regulator, strives towards excellence in order to ensure that the architectural profession is well regulated and that architecture as a profession has a sustainable future.

Transformation is pertinent to all levels of the architectural profession and has therefore been adopted as the overarching objective of Council, its committees, the executive and all employees of the Council. This objective underpins all of the activities of SACAP.

Growth and development has also been identified as a key focus to ensure that the 4th Term Council grows and develops the Architectural profession. This will be achieved through various Council activities. Furthermore, we will continue to engage with all stakeholders to maintain and strengthen relationships.

### Development of SACAP's 5 Year Business/Strategic Plan

The Council has developed and begun implementing its 5 year business/strategic plan. The plan is aligned to the Department of Public Works' National Development Plan (NDP) and not only outlines measurable goals, it provides direction in line with that of the NDP. Furthermore, the business/strategic plan has been used to develop operational plans which will assist the Council in executing its mandate. The plan will be reviewed annually for a period of 5 years, to ensure that the Council is up to date with all activities and that the plan is amended where necessary.

### Appointment of Council's Committees

In accordance with Section 17 of the Act, the Council restructured and established twelve committees and has further empowered itself with 3 more committees compared to the 3rd term to ensure the successful implementation of the strategic objectives. The established committees are outlined on page 37 - 38 of the Annual Report.

### SACAP's Key Policies

In order to achieve significant development in transformation of the profession, the council has earmarked 4 main policies to drive this process, namely; Review of Professional Fees, Identification of Work (IDoW), Continuing Professional Development (CPD) and Recognition of Prior Learning (RPL).

**Review of Professional Fees** – professional fees are in the process of being reviewed in order to be in line with what is market-related and to ensure the transformation of people within the profession.

**IDoW** – The 4th Terms Council went back to the drawing board and relooked the fundamentals of the IDoW and have put a new framework in place, which will be put out for public comment.

**CPD** – although a new framework has been created, it is still in development and intensive consultative processes will be undertaken prior to gazetting.

**RPL** - The 4th Term Council, in ensuring they meet all of their mandates, have now reinstated a Recognition of Prior Learning (RPL) sub-committee.

The Council is reviewing all existing policies and thorough consultation will be undertaken with external and internal stakeholders before such policies are gazetted.

### Re-establishment of Recognition of Prior Learning (RPL)

We have taken great lengths in terms of revising the RPL procedure and will be utilising this methodology as a main driver for transformation. This will assist the Council to grow and develop the number of professionals/practitioners and, in so doing, implicitly drive its demographic objective of transformation.

### Categories of Registration

In terms of Section 18 of the Act, the Council will review the introduction of new professional categories by engaging with affected stakeholders. Interior Designers have made an overture to be incorporated into, and be regulated by SACAP. Consideration and due diligence is being effected in this regard.

### Amendment of the Act

As global trends and external environments change and evolve, so too must the Council's Act, which has been in effect since 2000. The profession has evolved, so too has its context and this has resulted in gaps identified in the Act. Through the respective legislative mechanisms, the Council will engage with all its stakeholders in terms of the Act in order to make it more responsive to the current realities facing the architectural and built environment professions. This is seen as critical in developing a sustainable architectural profession.

### International Benchmarking

For SACAP to compete in a global forum, we need to position the architectural profession in South Africa against international benchmarks. As part of our focus on transformation, we are raising the level of education and ensuring that we are looking to international trends against the outcomes that our students are meeting, to ensure that we keep pace.

In the financial year 2014/15, the Council participated in the UIA2014 Durban Congress. This world class event catapulted South Africa into the spotlight for architecture. We worked with the local organising committee to ensure that this world event was a success. Our participation as the country's regulator was positive and our exhibition stand was well supported and served as an important information source for both well-seasoned local and international registered professionals and newcomers into the field.

SACAP currently has provisional membership status with the Canberra Accord (International Accreditation Body). As part of addressing transformation, SACAP will be strengthening our links with international bodies to meet our strategic intentions of keeping abreast of the global trends and challenges. We are moving towards full member status with the Canberra Accord and in this process our validation system is being reviewed.

### Conclusion

I would like to thank the Council members for the work that they are doing in achieving the objectives and meeting the mandates of SACAP. You, the registered professional and your professional development is as much a concern to SACAP as is the protection of the public. Much of the committee work therefore revolves around professional development and the creation of a sustainable architectural profession.

We have already covered considerable ground and I look forward to continuing the process in the 4th Term of Council. May the 4th Term be transformative, strategic, supportive and sustainable.



**Mr Yashaen Luckan**  
**President**  
21 August 2015



# REGISTRAR/CEO - OVERVIEW



**Ms. Marella O'Reilly**  
Registrar/CEO

The start of my tenure saw the ushering out of the 3rd Term Council and the introduction of the 4th Term Council. With the new Council came a new strategic vision. The full architectural landscape was put into focus and together with the 4th Term Council, we aligned what had been done previously with our new objectives. Through this, we developed a strategic plan going forward and set the stage for the successful implementation of strategic goals.

## Regulatory Environment

Our role as Regulator is to operationalise and undertake the work that the President has outlined and ensure that we mobilise the achievement of strategic goals. We will underpin what the 4th Term Council has underlined for their strategic objectives and ensure that transformation, as the primary area of focus, is successfully put into effect. We will also support the effective functioning of the committees that Council has appointed.

## Registrations and Amnesty

To bring back people who had fallen off the register, SACAP implemented an 'Amnesty' project. An initiative of the 4th Term Council, the project encouraged these architectural professionals to re-register and keep their registration up to date. In so doing they practise their profession legally. By encouraging registration, the regulator upholds its mandate of protecting the public and regulating the profession. The project was an overwhelming success with the number of registered professionals (RP's) increasing from 8 919 in 2013/14 to 10 525 in the current financial year 2014/15.

Part of our transformation objective is to encourage more women to choose a career in the architectural profession. Currently, there are 2 405 registered female professionals and 8 120 male professionals.

## Your Membership (YM) Online System Launched

Your Membership (YM) is an online system which has dramatically improved the registration process. The system is paperless and efficient and allows users to update, upload and download information in real time. Since its launch, YM has been fine-tuned, making it more user-friendly, interactive and effective. Furthermore, YM has been designed so that modules can be built onto the system, in line with requirements.

## Union of International Architects (UIA) 2014

The Union of International Architects (UIA) Congress which was held in Durban in 2014, was a prestigious international event and Council was extremely honoured to be one of the partners. The congress celebrated the African architectural profession as a meaningful contributor to world architecture, city development and thought leadership. It also served to acknowledge the continent's contribution to the evolution of architecture globally. Architectural professionals from all over the world, together with the public, gathered at the UIA Congress to learn, discover and share. Recognised as one of the most important events on the architectural calendar, the congress provided the opportunity to position SACAP alongside international and national architectural bodies in the profession.

The Council launched a competition to students to design a stand for SACAP. The winning design came from a group of students from UCT. This provided them with the opportunity to engage with professionals in the field and in turn, the stand attracted students and provided SACAP with the opportunity to engage with new talent. This created effective and highly targeted awareness for SACAP and the profession. Furthermore the stand was visited by people from all over the world and provided SACAP with the opportunity to share

insights and transformation objectives.

### Audit Financial Report

The Council has for the fifth consecutive year received an unqualified audit financial report. This is due to the robustness of the methodologies employed in managing the finances and related operations.

### Engagement with Stakeholders

Under the year in review, the Council introduced a more tangible method of engaging with architectural professionals and stakeholders on a regular basis with the introduction of the e-newsletter. The e-newsletter effectively communicates the Council's progress and achievements. Moreover, it enables RP's to communicate directly with the Registrar/CEO and acts as a tool to bridge the gap between the Council and the RP's.

The e-newsletter has received a positive response and has proved to be an effective mechanism for increasing the communication between the regulator, the Registrar's office and the stakeholders.

We undertook more radio interviews this year and as such, people had an opportunity to hear what is being done by the regulator, through a different medium.

Billboards with SACAP messaging were also visible throughout the country.

### Complaints

We have capacitated the complaints department and we are now fully functioning in terms of our public protection role. Tribunals are being held on a regular basis and the outcomes are posted on our website. In terms of Section 27 of the Act, professional conduct is an integral part of the Regulator's mandate. The Council is responsible for administering the Code of Conduct (CoC). All registered persons must comply with the Code of Conduct (CoC) and failure to do so constitutes improper conduct. The code is integral to the way Council implements its role in the protection of the public, which in turn affects how the profession is perceived.

### Conclusion

SACAP concluded the reporting period with a number of measurable achievements which have provided the foundation for progress in the year ahead. I would like to thank Council for their continued support and involvement in SACAP's activities. May the 4th Term Council be one of successful collaboration in the pursuit of excellence and transformation.



**Ms. Marella O'Reilly**  
**Registrar/CEO**

Date : 21 August 2015

# STATEMENT OF RESPONSIBILITY

## 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 the Auditors.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Audit Statements standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing, and implementing a system of internal control. This has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year that ended 31 March 2015.

Yours faithfully,



**Registrar/CEO**  
**Ms. Marella O'Reilly**  
Date : 21 August 2015



**Council President**  
**Mr. Yashaen Luckan**  
Date : 21 August 2015

## **Vision**

# People-centred architecture for South Africa

## **Mission**

SACAP will Transform, promote and regulate the architectural profession through collaborative engagement in the Pursuit of Excellence.

## **Values**

- Responsibility: being accountable for our decisions and actions
- Excellence: promoting high standards
- Integrity: ethical behaviour, honesty and trustworthiness
- Respect: ethos of dignity, tolerance and consideration
- Transparency: appropriate disclosure of information and open debate
- Cohesiveness: shared, coherent values and aspirations



### **Strategic outcome 1: Transform the profession and architecture in society (collaboration)**

#### **Strategic objectives:**

- 1.1) Promote relevant education (both formal and informal) and reintroduce RPL
  - 1.2) Engage with registered professionals as well as the built environment, governmental and other stakeholders to facilitate the implementation of the objectives of the NDP
  - 1.3) Promote the development and acceptance of a collaborative built environment approach and methodology
- 

### **Strategic outcome 2: Grow and develop architecture and the profession**

#### **Strategic objectives:**

- 2.1) Increase membership through various activities
  - 2.2) Engage ALS's including FET's and private colleges
  - 2.3) Renew the commitment of existing architectural professionals to the profession
- 

### **Strategic outcome 3: Regulate the architectural profession to protect the public**

#### **Strategic objectives:**

- 3.1) Enforce compliance with the relevant legislation and regulations governing the architectural profession
  - 3.2) Inform the public about the compliance framework within which the architectural profession works
  - 3.3) Develop an appropriate Identification of Work framework
- 

### **Strategic outcome 4: Ensure public awareness of architecture and the profession**

#### **Strategic objectives:**

- 4.1) Create awareness of the value of architecture
  - 4.2) Develop and implement a marketing and communications strategy for SACAP
- 

### **Strategic outcome 5: SACAP institutional excellence**

#### **Strategic objectives:**

- 5.1) Enable the administration to improve operational systems – (Indicators IT, HR, Finance)
  - 5.2) Design and implement compliance systems and processes (CPD, Fees)
  - 5.3) Apply benchmarked governance
  - 5.4) Develop best practice regulatory body systems and standards
-

# LEGISLATIVE AND OTHER MANDATES

The Architects Act 1970, 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.

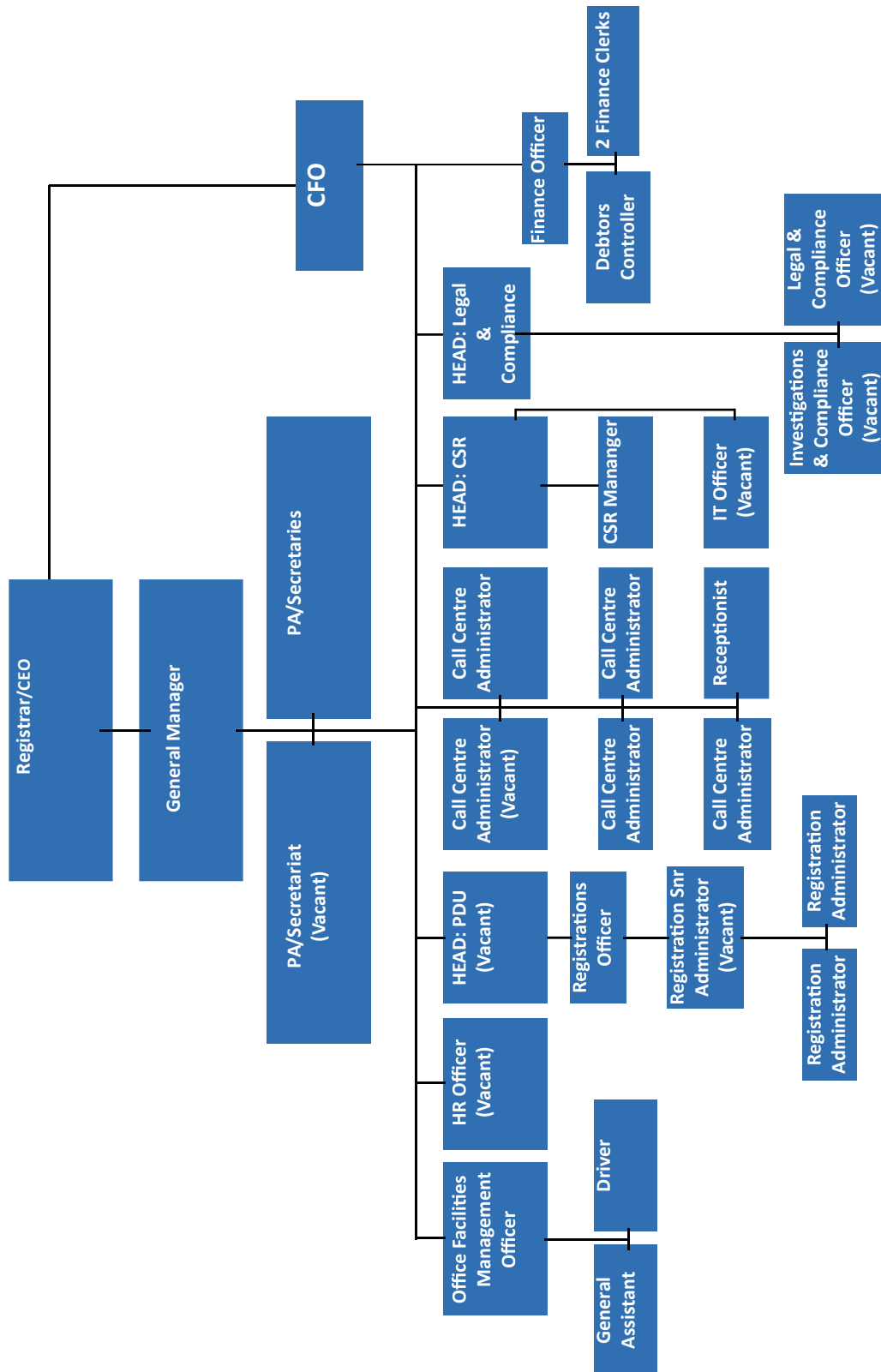
The Architectural Profession Act, 2000 (Act No. 44 of 2000) was published on 1 December 2000 and came into operation on 26 January 2001. The new Council renamed, The South African Council for the Architectural Profession (SACAP) was established with effect from 12 September 2001.

The new Act includes all the Architectural Professionals – which are as follows; Professional Architects, Professional Senior Architectural Technologists; Professional Architectural Technologists and Professional Architectural Draughtspersons, whereas the previous professional legislation had only allowed for the registration of architects.

The protection of the public is intrinsic to this new Act. In as much as the regulations of the Act are appropriately instituted, applied and administered and therefore succeed in protecting the public, they equally protect the registered persons.

Furthermore, these regulations reinforce the development and sustainability of the Architectural Profession as a whole, and enhance the integrity and status of SACAP registered persons.

# ORGANISATIONAL STRUCTURE



# SACAP EXECUTIVE MANAGEMENT

## Executive management



**Mr. Thiru Mudaly**  
Chief Financial Officer (CFO)



**Ms. Marella O'Reilly**  
Registrar/CEO



**Ms. Barbara van Stade**  
General Manager (GM)

## Senior management



**Adv. Toto Fiduli**  
Head: Legal & Compliance



**Mr. Daniel Manamela**  
Head: Professional  
Development



**Mr. Pappie Maja**  
Head: Corporate  
Communications  
& Stakeholder Relations



# SITUATIONAL ANALYSIS

## Organisational Environment

The Minister of Public Works appointed the 4th Term Council in the period under review for a term of four years as prescribed in the Act. The Council is comprised of eleven members of which seven are professionals, two are nominated by the State and two are public representatives. The Council also appointed full-time Executive Members which are the Registrar/CEO, Chief Finance Officer (CFO) and General Manager (GM).

SACAP is one of the six professional councils under the auspices of the CBE. SACAP reports to the minister of Public Works through the Council for the Built Environment (CBE).

## Office of the Registrar

### Strategic Focus

SACAP's primary area of focus will be Transformation, across every pillar of the architectural profession. Key objectives have been outlined in order to successfully mobilise transformation in accordance with SACAP's vision to create people-centred architecture for South Africa.

### Key strategic objectives:

- 1. Transform the profession and architecture in society** through a concerted collaboration approach, the Committees of Council have the objective of implementing transformation across all key areas of the architectural profession in South Africa.
- 2. Grow and develop architecture and the profession.** The amnesty project in which professionals who had been de-registered were permitted to re-register was introduced. The project was immensely successful, with a significant increase in the overall number of Registered Professionals (RP's).  
The process ensures that architectural professionals have the opportunity to practice legally and are in compliance with the Act. The Council will continue to ensure the growth and development of the profession through awareness campaigns in collaboration with its primary stakeholders.
- 3. Regulate the architectural profession to protect the public.** The Council engaged with the Building Control Officer Steering Committee (BCO), to facilitate municipality collaboration with respect to only approving plans submitted by registered architectural professionals.
- 4. Ensure public awareness of architecture and the profession.** Awareness was achieved through an integrated strategic communications campaign. This included the implementation of a national billboard campaign which raised awareness in terms of the importance and the benefit of appointing registered

architectural professionals/practitioners. Awareness was further enhanced through communications via various media outlets and by participation in exhibitions, attended by learners, the public and architectural professionals.

- 5. SACAP institutional excellence.** SACAP will transform, promote and regulate the architectural profession through collaborative engagement with all stakeholders in the provision of service excellence. To this end, Council instituted a series of effective external stakeholder communication processes coupled to internal process management improvements.

## Legislative Mandate

The legislative mandate of SACAP is to regulate the architectural profession and protect the public.

Architectural professionals are required by law to be registered with SACAP as it is illegal to practice without being registered. Registered Persons (RP's) have a responsibility to practice in a professional and ethical manner, benefiting the public and advancing the profession as a whole. SACAP places great importance on educating the public in this regard; thereby raising awareness so that the public can approach SACAP as a resource for information and advice.

The Architectural Profession Act, 2000 (Act No. 44 of 2000) provides for the registration of all persons practising architecture.

The categories for registration are: Professional Architects, Professional Senior Architectural Technologists, Professional Architectural Technologists and Professional Architectural Draughtspersons.

SACAP is achieving its mandate through ensuring that professionals who are practising are registered. This has been successfully accomplished through various modalities including stakeholder engagements, the e-newsletter and enhanced through the addition of the amnesty process which was introduced during the period. The Amnesty process functioned for a defined period of time and made provision for the re-registration of Registered Professionals (RP's) whose registration had lapsed due to non-payment of the annual fee.

# PERFORMANCE

## Description and Purpose

The organisational structure of SACAP has been revised in order to deliver on the new strategic objectives and attain organisational excellence. The proposed organisational structure has been tabled to the Human Resources & Remuneration (HR&Rem) Committee, to be approved by the Executive Committee and the Council. This is planned for the new financial year.

**The current Council organisational structure is comprised of the following:**

### Office of the Registrar/CEO

The focus of the office is to drive the strategic objectives of the Council through the provision of effective leadership, administrative excellence and overall management of all Council operations.

**The strategic objectives of the Council are:**

- Transform the profession and architecture in society;
- Grow and develop architecture and the profession;
- Regulate the architectural profession to protect the public;
- Ensure public awareness of architecture and the profession; and
- Provide institutional excellence through service delivery.

**The office of the Registrar/CEO is complemented by the following units:**

### Registrations and Professional Development

The department is responsible for all matters relating to the registrations of professionals with the organisation, management of the Professional Practice Examinations (PPE) and all matters relating to the articulation of Registered Professionals' qualifications.

The department is responsible for all records management of the Registered Professionals (RP's) and database management via the electronic Your Membership (YM) platform.

Professional Development encompasses the Continuing

Professional Development (CPD) that all professionals have to undertake in accordance with the Act. All practitioners must first be registered as Candidates in line with their qualifications. Upgrading to the professional registration category only takes place upon completion of a pre-determined period of internship. Candidates must submit prescribed monthly training records during this period. Candidates are required to write and pass the Professional Practice Examination (PPE) prior to being upgraded to a Professional category.

## Legal and Compliance

The department is mandated to protect the public through the provision of legal and support services. This regulatory function is required in terms of the Act and the Code of Conduct for Registered Professionals (RP's) enacted in terms of the Act. The unit is responsible for ensuring compliance with the act by the Registered Professionals and oversees and manages all complaints and appeals that are lodged with the Council.

### Office of the Chief Financial Officer(CFO)

The focus of the office is to provide financial governance on financial management and provide accounting services to the Council. The CFO is responsible for the preparation and fair representation of the annual financial statements in accordance with the International Financial Reporting Standards and the requirements of the Act.

It is furthermore responsible for such internal control as the Council may deem necessary to enable the preparation of financial statements free from material misstatements, as a result of either fraud or error.

The CFO's office is complemented by the following subdivisions: financial reporting; expenditure and bank reconciliations and supply chain management.

### Corporate Communications and Stakeholder Relations (CSR)

Communication in all its forms was a key strategic objective during the period under review. This was implemented through a variety of service delivery and information sharing initiatives in order to ensure that all parties were provided with an improved service offering.

Strategic objectives included pro-active reputation management and ongoing communication initiatives to build awareness of SACAP and drive transformation by promoting the growth and development of the architectural profession. The CSR unit provides all marketing and communication and ICT related services.

### Secretariat

The Secretariat is responsible for administrative and executive services on behalf of the Council, and implementation of the policies, objectives and activities. The secretariat reports thereon to the Council. The Secretariat is tasked to provide administrative services to the various units established by the Council, as required.

### HR

The Human Resource function deals with all SACAP staffing matters, including conditions of service and recruitment.

### Office Facilities and Information Technology (IT)

The department is responsible for the coordination of space, infrastructure, people and the organisation in terms of the general administration of the office environment occupied by SACAP. It is also tasked with the effective implementation and maintenance of all IT related platforms and processes.

### General Management

The office of the General Manager (GM) focuses on overall operations of the Council, including providing an oversight role on all the units within the Office of the Regulator. The office of the GM facilitates administrative services to the Council under the auspices of the Secretariat.

# PROGRAMME ACTIVITIES (CSR)

## PROGRAMME ACTIVITIES CORPORATE COMMUNICATIONS AND STAKEHOLDER RELATIONS (CSR)



**Mr. Rowen Ruiters**  
Chairperson: CSR Committee

### Strategic Objectives

Communication in all its forms was a key strategic objective during the period under review. This was implemented through a variety of service delivery and information sharing initiatives in order to ensure that all parties were provided with an improved service offering. Strategic objectives included pro-active reputation management and ongoing communication initiatives to build awareness of SACAP and drive transformation by promoting the growth and development of the architectural profession.

### The CSR Committee

The Committee, which was constituted in terms of Section 17(1) of the Architectural Profession Act, 2000 (Act No. 44 of 2000), was appointed by the Minister of Public Works in the first term of the financial year 2014/15. The Committee comprises of three Council members, an external Registered Person (RP's) and an independent Communications and Advertising Professional, who will assist in enhancing the Committee's mandates.

### Meeting with the Building Control Officers Forum (BCO)

The Council met with the BCO Forum which represents all of the building control officers employed in the municipalities nationally. BCO's are the first port of call when building plans are submitted for approval. The aim of the meeting was to ensure that BCOs are the facilitators and enforcers of accepting plans only from RP's.

### Communications with Stakeholders

The CSR committee held two meetings during the period under review and met its targets of delivering on its mandate of accessing and communicating with all

parties through various communications modalities. Service delivery initiatives were prioritised during the period and new communications platforms, including social media, YM and electronic newsletter, were successfully added to the communications strategy.

Social media was not previously in place, however during the year in review it was introduced as a modality to ensure that all of the target markets were reached in an effective manner. Utilising social media places SACAP in the position to communicate regularly with all stakeholders and provide immediate up-to date information, while at the same time opening up a further avenue of communication between the organisation and its stakeholders.

The contact centre has been a key focus area in terms of dealing with general queries. Procedures and systems were overhauled, resulting in a more streamlined approach which allowed the organisation to clear a backlog of outstanding issues and provide shorter response times to queries. An accumulation of over 2,000 emails at the beginning of the fiscal period was attended to and a clearly defined escalation process with a 24 hour response time was implemented with regards to all queries received. The streamlining of the call centre extends to ensuring that all calls are directed to the correct member of staff and that all staff members are equipped to attend to all queries that may come through. This was achieved by rotating staff through all the departments.

During the period under review, an electronic newsletter was introduced and has proven to be a valuable element in the communications drive with all stakeholders and RP's. The regular communication emanating from the Regulator keeps SACAP top of the mind with the RP's and provides all relevant information with regards to the profession.

Internal communications were bolstered through a variety of modalities. Ensuring that the SACAP corporate brand was enhanced, the brand was internally reinforced through the implementation and subsequent auditing of standardised templates used in all correspondence and email signatures.

### Exhibitions

The council objectives of enhancing awareness of architecture as a career amongst students in rural areas, and meeting the needs of professionals in outlying areas was achieved via participation in various exhibitions across the country. The focus was to address not only the main centres but, as part of the transformation process that underpins the strategic plans for the organisation, engage all interested parties and stakeholders in rural and outlying areas. Participation in these events assisted in transforming the view of the profession among the youth and others, and also assisted in growing and developing the profession as a whole.



### XXV International Union of Architects World Congress (UIA2014 Durban)

The International Union of Architects World Congress, which is the showcase of the architectural profession worldwide, was held in Durban in 2014. UIA2014 Durban brought together architects from around the world to debate their common concerns and interests – through an unashamedly African lens. African knowledge, African challenges and African opportunities entered into a dialogue with the world.

UIA2014 Durban was an opportunity for African architects to make their mark in the debate that perceives poverty eradication as a first unavoidable step in human progress. UIA2014 Durban explored how architects might play a pivotal role in addressing social inequalities. It also explored concepts of sustainability through links to other global initiatives and referred to COP 17 (Built Environment Charter) and RIO+20 (Soil Programme) – with a focus on urbanisation and the agricultural opportunities in and on the peripheries of cities.

The SACAP Exhibition stand visited by the attending professionals, students and members of the public, was designed by the winning student team from the University of Cape Town in the SACAP Exhibition stand Design Competition. The stand provided the opportunity for the congress attendees to engage with SACAP and learn more about its role and involvement in the profession.

### Other Exhibitions

SACAP participated and exhibited at the 2014 second SACPCMP Construction Inaugural Summit which was held in the 2nd quarter of the financial year. SACAP representatives enthusiastically engaged with Built Environment professionals/stakeholders and educated them about SACAP's mandate. The exhibition also ensured that awareness around SACAP was positively maintained.

In implementing the key focus of transformation, growth and development, SACAP exhibited at the 2015 Annual Middelburg Chamber of Commerce and Industry (MCCI) Career Expo. The expo was attended by 5000 High School learners in Grades 10 to 12 from rural areas in Mpumalanga. SACAP's participation in the Expo exposed the architectural profession as an exciting career choice amongst learners and furthermore provided for the engagement with RP's in outlying areas.

### Best Student in Architecture

Part of professional excellence is being registered with SACAP and to ensure excellence of the architectural profession from student level, SACAP presented the Best Student in Architecture Award to students from the University of the Free State (UFS), the University of Cape Town (UCT) and the University of Pretoria (UP) who qualified. The award not only enhances an

understanding of SACAP and its purpose as the industry's regulatory body, but also promotes registration of newly qualified candidate architects and augments the benefits of being registered.

### Website Revamp

During the period, the Council, in a phased approach, introduced the new online operating system - Your Membership (YM). This platform has revolutionised SACAP, and has provided a paperless environment for communicating with stakeholders, bringing SACAP in line with how the global environment is communicating. Through the reduction of paper usage, YM is also enhancing the architectural profession's trajectory in going green.

The introduction of the phased system is an integral element in the revamp of the enhanced SACAP website, with the aim of making it more user-friendly and accessible to all stakeholders. Phase one of the implementation focussed on the uploading of all RP profiles.

The YM system integrated the RP's profiles and allowed them to register, upload, print documents and interact with internal stakeholders (staff members). The second phase of the revamp of the website will be implemented in the 2015/16 financial period.

The website has become the main tool for engagement with the stakeholders and the functionality thereof and value to stakeholders will remain a priority going forward. All the information that a RP may require, from registration through to regular communications and to disciplinary hearing results, is available on the website. The website is also an excellent source of information for members of the public.

### Media Engagement

Ongoing media management has been fruitful and a highly successful part of the CSR strategy. Media enquiries and national media coverage across all spectrums increased substantially and ensured that SACAP's public profile was prioritised and that its objectives received maximum exposure during the period.

### Conclusion

The committee has upheld its mandate during the period in review and the successful communications drive will remain a critical component of the objectives of the Council in the next financial period.



**Ms. Gillian Bolton**  
Chairperson: Investigating Committee

## Background

One of SACAP's primary functions is to regulate the conduct of architectural professionals (RP's) registered with it in any of the categories under which persons may register in terms of Section 18 of the Architectural Profession Act No 44 of 2000 (the Act).

This regulatory function is required to be performed in terms of the Act and the Code of Conduct for RP's (the Code) enacted under the Act. The Legal and Compliance function is critical in terms of the protection of the public from architectural professionals who contravene the Act and/or the Code. More particularly, the Code requires that RP's must carry out their professional work with due skill, competency and integrity.

(Apart from dealing with alleged improper conduct by RP's, SACAP also refers to the SAPS, any complaints referred to it which relate to persons passing themselves off as RP's).

In order to assist with discharging this regulatory function, SACAP has, since the inception of the Act, had an Investigating Committee, duly established in terms of Section 17 (1) (a) of the Act to deal with complaints of alleged improper conduct by RP's.

## Investigating Committee

With the establishment of SACAP's 4th Term Council, the Council established a new Investigating Committee (InvComm) to investigate complaints lodged with SACAP against RP's or matters concerning alleged improper conduct which Council raises of its own accord and that are referred to InvComm by Council.

## The investigative process

InvComm considers the matters referred to it and makes recommendations to Council as to whether it is of the view that a prima facie case of improper conduct exists against the RP concerned, in which event the appointment of a disciplinary tribunal is recommended, as is provided for in section 30 of the Act.

Sections 31 to 33 of the Act detail the processes during and after the hearing, with section 33 setting out the three possible appeal options for which a RP found guilty of improper conduct may follow, whilst Section 41 of the Act deals with the various offences and penalties.

## Statistics for 2014/2015

This report covers the 2014/2015 financial year (01 April 2014 to 31 March 2015) and therefore the last three months of the 3rd Term Council's terms of office and the first nine months of the 4th Term Council's term of office.

As the last meeting of InvComm of the 3rd Term Council took place on 06 March 2014, this falls outside the reporting period of this Annual Report, save to the extent that complaints received but not considered and/or disciplinary tribunals not finalised during that Council's term of office were carried forward into the 4th Term Council's term of office.

In the period 01 April 2014 to 06 June 2014 (the date of inauguration of the 4th Term Council), the 3rd Term Council decided to appoint disciplinary tribunals in respect of alleged improper conduct on the part of 43 RP's.

The disciplinary tribunals in this regard were therefore pending when the 4th Term Council took office but have since been completed during the first nine months of the 4th Term Council. Of these, only one remains to be finalised given that an appeal was lodged in the particular matter.

<b>4<sup>TH</sup> TERM COUNCIL</b>						
Meeting	Number of complaints considered	Number of complaints/other matters recommended for disciplinary enquiry	Number of disciplinary tribunals since established in respect of these matters	Number of these disciplinary tribunals since finalised	Appeals lodged in respect of these matters in terms of findings and/or sanctions	Appeals finalised in respect of these matters
13 November 2014	53	37 (with 3 RPs having two complaints against them)	1	1	1	0
11 February 2015	34	27	0	0	0	0

In addition, the following information is also provided in respect of complaints received as per the various categories of registration:

<b>NUMBER OF COMPLAINTS RECEIVED BY PROFESSIONAL CATEGORY IN 2014/2015 FINANCIAL YEAR</b>	
PROFESSIONAL CATEGORY	NUMBER OF COMPLAINTS
Professional Architect	14
Professional Senior Architectural Technologist	15
Professional Architectural Technologist	15
Professional Architectural Draughtsperson	46
Candidate Architect	1
Candidate Senior Architectural Technologist	0
Candidate Architectural Technologists	2
Candidate Architectural Draughtsperson	3
<b>TOTAL</b>	<b>96</b>

In addition, 16 complaints were received in respect of unregistered persons.

Of these 96 complaints, 32 complaints are currently still being processed prior to being dealt with further in terms of the relevant processes.

### Priorities for 2015/2016

Informed by the 4th Term Council's vision, mission and strategic priorities, InvComm has prioritised the following as key focus areas and has already commenced certain processes in such regard:

- **To review the Code and relevant provisions of the Act**

This process will also include the necessary consultation processes with relevant stakeholders and the establishment, where necessary, of regional disciplinary tribunals to facilitate the speedier and more cost-effective finalisation of tribunals;

- **To enhance and refine the existing Case Management System**

A new template for the recording of information relating to disciplinary matters has been introduced and will be enhanced and refined on an ongoing basis in order to prepare the way for the development of an integrated database;

- **To develop and implement information and communication campaigns within the profession, the public and other stakeholders including Voluntary Associations and Municipalities;**

These will include, in conjunction with SACAP's CSR Committee, information sharing processes to inform both professionals and the public about their respective rights and obligations when engaging an architectural professional, for example, the need to reduce any agreement between them to writing.

In addition, other information sharing processes need to take place with Municipalities and other spheres of government about the need to ensure that architectural professionals with whom they engage are currently registered with SACAP and, with Accredited Learning Sites about the need to enhance training on ethics and professional conduct matters.

# VALIDATIONS - ALS'S & (HOS)



**Mr. Rakau Lekota**  
Chairperson: Education Committee

## Objectives

In terms of sections 5 and 7 of the Higher Education Act, the Council may conduct education visits to the accredited Architectural Learning Sites (ALS's). It may either conditionally or unconditionally grant, refuse or withdraw accreditation to such Institutions.

The purpose of the Validation Boards are as follows:

- Validate and monitor qualifications in architecture.
- Review and make recommendations to the Council on visiting boards' reports.
- Consider new course proposals and course changes.
- Oversee the administration and selection of visiting boards.
- Provide consistency and continuity.
- Keep validation procedures under review.
- Prepare a panel of assessors for Council for Higher Education (CHE) purposes.
- Follow up on the requirements of the visiting boards after a visit has taken place.

## INTERNATIONAL RECOGNITION

SACAP has maintained its Memorandum of Understanding (MOU) with the Commonwealth Associations of Architects (CAA)/Royal Institute of British Architects (RIBA) for the ongoing recognition of architectural qualifications offered in South Africa at SACAP validated institutions.

SACAP has further entrenched its accreditation of architectural qualifications through the ALS's. International recognition of architectural qualifications has been further enhanced through its provisional status membership of the Canberra Accord. This international accreditation system enables our ALS's to be benchmarked against an International standard of accreditation.

## Accreditation visits

The 4th Term Council under the guidance of the Education Committee conducted two visits during the period under review.

### University of Kwa-Zulu Natal (UKZN) advisory visit took place on 25 – 27 November 2014.

The purpose of the UKZN visit was to ascertain whether the requirements outlined in the 2013 visit had been fully implemented. The 2014 advisory visiting board recommended that the existing conditional validation status remains until the conditions contained in the 2013 report are fully met.

Conditional status remains for the courses listed below:

Bachelor of Architectural Studies - BAS

Master of Architecture – M Arch

### Nelson Mandela Metropolitan University (NMMU) – Full visiting board accreditation held on 26 – 28 May 2014.

The visiting board consists of a team drawn from validation panel members and others nominated from SACAP and Commonwealth Association of Architects (CAA) (International) validation panel members.

The following architectural courses were granted unconditional validation:

National Diploma – Architectural Technology (N. Dip Tech)

Bachelor of Technology: Architectural Technology (B Tech)

Bachelor of Technology: Applied Design (B Tech)

### Inscape Education Group (IEG) (formerly Inscape Design College). A visiting board conducted the validation of Inscape Education Group on 03 December 2014.

The Council did not support the recommendation of the visiting board of conditional validation in respect of the Higher Certificate course in Architectural Technology (NQF 5) until the IEG can demonstrate that it has taken steps to align the professional competencies with the NQF5 requirements for similar architectural courses against the relevant benchmark standards.

SACAP has withdrawn its validation until further notice.

## Heads of Schools (HOS)

The Heads of Schools (HOS) comprising of the Heads of the Schools of Architecture nationally, met twice in the period under review.

The main focus of this committee is to address the



Transformation in Architectural Education that has been identified as one of the core strategic objectives of the 4th Term Council.

The Transformation process has been addressed through the various policies – namely, Identification of Work (IDoW), Recognition of Prior Learning (RPL) and Continuing Professional Development (CPD). The ALS's have been identified as key stakeholders integral to the Transformation process.

One of the tasks assigned to the HOS Committee, is the continued accreditation of the SACAP Accredited Architectural Learning Sites. This was achieved with the ongoing support of the Commonwealth Association of Architects (CAA) and the interaction with the Canberra Accord.

The HOS Committee reviewed the existing registration policy with the proposal to include the Interior Design category of registration. A draft policy document was circulated for Public Comment and the matter is currently a work in progress.

The HOS Committee completed the process of re-aligning the B. Arch Degree to the new qualification, in line with the Higher Education Qualification Framework (HEQSF).

The current B.Arch 5 or 6 years degree was placed at a NQF Level 6 and 7, but after the review process, it is now placed at a NQF Level 8 and the M.Arch (Prof) and M.Tech (Prof) is a NQF 9 Level.

CATEGORY	ACRONYM	QUALIFICATION	NQF LEVEL
Professional Architect	PrArch	M Arch (Prof) M.Tech (Prof)	9
		B.Arch 5 or 6 years	8
Professional Senior Architectural Technologist	PrSArchT	BAS Honours B Arch (Prof) [4 years, 480 credits] PG Diploma	8
		BAS [3 years, 360 credits] B Tech Advanced Diploma + 1 year Work Integrated Learning	7
Professional Architectural Technologist	PrArchT	Diploma [3 years, 360 credits] Advanced certificate [total 240 credits + 1year Work Integrated Learning]	6
Professional Architectural Draughtsperson	PrArch Draught	Higher Certificate [1 year, 120 credits, + 1 year Work Integrated Learning]	5

In closing, the HOS Committee would like to acknowledge the contribution made by the late Professor Karel Bakker from the University of Pretoria (UP). Sadly, Prof. Bakker passed away during the period under review and he had been a long serving member of the HOS committee.

# PROFESSIONAL DEVELOPMENT

## Registrations 2014/15

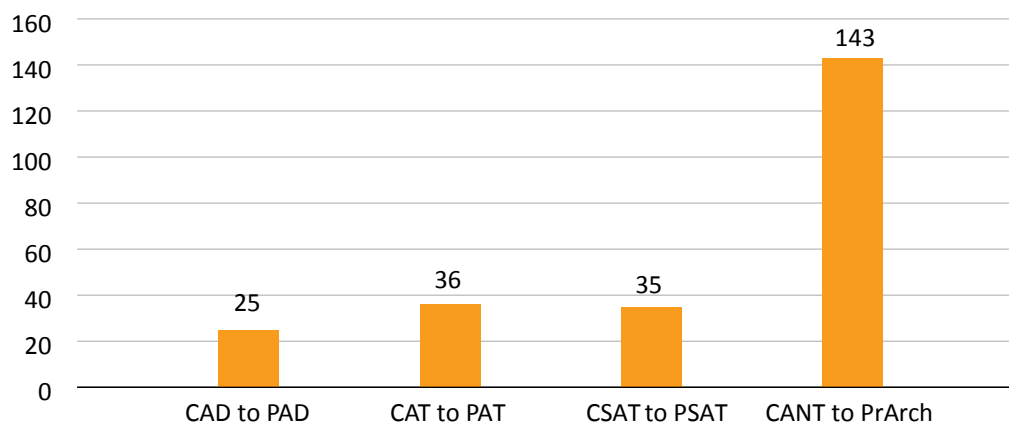
In order to register within any of the Architectural categories, all individuals entering the profession are required to have completed a Candidacy process which includes a practical training period and the successful completion of the Professional Practice Examination (PPE). Following this process, the Candidate can upgrade in order to become a professional.

The registrations for the 2014/15 financial year are broken down in the following tables and graphs:

Upgrades:

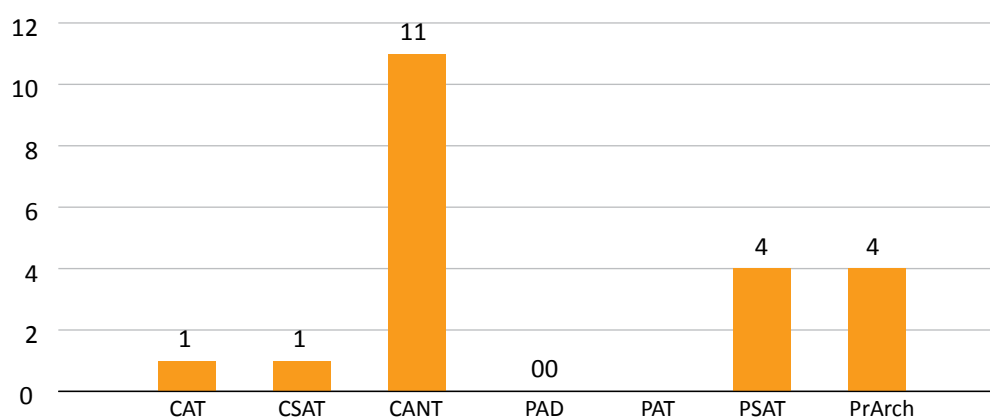
On completion of the Candidacy process and Professional Practice Examination, the Candidate may upgrade to a professional registration category.

INITIAL REGISTRATION CATEGORY		UPGRADED CATEGORY		TOTAL
Candidate Architectural Draughtsperson	CAD	Professional Architectural Draughtsperson	PAD	25
Candidate Architectural Technologist	CAT	Professional Architectural Technologist	PAT	36
Candidate Senior Architectural Technologist	CSAT	Professional Senior Architectural Technologist	PSAT	35
Candidate Architect	CANT	Professional Architect	PrArch	143



Upgrades after obtaining a further Architectural Qualification:

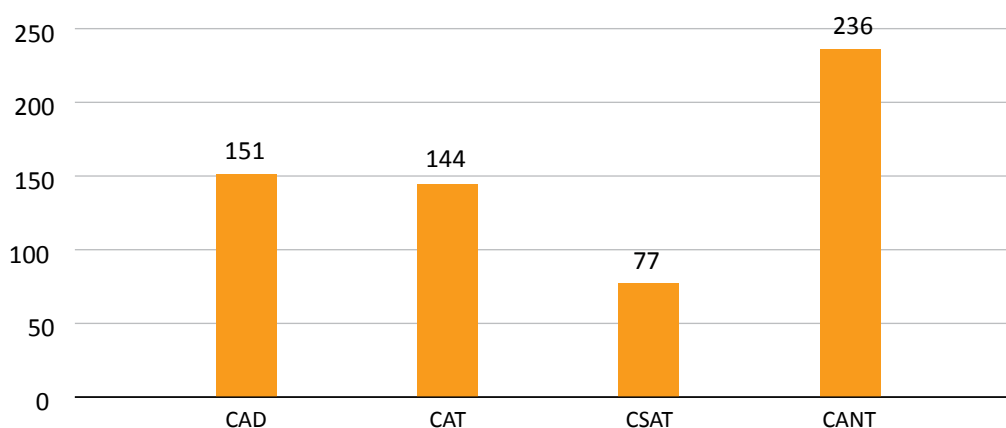
CATEGORY UPGRADED TO		NUMBER OF TRANSACTIONS
Candidate Architectural Technologist	CAT	1
Candidate Senior Architectural Technologist	CSAT	1
Candidate Architect	CANT	11
Professional Architectural Draughtsperson	PAD	0
Professional Architectural Technologist	PAT	0
Professional Senior Architectural Technologist	PSAT	4
Professional Architect	PrArch	4
Total		21



New Registrations:

By Category of registration:

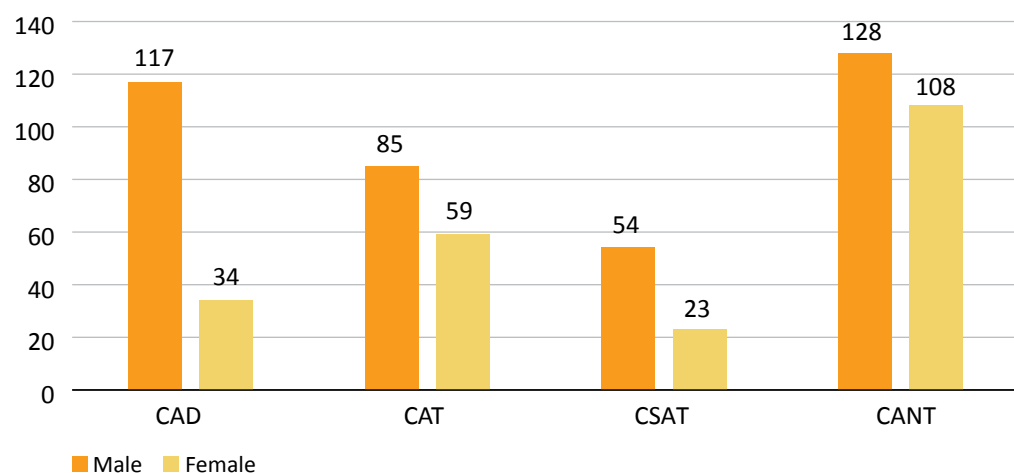
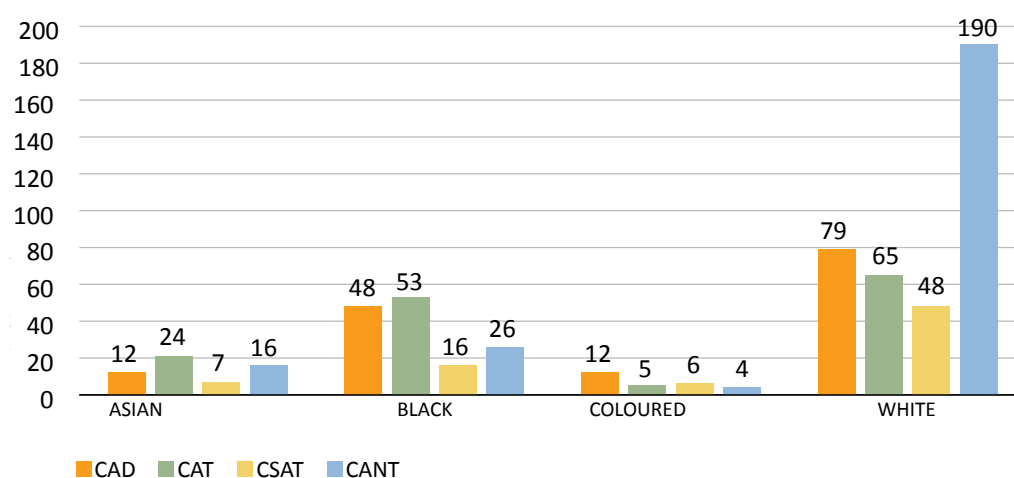
REGISTRATION CATEGORY		TOTAL
Candidate Architectural Draughtsperson	CAD	151
Candidate Architectural Technologist	CAT	144
Candidate Senior Architectural Technologist	CSAT	77
Candidate Architect	CANT	236
Total		608



## PROFESSIONAL DEVELOPMENT CONTINUED

By Race:

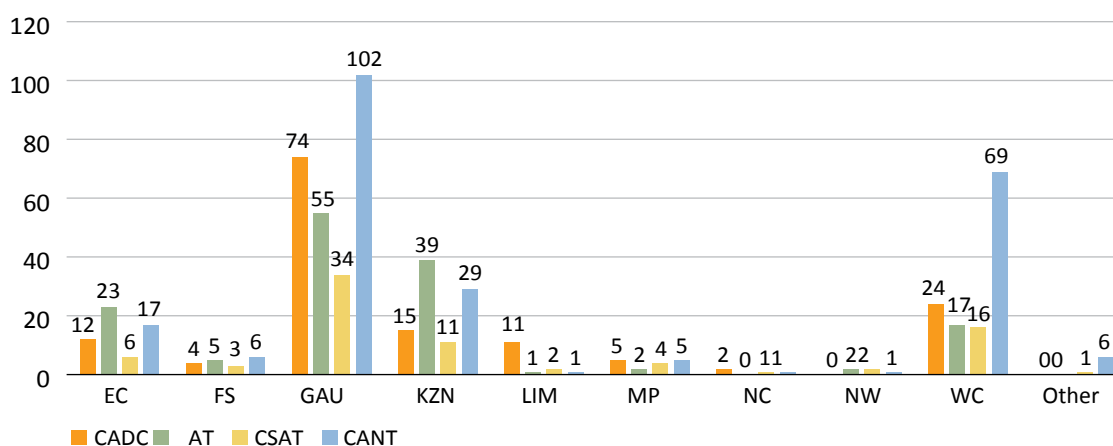
REGISTRATION CATEGORY		ASIAN	BLACK	COLOURED	WHITE	TOTAL
Candidate Architectural Draughtsperson	CAD	12	48	12	79	151
Candidate Architectural Technologist	CAT	21	53	5	65	144
Candidate Senior Architectural Technologist	CSAT	7	16	6	48	77
Candidate Architect	CANT	16	26	4	190	236
Total		56	143	27	382	608



## PROFESSIONAL DEVELOPMENT CONTINUED

By Province:

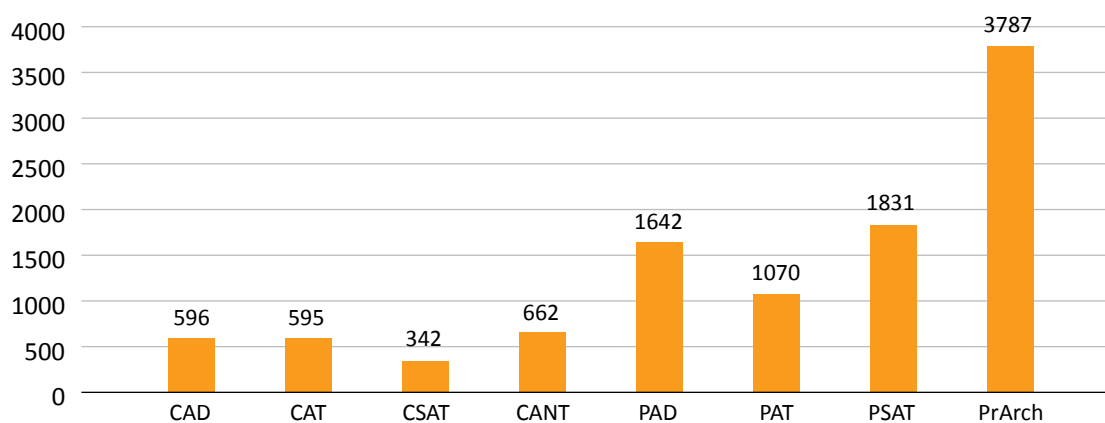
REGISTRATION CATEGORY	EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	OTHER	TOTAL
CAD	12	4	74	15	11	5	2	0	24	0	147
CAT	23	5	55	39	1	2	0	2	17	0	144
CSAT	6	3	34	11	2	4	1	2	16	1	80
CANT	17	6	102	29	1	5	1	1	69	6	237
Total	58	18	265	94	15	16	4	5	126	7	608



Cumulative Statistics:

Category of Registration:

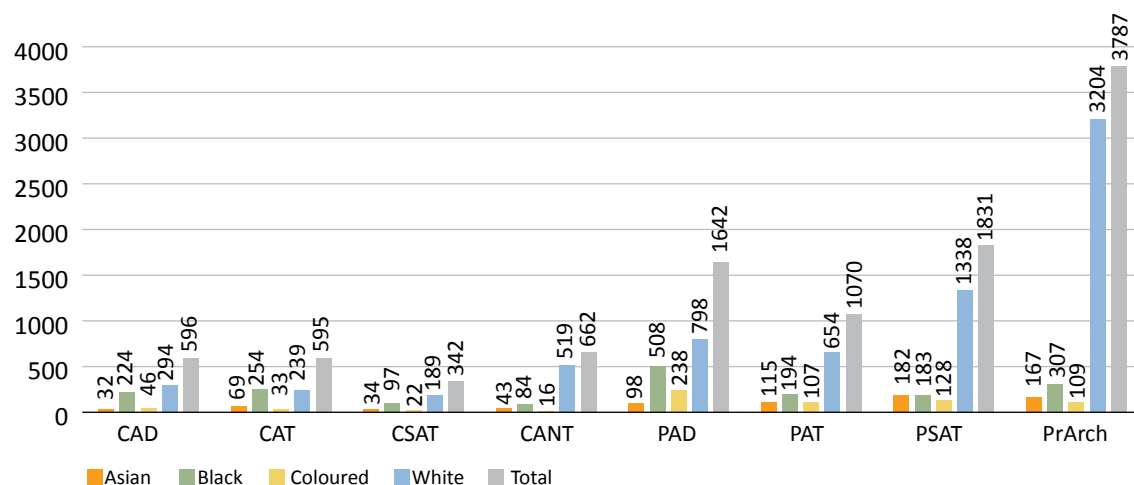
REGISTRATION CATEGORY	TOTAL
Candidate Architectural Draughtsperson (CAD)	596
Candidate Architectural Technologist (CAT)	595
Candidate Senior Architectural Technologist (CSAT)	342
Candidate Architect (CANT)	662
Professional Architectural Draughtsperson (PAD)	1642
Professional Architectural Technologist (PAT)	1070
Professional Senior Architectural Technologist (PSAT)	1831
Professional Architect (PrArch)	3787
Total	10525



## PROFESSIONAL DEVELOPMENT CONTINUED

By Race:

REGISTRATION CATEGORY		ASIAN	BLACK	COLOURED	WHITE	TOTAL
Candidate Architectural Draughtsperson	CAD	32	224	46	294	596
Candidate Architectural Technologist	CAT	69	254	33	239	595
Candidate Senior Architectural Technologist	CSAT	34	97	22	189	342
Candidate Architect	CANT	43	84	16	519	662
Professional Architectural Draughtsperson	PAD	98	508	238	798	1642
Professional Architectural Technologist	PAT	115	194	107	654	1070
Professional Senior Architectural Technologist	PSAT	182	183	128	1338	1831
Professional Architect	PrArch	167	307	109	3204	3787
Total		740	1851	699	7235	10525

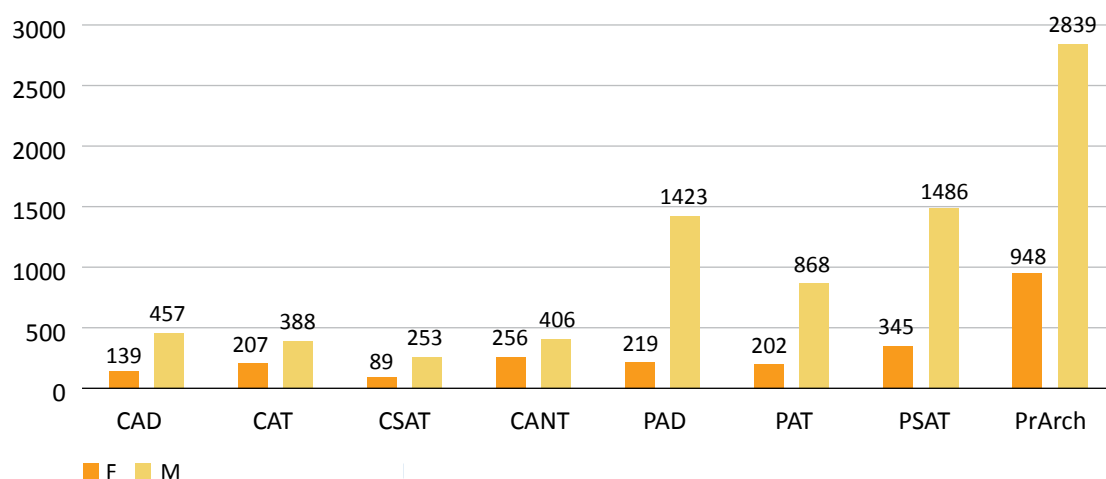




## PROFESSIONAL DEVELOPMENT CONTINUED

Gender:

REGISTRATION CATEGORY		F	M	TOTAL
Candidate Architectural Draughtsperson	CAD	139	457	596
Candidate Architectural Technologist	CAT	207	388	595
Candidate Senior Architectural Technologist	CSAT	89	253	342
Candidate Architect	CANT	256	406	662
Professional Architectural Draughtsperson	PAD	219	1423	1642
Professional Architectural Technologist	PAT	202	868	1070
Professional Senior Architectural Technologist	PSAT	345	1486	1831
Professional Architect	PrArch	948	2839	3787
Total		2405	8120	10525



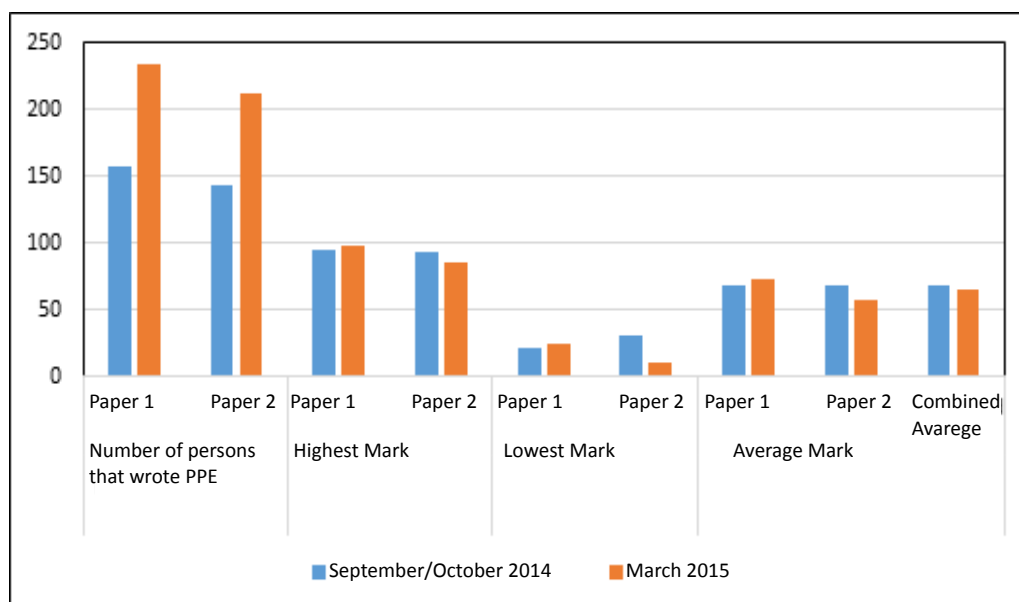
## Professional Practice Examination (PPE)

The Professional Practice Examination takes place in March and September each year.

A Candidate may apply to write the PPE if he/she has completed at least 50% of the required recognised practical training. This implies that at least half of the prescribed period of internship must have been completed, Monthly Training Records (MTR's) submitted for the period and the necessary requirements met as per the Practical Training and Examination Policy.

The Candidate can however only apply to be upgraded after he/she has completed the full period of practical training and successful completion of the (PPE) examination.

DESCRIPTION	PAPER	SEPT/OCT 2014	MARCH 2015
Number of persons that wrote PPE	Paper 1	158	234
	Paper 2	143	212
Highest Mark	Paper 1	95%	98%
	Paper 2	93%	85%
Lowest Mark	Paper 1	22%	24%
	Paper 2	31%	11%
Average Mark	Paper 1	68%	73%
	Paper 2	69%	57%
	Combined Average	68%	65%



### Continuing Professional Development (CPD)

CPD is the systematic maintenance, improvement and broadening of knowledge and skills and the development of personal qualities necessary for the execution of professional and technical duties throughout a person's architectural career. This is compulsory for all persons who are registered in the professional categories.

SACAP determined the conditions for the renewal of registration. These conditions are related to CPD requirements, which were effective from 1 January 2007.

Renewal of Registration: 2015 Cycle for Renewal

- The 2015 CPD Renewal Cycle was the first cycle completed on the YM online system.
- Professionals were notified via e-mail and requested to update their CPD information on the YM platform.
- Invoices for the renewal of registration were also issued via YM.
- A large number of professionals that did not submit their CPD claim forms in the past, logged their credits successfully for previous years.
- A total of 32 747 CPD claims were evaluated and approved.
- All the submissions were evaluated and completed in record time by 28th February 2015 due to the introduction of YM.
- The CPD renewal process and capturing of all CPD credits was accomplished in record time due to the introduction of YM.

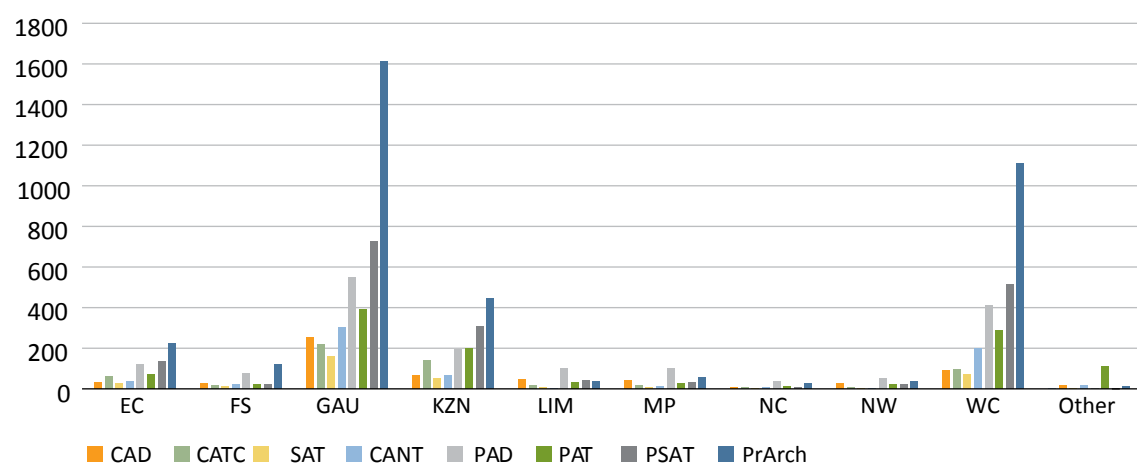
The following number of registered professionals, by year of registration, had to renew their registration at the beginning of 2015:

CATEGORY OF REGISTRATION		1975	1980	1985	1990	1995	2000	2005	2010	TOTAL
PROFESSIONAL ARCHITECTURAL DRAUGHTSPERSON	PAD	-	-	-	-	-	-	20	30	50
PROFESSIONAL ARCHITECTURAL TECHNOLOGIST	PAT	-	-	-	-	-	-	25	22	47
PROFESSIONAL SENIOR ARCHITECTURAL TECHNOLOGIST	PSAT	-	-	-	-	-	-	104	32	136
PROFESSIONAL ARCHITECT	PRARCH	22	33	30	13	49	75	85	132	439
TOTAL		22	33	30	13	49	75	234	216	672

## PROFESSIONAL DEVELOPMENT CONTINUED

Province:

REGISTRATION CATEGORY		EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	OTHER	TOTAL
Candidate Architectural Draughtsperson	CAD	34	27	255	67	48	40	7	26	90	2	596
Candidate Architectural Technologist	CAT	60	16	220	139	15	16	5	9	97	18	595
Candidate Senior Architectural Technologist	CSAT	27	11	160	50	6	8	3	4	69	4	342
Candidate Architect	CANT	35	24	302	65	3	11	5	2	197	18	662
Professional Architectural Draughtsperson	PAD	121	74	547	194	100	103	37	52	413	1	1642
Professional Architectural Technologist	PAT	73	20	393	201	33	27	14	23	286	113	1183
Professional Senior Architectural Technologist	PSAT	137	23	727	309	44	32	8	22	517	0	1819
Professional Architect	PrArch	225	123	1613	446	36	57	25	39	1110	12	3686
Total		712	318	4217	1471	285	294	104	177	2779	168	10525





# GOVERNANCE





# CORPORATE GOVERNANCE

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on the Architectural Professions Act, 2000 (Act No. 44 of 2000), corporate governance with regard to public entities is applied and run in tandem with the principles contained in the King Report on Corporate Governance.

This Annual Report focuses on qualitative and quantitative issues arising in 2014/15 that are material to SACAP's business operations and strategic objectives. Materiality was determined through extensive consultation with stakeholders, and by taking into consideration SACAP's core objectives and the way in which its value chain operates. The South African Council for the Architectural Profession (SACAP) reports to the Portfolio Committee on the Department of Public Works (DPW), through the coordination of the Council for the Built Environment (CBE).

The CBE reported to the Portfolio Committee in the second quarter of the year under review.

## Executive Authority

In terms of the Council for the Built Environment Act, 2000 (Act No. 43 of 2000) the CBE is the over-arching Accounting Authority for all six Built Environment Councils (BEC's). The CBE acts as the coordinator for SACAP to advise the Portfolio Committee on issues relating to the operations of SACAP.

## Composition of the Council

The 4th Term Council has been established in terms of Section 3 of the Architectural Profession Act, No 44 of 2000, and comprises of seven registered persons, excluding candidates, of which at least four must actively practise in the architectural profession, two professionals in the service of the State nominated by any sphere of government, of whom at least one must be nominated by the department; and two members of the public nominated through a public participation process.

### 1.1 The Role of the Council

Council sets the overall strategic direction for the organisation, provides input and makes decisions about matters of strategic importance including: Registration, Fees and Charges, Architectural Education, Code of Conduct (CoC) and Recognition of Voluntary Associations.

### 1.2 Council Charter

In March 2014, the 3rd Term Council introduced the Council Charter which outlines the main corporate governance practices that are in place for the South African Council for the Architectural Profession and to which the Council, Committees and the Executive management are collectively committed.

The Charter sets out the Code of Conduct for Council and Committee members.

The Council subscribes to the King Report, whereby ethics and integrity set the standards for compliance. Council continuously reviews and adapts its structures and processes to facilitate effective leadership and sustainability within its structure.

### 1.3 Council Members

NAME	RACE	GENDER
Mr. Yashaen Luckan (President)	Indian	Male
Ms. Maureen Gerrans (Vice President)	White	Female
Ms. Gillian Bolton (Treasurer)	White	Female
Mr. Phillemon Mashabane (resigned)	Black	Male
Ms. Diane Arvanitakis	White	Female
Mr. Linda Mampuru	Black	Male
Mr. Rowen Ruiters	Coloured	Male
Mr. Niel Lombard	White	Male
Ms. Sushma Patel	Indian	Female
Mr. Rakau Lekota	Black	Male
Mr. Krish Ranchod	Indian	Male
Mr. Sithiwe Thubane	Black	Male



## COUNCIL MEMBERS



**Mr. Yashaen Lacken**  
President



**Ms. Maureen Gerrans**  
Vice President



**Ms. Gillian Bolton**  
Treasurer



**Mr. Rakau Lekota**  
Council Member



**Ms. Diane Arvanitakis**  
Council Member



**Mr. Linda Mampuru**  
Council Member



**Mr. Neil Lombard**  
Council Member



**Mr. Rowen Ruiters**  
Council Member



**Ms. Sushma Patel**  
Council Member



**Mr. Sithiwe Thubane**  
Council Member



**Mr. Krish Ranchod**  
Council Member

### Council Meeting Attendance

NAME	06 Jun 14	26 Jun 14	21 Jul 14	04 Sept 14	11 Dec 14	12 Dec 14	26 Mar 15
Mr. Y Luckan (President)	√	√	√	√	√	√	√
Ms. M Gerrans (Vice President)	√	√	√	√	√	√	√
Ms. G Bolton (Treasurer)	√	√	√	√	√	√	
Mr. P Mashabane					Resigned		
Mr. L Mampuru	√	√		√			
Ms. D Arvanitakis						√	√
Mr. R Ruiters	√	√	√	√	√	√	
Mr. N Lombard	√	√	√	√	√	√	√
Ms. S Patel	√	√	√	√	√	√	√
Mr. R Lekota	√	√	√	√	√	√	√
Mr. K Ranchod	√	√	√	√	√	√	√
Mr. S Thubane	√	√		√	√	√	√

KEY: √ in attendance not in attendance

**Note:** Total number of meeting held under review – Seven.

### 4.3 Council Committees

In terms of Section 17 of the Act, Council has appointed twelve Committees.

The role of the Committees is to advise Council on specific matters relating to the mandates prescribed in the Act.

The following committees were established by Council:

- Executive Committee
- Finance Committee
- Audit and Risk Committee
- Human Resources & Remuneration Committee
- Heads of Schools
- Education Committee
- Investigating Committee
- Identification of Work (IDoW)
- Professional Fees Committee
- Recognition of Prior Learning (RPL)
- Corporate Communications & Stakeholder Relations Committee (CSR)
- Continuing Professional Development Committee (CPD)

COMMITTEE	NO OF MEETINGS HELD	NO OF MEMBERS	NAME OF MEMBERS
Executive Committee (EXCO)	2	6	<ul style="list-style-type: none"> <li>• Mr. Y Luckan (President)</li> <li>• Ms. M Gerrans (Vice President)</li> <li>• Ms. G Bolton (Treasurer)</li> <li>• Mr. L Mampuru</li> <li>• Mr. R Ruiters</li> <li>• Ms. S Patel (Alternative Member)</li> </ul>
Finance Committee	3	3	<ul style="list-style-type: none"> <li>• Ms. G Bolton (Treasurer)</li> <li>• Ms. M Gerrans (Vice President)</li> <li>• Mr. R Ruiters</li> </ul>
Audit and Risk Committee	See at the end of this section – Audit and Risk Committee		
Human Resources & Remuneration Committee	2	5	<ul style="list-style-type: none"> <li>• Mr. S Thubane (Chairperson)</li> <li>• Ms. D Arvanitakis (Co-opted Member)</li> <li>• Mr. K Ranchod (Chairperson -10 Feb 2015)</li> <li>• Ms. C Hayward</li> <li>• Ms. J Makapan</li> </ul>
Heads of Schools (HOS)	1	14	<ul style="list-style-type: none"> <li>• Prof. G Steyn (Chairperson)</li> <li>• Prof. A Steenkamp</li> <li>• Prof. K Bakker (deceased)</li> <li>• Prof. A van Graan</li> <li>• Prof. P Kotze</li> <li>• Prof. C Vosloo</li> <li>• Prof. S Umenne</li> <li>• Prof. H Pretorius</li> <li>• Prof. S Schmidt</li> <li>• Prof. D Whelan</li> <li>• Mr. M Mkhize</li> <li>• Mr. J Pansegrouw</li> <li>• Dr. F Saidi</li> <li>• Mr. B Varghese</li> </ul>
Education Committee	1	7	<ul style="list-style-type: none"> <li>• Mr. R Lekota (Chairperson)</li> <li>• Mr. Y Luckan (President)</li> <li>• Ms. S Patel</li> <li>• Mr. K Ranchod</li> <li>• Ms. D Arvanitakis</li> <li>• Mr. J Manning</li> <li>• Prof. R Fisher</li> <li>• Ms. H Dodd</li> </ul>
Investigating Committee	2	5	<ul style="list-style-type: none"> <li>• Ms. G Bolton (Chairperson)</li> <li>• Ms. M Gerrans (Vice President)</li> <li>• Mr. L Mampuru</li> <li>• Prof. G le Roux</li> <li>• Ms. K Mahlangu</li> </ul>
Identification of Work (IDoW)	4	7	<ul style="list-style-type: none"> <li>• Ms. M Gerrans (Chairperson)</li> <li>• Mr. Y Luckan (President)</li> <li>• Ms. S Patel</li> <li>• Mr. R Lekota</li> <li>• Mr. J de Villiers</li> <li>• Mr. T Marokane</li> <li>• Mr. M Campbell</li> </ul>
Professional Fees Committee	3	4	<ul style="list-style-type: none"> <li>• Ms. S Patel (Chairperson)</li> <li>• Ms. H Grimsel-du Toit</li> <li>• Ms. S Rawat</li> <li>• Mr. KE Moloi</li> </ul>
Recognition of Prior Learning (RPL)	1	6	<ul style="list-style-type: none"> <li>• Mr. Y Luckan (Chairperson)</li> <li>• Mr. R Lekota</li> <li>• Ms. D Arvanitakis</li> <li>• Mr. J Manning</li> <li>• Prof. R Fisher</li> <li>• Ms. H Dodd</li> <li>• Mr. M Campbell</li> </ul>

## CORPORATE GOVERNANCE CONTINUED

COMMITTEE	NO OF MEETINGS HELD	NO OF MEMBERS	NAME OF MEMBERS
Corporate Communications & Stakeholder Relations (CSR) Committee	2	6	<ul style="list-style-type: none"> <li>• Mr. R Ruiters (Chairperson)</li> <li>• Ms. M Gerrans (Vice-President)</li> <li>• Ms. G Bolton (Treasurer)</li> <li>• Mr. L Mampuru</li> <li>• Mr. P Ramanundh</li> <li>• Ms. O van der Haar</li> </ul>
Continuing Professional Development (CPD) Committee	3	7	<ul style="list-style-type: none"> <li>• Mr. N Lombard (Chairperson)</li> <li>• Mr. S Thubane</li> <li>• Mr. L Mampuru</li> <li>• Ms. S Rawat</li> <li>• Prof. C Vosloo</li> <li>• Mr. P Lategan</li> <li>• Ms. D Arvanitakis (Co-opted Member)</li> </ul>

### Audit and Risk Committee and Meeting Attendance

Name	27 May 14	17 July 14	13 Nov 14	24 Feb 15
Mr P Serote (Independent Member)	✓	✓	✓	✓
Ms L Scott (Vice President)	✓			
Ms R Kenosi (Independent Member)	✓	✓		
Mr V Mabuli (Independent Member)	✓			
Ms A Houston (Treasurer)				
Adv. F Mukaddam (Independent Member)			✓	✓
Mr C Motau (Independent Member)			✓	✓
Ms M Gerrans (Vice-President)		✓	✓	✓
Ms G Bolton (Treasurer)		✓	✓	✓
Mr C Senoamadi (Independent Member)		✓		

KEY: ✓ in attendance not in attendance

### 1.3 Remuneration of the Council

In terms of Section 10 of the Act, the Council may determine the remuneration and allowances payable to its members or the members of any committee of the Council after consultation with the CBE.

The remuneration of the Council is outlined on page 70 of the financial statement.

### Health Safety and Environmental Issues

#### INTERNAL – SACAP STAFF

The South African Council for the Architectural Profession as an employer considers its employees to be its most valuable assets and undertakes to safeguard them through providing and maintaining a working environment that is safe and without risk to the health of its employees. In ensuring a safe and a healthy working environment, all the Council employees work closely together with the employer in minimising any risk that might jeopardise the health and safety of employees of the Council.

The Council identified a number of employees that

were trained to undertake Occupational Health & Safety programmes including first aid.

The 4th Term Council has introduced a standing agenda item outlining the emergency evacuation procedure which is adhered to by all Committee and staff members in attendance.

#### EXTERNAL – ENVIRONMENTAL ISSUES

There have been two significant incidents that have come to SACAP's attention in this arena:

##### Health and Safety

The collapse of the Tongaat Mall development in KwaZulu-Natal in November 2013 which killed 2 people and injured 29.

The collapse of the house in Meyersdal in August 2014 where 7 workers were killed and 9 were hospitalised.

# HUMAN RESOURCE OVERSIGHT

The Human Resource function is under the supervision of the Registrar of the Council, which deals with SACAP Staffing matters, including conditions of service and recruitment.

## Employment and vacancies

DESCRIPTION	2013/14 NO. OF EMPLOYEES	2014/15 APPROVED POSTS	2014/15 NO. OF EMPLOYEES	2014/15 VACANCIES	% OF VACANCIES
To capacitate the Council by appointing suitable and capable staff members to ensure that the service delivery is achieved through different programmes, activities and objectives.	23	8	25	6	24%
Top management	1	3	3	0	0%
Senior management	4	4	2	2	8%
Professional qualified	0	3	0	3	12%
Skilled	9	12	11	1	4%
Semi-skilled	8	8	8	0	0%
Unskilled	1	1	1	0	0%
Total	23	31	25	6	24%

## Employment changes

DESCRIPTION	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top management	1	2	0	3
Senior management	4	0	2	2
Professional qualified	1	1	2	0
Skilled	9	2	1	11
Semi-skilled	7	2	1	8
Unskilled	1	1	0	1
Total	23	8	6	25

The following appointments were made in the period under review:

- Ms. Barbara van Stade – General Manager;
- Mr. Thiru Mudaly – CFO;
- Ms. Zanele Bosman – Creditors Clerk;
- Ms. Ashanti Nkayi – Debtors Clerk;
- Ms. Ayanda Maduna – General Assistant;
- Ms. Olga Samodien – Registry Administrator
- Mr. Lucky Tshigomana – Legal & Compliance Officer
- Mr. Basil Ingle – Driver & Administrator.

## Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0
Resignation	5	20%
Dismissal	1	4%
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other		0
<b>Total</b>	<b>6</b>	<b>24%</b>

The following staff members resigned during the year:

- Ms. Nontembeko Tutani – Manager: Contact Centre
- Mr. Meshack Moshidi – Senior Registrations Administrator
- Ms. Yingisani Nyambi - Investigations and Complaint Officer
- Mr. Lucky Tshigomana - Legal and Compliance Officer
- Mr. Senzo Khubayi – Driver
- Mr. Daniel Manamela – Head: Professional Development (dismissed)

## Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	3
Written warning	13
Final written warning	0
Dismissal	1

## Equity Target and Employment Equity Status

LEVELS	MALE			
	AFRICAN	COLOURED	INDIAN	WHITE
Top management	-	-	1	-
Senior management	2	-	-	-
Professional qualified	0	-	-	-
Skilled	0	-	-	-
Semi-skilled	1	1	-	-
Unskilled	-	-	-	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>-</b>

LEVELS	FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE
Top management	-	1	-	1
Senior management	1	-	-	-
Professional qualified	0	-	-	-
Skilled	8	-	-	2
Semi-skilled	2	3	1	-
Unskilled	1	-	-	-
<b>Total</b>	<b>12</b>	<b>4</b>	<b>1</b>	<b>3</b>



### Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top management	1	2	0	3
Senior management	4	0	2	2
Total	5	2	2	5

# FINANCIAL INFORMATION



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## SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015.

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# GENERAL INFORMATION

COUNTRY OF INCORPORATION:	Republic of South Africa
NATURE OF BUSINESS AND PRINCIPLE ACTIVITIES:	An educational fund for the purpose of education, training, and continuing education and training of registered persons and students in the architectural profession as contemplated by section 15(5) of the Architectural Profession Act, 2000 (Act No. 44 of 2000)
COUNCIL MEMBERS	Mr. Y Luckan-President Ms. M Gerrans- Vice President Ms. G Bolton-Treasurer Ms. D Arvanitakis (Appointed 19 December 2014) Mr. R Lekota Mr. N Lombard Mr. L Mampuru Mr. P Mashabane (Resigned 11 September 2014) Ms. S Patel Mr. K Ranchod (Appointed 28 August 2014) Mr. R Ruiters Mr. S Thubane
REGISTERED OFFICE ADDRESS:	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
BUSINESS ADDRESS:	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
BANKERS	First National Bank
AUDITORS	NEXIA SAB&T Registered Auditors
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000)
PREPARER	The annual financial statements were independently compiled by: Thiru Mudaly CFO at SACAP.
PUBLISHED	31 August 2015

# AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

## AUDIT COMMITTEE MEMBERS AND ATTENDANCE.

The Audit and Risk Committee consists of the members listed hereunder and is required to meet at least four times per annum as per its approved terms of reference. During the current year four meetings were held by the Audit and Risk Committee.

## AUDIT COMMITTEE ATTENDANCE 2014/2015.

Name	27 May 14	17 July 14	13 Nov 14	24 Feb 15
Mr P Serote (Independent Member)	√	√	√	√
Ms L Scott (Vice President)	√			
Ms R Kenosi (Independent Member)	√	√		
Mr V Mabuli (Independent Member)	√			
Ms A Houston (Treasurer)				
Adv. F Mukaddam (Independent Member)			√	√
Mr C Motau (Independent Member)			√	√
Ms M Gerrans (Vice-President)		√	√	√
Ms G Bolton (Treasurer)		√	√	√
Mr C Senoamadi (Independent Member)		√		

KEY: √ in attendance    not in attendance

## AUDIT COMMITTEE RESPONSIBILITY

We report that we have adopted appropriate formal terms of reference in our charter. We further report that we conducted our affairs in compliance with this charter.

## THE EFFECTIVENESS OF INTERNAL CONTROL

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Having considered the above, the Audit Committee has no reason to believe that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

## INTERNAL AUDIT

We are satisfied that the Internal Audit function has operated effectively and that it has addressed the risks pertinent to the entity in its audits.

### EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with Nexia SAB&T and the Council,
- Reviewed the Auditors management letter and management's response thereto,
- Reviewed the appropriateness of accounting policies and practices adopted; and;
- Reviewed significant adjustments resulting from the Audit.

The Audit Committee having considered the financial position of SACAP, the Report of the Council and Audit Report of the Nexia SAB&T, concurs that the adoption of the going concern premise in preparation of the financial statements is appropriate.

The Audit Committee accepts the Auditor's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the Report of Auditors and has therefore recommended the adoption and approval of the annual financial statements by Council.

### APPRECIATION

The Audit Committee expresses its sincere appreciation to the Council, Registrar, senior management team, Internal Audit and Nexia SAB&T for their co-operation towards us achieving the requirements of our Charter as mandate.



Mr Paul Serote  
Chairperson: Audit and Risk Committee



# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

### **To the Persons Registered with the South African Council for the Architectural Profession (Established under the Architectural Profession Act)**

We have audited the annual financial statements of South African Council for the Architectural Profession set out on pages 45 - 76 which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **THE COUNCIL'S RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS**

The Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, No. 44 of 2000, and for such internal control as the Council determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of The South African Council for the Architectural Profession at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, No. 44 of 2000.

### **SUPPLEMENTARY INFORMATION**

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 75 - 76 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

### **OTHER REPORTS**

As part of our audit of the annual financial statements for the year ended 31 March 2015, we have read the report of the Audit and Risk Committee and the Registrar's report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. The reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

# COUNCILS' RESPONSIBILITY AND APPROVAL

The Council members are required by the Architectural Profession Act, 2000 (Act No. 44 of 2000) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements satisfy the financial reporting standards as to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the Council, and explain the transactions and financial position of the business of the Council at the end of the financial year. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates

The council members acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the council members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the council members have no reason to believe that the Council will not be a going concern in the foreseeable future. The consolidated financial statements support the viability of the Council.

The council members have reviewed the Council's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The accounting officer is responsible for reporting on the company's annual financial statements. The accounting officer's report is presented on page 49 - Registrar's Report.

The consolidated and separate annual financial statements as set out on pages 50 to 76 were approved by the Council on the 30th July 2015 and were signed on their behalf by:



**Mr. Y Luckan**  
President



**Ms. G Bolton**  
Treasurer

# REGISTRAR'S REPORT

The Registrar presents her report for the year ended 31 March 2015.

## 1. REVIEW OF ACTIVITIES

### Main business and operations

The entity is a statutory body that regulates the registration of architectural professionals in South Africa and there were no major changes herein during the year.

The South African Council for the Architectural Profession (the entity) is a regulatory body that was established by the Architectural Profession Act, 2000 (Act No. 44 of 2000), which was published on 1 December 2000 and came into effect on the 26 January 2001.

### MISSION

SACAP will Transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

### VISION

People-centred architecture for South Africa.

The Council is tasked with making the major decisions within the organisation. Council Members serve a term of four years

The operating results and consolidated statement of financial position of the Council are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net Surplus was R3 434 784, (2013/14:R3 819 420)

## 2. GOING CONCERN

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## 3. EVENTS AFTER REPORTING DATE

The Council Members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Council.

## 4. COUNCIL MEMBERS

The members of the Council during the year and to the date of this report are as follows:

Mr. Y Luckan-President  
Ms. M Gerrans- Vice President  
Ms. G Bolton-Treasurer  
Ms. D Arvanitakis (Appointed 19 December 2014)  
Mr. R Lekota  
Mr. N Lombard  
Mr. L Mampuru  
Mr. P Mashabane (Resigned 11 September 2014)  
Ms. S Patel  
Mr. K Ranchod (Appointed 28 August 2014)  
Mr. R Ruiters  
Mr. S Thubane

## 5. AUDITORS

NEXIA SAB&T were the auditors for the year under review and will continue in office for the next financial period.

## 6. ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements are classified as follows:

The South African Council for the Architectural Profession, including balances and transactions of the SACAP Education Fund is Categorised as "Consolidated"

The South African Council for the Architectural Profession, excluding balances and transactions of the SACAP Education Fund is Categorised as "Council"

## 7. APPOINTMENT OF THE COUNCIL

The current Council was inaugurated on the 6 June 2014 and is the 4th Term Council of SACAP.

# STATEMENT OF FINANCIAL POSITION

## AS AT 31 MARCH 2015

Figures in R	Note(s)	Consolidated		Council	
		2015	2014	2015	2014
<b>Assets</b>					
Property, plant and equipment	5	1 571 271	1 121 453	1 571 271	1 121 453
Intangible assets	6	114 104	258 856	114 104	258 856
		<b>1 685 375</b>	<b>1 380 309</b>	<b>1 685 375</b>	<b>1 380 309</b>
<b>Current Assets</b>					
Other Financial Assets	7	27 184 392	24 101 623	24 152 673	20 781 959
Trade and other receivables	8	2 606 966	2 110 325	2 606 966	2 550 325
Cash and cash equivalents	9	4 037 143	2 778 831	3 874 300	2 624 061
		<b>33 828 501</b>	<b>28 990 779</b>	<b>30 633 939</b>	<b>25 956 345</b>
<b>Total Assets</b>		<b>35 513 876</b>	<b>30 371 088</b>	<b>32 319 314</b>	<b>27 336 654</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Retained earnings		29 799 372	26 364 588	26 719 710	23 330 153
<b>Non-Current Liabilities</b>					
Finance lease obligation	10	-	125 117	-	125 117
<b>Current Liabilities</b>					
Trade and other payables	12	5 589 387	3 688 991	5 474 487	3 688 992
Current portion of Finance lease obligation	9	125 117	153 050	125 117	153 050
Bank overdraft	9	-	39 342	-	39 342
		<b>5 714 504</b>	<b>3 881 383</b>	<b>5 599 604</b>	<b>3 881 384</b>
<b>Total Equity and Liabilities</b>		<b>35 513 876</b>	<b>30 371 088</b>	<b>32 319 314</b>	<b>27 336 654</b>

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

Figures in R	Note(s)	Consolidated		Council	
		2015	2014	2015	2014
<b>Revenue</b>	13	24 426 314	<b>21 030 394</b>	24 426 314	<b>21 030 394</b>
Other income	14	200 799	154 522	199 197	154 522
Operating costs		(23 097 417)	(18 575 447)	(22 981 676)	(18 106 841)
<b>Operating profit</b>	15	<b>1 529 696</b>	<b>2 609 469</b>	<b>1 643 835</b>	<b>3 078 085</b>
Finance income	16	1 926 026	1 246 572	1 766 660	1 106 315
Finance costs	17	(20 938)	(36 621)	(20 938)	(36 621)
<b>Profit for the year</b>		<b>3 434 784</b>	<b>3 819 420</b>	<b>3 389 557</b>	<b>4 147 779</b>

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

Figures in R	Retained earnings	Total
<b>Consolidated</b>		
<b>Balance at 1 April 2013</b>	22 545 168	22 545 168
<b>Total comprehensive income for the year</b>		
Profit for the year	3 819 420	3 819 420
<b>Total comprehensive income for the year</b>	3 819 420	3 819 420
<b>Balance at 31 March 2014</b>	<b>26 364 588</b>	<b>26 364 588</b>
<b>Balance at 1 April 2014</b>	26 364 588	26 364 588
<b>Total comprehensive income for the year</b>		
Profit for the year	3 434 784	3 434 784
<b>Total comprehensive income for the year</b>	3 434 784	3 434 784
<b>Balance at 31 March 2015</b>	<b>29 799 372</b>	<b>29 799 372</b>

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

Figures in R	Retained earnings	Total
<b>Council</b>		
<b>Balance at 1 April 2013</b>	19 182 374	19 182 374
<b>Total comprehensive income for the year</b>		
Profit for the year	4 147 779	4 147 779
<b>Total comprehensive income for the year</b>	4 147 779	4 147 779
<b>Balance at 31 March 2014</b>	<b>23 330 153</b>	<b>23 330 153</b>
<b>Balance at 1 April 2014</b>	23 330 153	23 330 153
<b>Total comprehensive income for the year</b>		
Profit for the year	3 389 557	3 389 557
<b>Total comprehensive income for the year</b>	3 389 557	3 389 557
<b>Balance at 31 March 2015</b>	<b>26 719 710</b>	<b>26 719 710</b>



# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

Figures in R	Note(s)	Consolidated		Council	
		2015	2014	2015	2014
<b>Cash generated by operating activities</b>	18	3 639 284	<b>2 302 773</b>	4 078 523	<b>2 223 775</b>
Investment income		1 926 026	1 246 572	1 766 660	1 106 315
Finance costs		(20 938)	(36 621)	(20 938)	(36 621)
<b>Net cash from operating activities</b>		<b>5 544 372</b>	<b>3 512 724</b>	<b>5 824 245</b>	<b>3 293 469</b>
<b>Cash flows from investing activities</b>					
Property, plant and equipment acquired	5	(985 899)	(454 182)	(985 900)	(454 182)
Intangible assets acquired	6	(25 000)	(208 953)	(25 000)	(208 953)
Increase in financial asset		(3 082 769)	(1 212 166)	(3 370 714)	(1 072 704)
<b>Net cash utilised in investing activities</b>		<b>(4 093 668)</b>	<b>(1 875 301)</b>	<b>(4 381 614)</b>	<b>(1 735 839)</b>
<b>Cash flows from financing activities</b>					
Loans (repaid)/raised		(153 050)	(138 540)	(153 050)	(138 540)
<b>Net cash (utilised in)/generated by financing activities</b>		<b>(153 050)</b>	<b>(138 540)</b>	<b>(153 050)</b>	<b>(138 540)</b>
Increase/(decrease) in cash and cashequivalents		1 297 654	1 498 883	1 289 581	1 419 090
Cash and cash equivalents at beginning of the year		2 739 489	1 240 606	2 584 719	1 165 629
<b>Cash and cash equivalents at end of the year</b>	9	<b>4 037 143</b>	<b>2 739 489</b>	<b>3 874 300</b>	<b>2 584 719</b>

# ACCOUNTING POLICIES

## 1. GENERAL INFORMATION

The consolidated and separate annual financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act No. 44 of 2000). A summary of significant accounting policies is set out in note 3.

## 2. BASIS OF PREPARATION

The consolidated and separate annual financial statements of the Council have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity,

or areas where assumptions and estimates are significant to the consolidated and separate annual financial statements are disclosed in note 4.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### Adoption of new and revised pronouncements

In the current year, the Council has adopted all new and revised IFRSs as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2014. The adoption of these new and revised IFRSs has resulted in changes to the Council's accounting policies.

**At the date of authorisation of these financial statements for the year ended 31 March 2015, the following IFRSs were adopted:**

IFRS / IFRIC	TITLE AND DETAILS	EFFECTIVE	EXPECTED IMPACT
IAS 1 (Amendment)	Presentation of items of other comprehensive income	Annual periods commencing on or after 1 July 2012	Being assessed
IAS 1 (Amendment)	Presentation of Financial Statements (Annual Improvements to IFRSs 2009-2011 Cycle)	Annual periods commencing on or after 1 January 2013	Being assessed
IAS 16 (Amendment)	Property, plant and equipment (Annual Improvements to IFRSs 2009-2011 Cycle)	Annual periods commencing on or after 1 July 2014.	Being assessed
IFRS 13	Fair value Measurement	Annual periods commencing on or after 1 January 2013	Being assessed
IFRS 7 (Amendment)	Disclosures - Offsetting Financial Assets and Financial Liabilities	Annual periods commencing on or after 1 January 2013	Being assessed
IFRS 10, IFRS 11, IFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	Annual periods commencing on or after 1 January 2013	Being assessed
IAS 19 (as revised in 2011)	Employee Benefits	Annual periods commencing on or after 1 January 2013	Being assessed
IAS 27 (as revised in 2011)	Separate Financial statements	Annual periods commencing on or after 1 January 2013	Being assessed
IAS 28 (as revised in 2011)	Investments in associates and joint ventures	Annual periods commencing on or after 1 January 2013	Being assessed
IAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	Annual periods commencing on or after 1 January 2014	Being assessed
IAS 32 (Amendment)	Financial instruments: Presentation (Annual Improvements to IFRSs 2009-2011 Cycle)	Annual periods commencing on or after 1 January 2014	Being assessed

**New standards and interpretations not yet adopted**

## ACCOUNTING POLICIES CONTINUED

At the date of authorisation of these financial statements for the year ended 31 March 2015, the following IFRSs were adopted:

The Council has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial year beginning 1 April 2014 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Council). The Council anticipates that the new standards, amendments and interpretations will be adopted in the Council's consolidated financial statements when they become effective. The Council has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

All applicable standards will be complied with in the financial statements of the period ended 31 March 2015. Compliance with these amendments; revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ended 31 March 2015.

### 3.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

IFRS / IFRIC	TITLE AND DETAILS	EFFECTIVE	EXPECTED IMPACT
IFRS 3	Business Combinations Amended	Annual periods commencing on or after 1 July 2014	None
IFRS 9	Financial instruments	Annual periods commencing on or after 1 January 2015	None
IFRS 10	Consolidated financial statements Amended by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Annual periods commencing on or after 1 January 2014	None
IFRS 12	Disclosure of interests in other entities - Amended by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Annual periods commencing on or after 1 January 2013	None
IFRS 9, IFRS 7 (Amendments)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Annual periods commencing on or after 1 January 2015	None
IAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	Annual periods commencing on or after 1 January 2014	None
IAS 36 (Amendment)	Recoverable amount, Disclosures of non-financial assets	Annual periods commencing on or after 1 January 2014	None
IAS 39 (Amendment)	Novation of Derivatives and Continuation of hedge accounting	Annual periods commencing on or after 1 January 2014	None
IFRIC 21	Levies	Annual periods commencing on or after 1 January 2014	None

Depreciation is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the property, plant and equipment to their residual values at the end of their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and available for use. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The major categories of property, plant and equipment are depreciated at the following rates:

Motor vehicles.....	5 years
Office equipment.....	5 years
Computer equipment.....	3 years
Leasehold Improvements .....	5 years
Furniture and fittings.....	10 years

### 3.3 INTANGIBLE ASSETS

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the Council from which the Council expects to derive future economic benefits.

An intangible asset is identifiable if it either is separable, ie is capable of being separated or divided from the Council and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Council intends to do so or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Council or from other rights and obligations.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Council and the cost of the asset can be measured reliably.

The Council assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on

derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Intangible assets are amortised at the following rates:  
Software ..... 3 years

### Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 3.4 FINANCIAL ASSETS

#### Classification

The Council classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Council's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Impairment of financial assets

#### Assets carried at amortised cost

The Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Council of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Council may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

#### Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting

being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and

- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the Council assesses whether there is any objective evidence that a receivable or Council of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

#### Cash and cash equivalents

Cash comprises of cash on hand and at bank and demand deposits with the bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Council's cash management are included as a component of cash and cash equivalents.

#### Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor,

restructuring of an amount due to the Council on terms that the Council would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The Council considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Council uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### Financial liabilities

##### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

##### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### 3.5 POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

##### Post-employment benefit plans

The Council provides post-employment benefits through a defined contribution plan.

##### Defined contribution plans

The Council pays fixed contributions into independent entities in relation to individual employees. The Council has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

#### 3.6 INTEREST-BEARING BORROWINGS

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction costs and, after initial recognition, at amortised cost, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

##### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes or duty. The Council has concluded that it is the principal in all of its revenue arrangements since it is primary obligor in all the revenue arrangements and has pricing latitude.

##### Exam fees

Revenue is recognised when the Council's right to receive the payments is established, which is generally the time a person is eligible to stand for an exam and has paid the fee.

Revenue comprises net invoiced sales to customers excluding VAT and other non-operating income.

### Registration and Re-registrations

Revenue is recognised when the registration or re-registration takes effect

### Renewals

Revenue is recognised when renewals takes effect.

### 3.7 INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Council's management makes assumptions, estimates and judgements in the process of applying the Council's accounting policies that affect the assets, liabilities, income and expenses in the consolidated annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



# NOTES TO CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Figures in R	Consolidated		Council	
	2015	2014	2015	2014

## 5. PROPERTY, PLANT AND EQUIPMENT

			2015			2014
Consolidated	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Leasehold Improvements	410 642	171 427	<b>239 215</b>	113 557	110 514	3 043
Motor vehicles	668 305	140 249	<b>528 056</b>	131 300	131 299	1
Furniture and fittings	705 729	303 887	<b>401 842</b>	640 794	340 341	300 453
Work In Progress	-	-	-	250 701	-	250 701
Office equipment	791 887	658 972	<b>132 915</b>	886 012	592 001	294 011
IT equipment	805 927	536 684	<b>269 243</b>	933 607	660 363	273 244
<b>Profit for the year</b>	<b>3 382 490</b>	<b>1 811 219</b>	<b>1 571 271</b>	<b>2 955 971</b>	<b>1 834 518</b>	<b>1 121 453</b>

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

	Consolidated		Council	
	2015	2014	2015	2014

### 2015 Reconciliation

	Carrying value at beginning of Year	Additions	Disposals	Depreciation	Transfers	2015 Carrying value at end of Year
<i>Owned assets</i>						
Leasehold Improvements	3 043	46 384	-	(60 913)	250 701	239 215
Motor vehicles	1	537 005	-	(8 950)	-	528 056
Furniture and fittings	300 453	226 445	(58 825)	(66 231)	-	401 842
Work In Progress	250 701	-	-	-	(250 701)	-
Office equipment	294 011	20 354	(30 659)	(150 791)	-	132 915
IT equipment	273 244	155 711	(43 887)	(115 825)	-	269 243
	<b>1 121 453</b>	<b>985 899</b>	<b>(133 371)</b>	<b>(402 710)</b>	<b>-</b>	<b>1 571 271</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

Figures in R		Consolidated		Council		
		2015	2014	2015	2014	
<b>2014 Reconciliation</b>						
	Carrying value at beginning of Year	Additions	Disposals	Depreciation	Transfers	2014 Carrying value at end of Year
<i>Owned assets</i>						
Leasehold Improvements	18 690	-	-	(15 647)	-	3 043
Motor vehicles	19 695	-	-	(19 694)	-	1
Furniture and fittings	360 051	3 509	-	(63 107)	-	300 453
Work In Progress	-	250 701	-	-	-	250 701
Office equipment	461 164	7 004	-	(174 157)	-	294 011
IT equipment	363 439	192 968	-	(283 163)	-	273 244
	1 223 039	454 182	-	(555 768)	-	1 121 453

## Assets subject to finance lease (net carrying amount)

	Consolidated		Council	
	2015	2014	2015	2014
Canon (C5051i) digital multifunctional printer	48 007	116 247	48 007	116 247
Canon (C5051i) digital multifunctional printer	48 007	116 247	48 007	116 247
<b>Total</b>	96 013	232 494	96 013	232 494

Council	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Leasehold Improvements	410 642	171 427	<b>239 215</b>	113 557	110 514	3 043
Motor vehicles	668 305	140 249	<b>528 056</b>	131 300	131 299	1
Furniture and fittings	705 729	303 887	<b>401 842</b>	640 794	340 341	300 453
Work In Progress	-	-	-	250 701	-	250 701
Office equipment	791 887	658 972	<b>132 915</b>	886 012	592 001	294 011
IT equipment	805 927	536 684	<b>269 243</b>	933 607	660 363	273 244
<b>Profit for the year</b>	3 382 490	1 811 219	<b>1 571 271</b>	2 955 971	1 834 518	1 121 453

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

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

		Consolidated		Council		
		2015	2014	2015	2014	
<b>2015 Reconciliation</b>						
	Carrying value at beginning of Year	Additions	Disposals	Depreciation	Transfers	2015 Carrying value at end of Year
<i>Owned assets</i>						
Leasehold Improvements	3 043	46 384	-	(60 913)	250 701	239 215
Motor vehicles	1	537 005	-	(8 950)	-	528 056
Furniture and fittings	300 453	226 445	(58 825)	(66 231)	-	401 842
Office equipment	294 011	20 354	(30 659)	(150 791)	-	132 915
IT equipment	273 244	155 711	(43 887)	(115 825)	-	269 243
	1 121 453	985 899	(133 371)	(402 710)	-	1 571 271

for the year ended 31 March 2015

Figures in R	Consolidated		Council	
	2015	2014	2015	2014

### 2014 Reconciliation

	Carrying value at beginning of Year	Additions	Disposals	Depreciation	Transfers	2014 Carrying value at end of Year
<i>Owned assets</i>						
Leasehold Improvements	18 690	-	-	(15 647)	-	3 043
Motor vehicles	19 695	-	-	(19 694)	-	1
Furniture and fittings	360 051	3 509	-	(63 107)	-	300 453
Work In Progress	-	-	-	-	250 701	250 701
Office equipment	461 164	7 004	-	(174 157)	-	294 011
IT equipment	363 439	192 968	-	(283 163)	-	273 244
	1 223 039	203 646	-	(555 768)	250 701	1 121 453

## 6. INTANGIBLE ASSETS

Consolidated	2015		2014	
	Cost	Accumulated amortisation	Carrying value	Carrying value
Intangible Assets	729 513	(615 409)	114 104	258 856

The carrying amounts of intangible assets can be reconciled as follows:

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

			Consolidated		Council	
			2015	2014	2015	2014
<b>2015 Reconciliation</b>						
	Carrying value at beginning of Year	Additions	Amortisation Disposals		2015 Carrying value at end of Year	
Intangible Assets	258 856	25 000	(169 752)	-	114 104	
<b>2014 Reconciliation</b>						
	Carrying value at beginning of Year	Additions	Amortisation Disposals		2014 Carrying value at end of Year	
Intangible Assets	244 681	208 953	(194 778)	-	258 856	
<b>Company</b>	Cost	Accumulated amortisation	2015 Carrying value	Cost	Accumulated amortisation	2014 Carrying value
Intangible Assets	729 513	(615 409)	114 104	704 513	(445 657)	258 856

### 7. OTHER FINANCIAL ASSETS

First National Bank	724 593	703 121	724 593	703 121
Investec	14 381 837	12 009 305	14 155 361	11 358 099
Nedbank	12 079 565	11 389 197	9 272 719	8 720 739
	<b>27 184 392</b>	<b>24 101 623</b>	<b>24 152 673</b>	<b>20 781 959</b>
Current assets				
Loans and receivable	<b>27 184 392</b>	<b>24 101 623</b>	<b>24 152 673</b>	<b>20 781 959</b>

The carrying value of the investments reflects the approximate fair value at year end

	Consolidated		Council	
	2015	2014	2015	2014

### 8. TRADE AND OTHER RECEIVABLES

Trade debtors	8 621 283	6 934 607	8 621 283	7 374 607
Sundry debtors	68 189	303 647	68 189	303 647
Prepaid expenses	758	192 028	758	192 028
Unallocated receipts	(2 048 677)	(1 530 285)	(2 048 677)	(1 530 285)
Value Added Tax	769 881	578 238	769 881	578 238
	7 411 434	6 478 235	7 411 434	6 918 235
Impairment loss	(4 804 468)	(4 367 910)	(4 804 468)	(4 367 910)
	<b>2 606 966</b>	<b>2 110 325</b>	<b>2 606 966</b>	<b>2 550 325</b>

According to section 20(1)(a)(iii) of the Architectural Profession Act, registered professionals who fail to pay the prescribed annual fee, or portion thereof, within 60 days from it become due or within such further period as the Council may allow, either before or after the expiry of 60 days, will be removed as registered professionals.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical payments trends of the individual debtors, therefore a credit rating of 'high' has been ascribed debtors

The carrying amount of trade and other receivables approximates their fair value.

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

### Credit rating of trade receivables

	Rating	Consolidated		Council	
		2015	2014	2015	2014
Current	High	420 645	70 735	420 645	70 735
31 - 60 days	Medium	128 618	5 875	128 618	5 875
over 90 days	Low	8 072 020	6 857 996	8 072 020	7 297 996
<b>Total</b>		<b>8 621 283</b>	<b>6 934 606</b>	<b>8 621 283</b>	<b>7 374 606</b>

The entity recognised an impairment provision of R4 804 468 (2014: R 4 367 910) against trade receivables due to default by customers.

**Trade and other receivables pledged as security** none none none none

### Trade and other receivables impaired

As of 31 March 2015, trade and other receivables of R4 979 323 (2014: R4 367 910) were impaired and allowed for.

	Consolidated		Council	
	2015	2014	2015	2014
Allowance account for credit losses:				
Balance as at 1 April 2014	4 367 910	4 162 820	4 367 910	4 162 820
Impairment loss made during the year-debtors	382 945	179 904	382 945	179 904
Impairment loss made during the year-Vat portion	53 612	25 186	53 612	25 186
<b>Balance as at 31 March 2015</b>	<b>4 804 468</b>	<b>4 367 910</b>	<b>4 804 468</b>	<b>4 367 910</b>

## 9. CASH AND CASH EQUIVALENTS

### Favourable cash balances

	Consolidated		Council	
	2015	2014	2015	2014
Bank balances	4 037 143	2 778 831	3 874 300	2 624 061
<b>Overdraft</b>				
Bank overdraft	-	39 342	-	39 342
	-	39 342	-	39 342
Current assets	4 037 143	2 778 831	3 874 300	2 624 061
Current liabilities	-	(39 342)	-	(39 342)
	<b>4 037 143</b>	<b>2 739 489</b>	<b>3 874 300</b>	<b>2 584 719</b>

# 10. OBLIGATIONS UNDER FINANCE LEASE

SACAP entered into an agreement with Canon Business Center for two copiers (Canon 5051i). The rental agreement for a period of 60 months beginning on 01 January 2011 and the total monthly instalments, payable in advance, are R14 499 with a 0% escalation per annum

	Consolidated		Council	
	2015	2014	2015	2014
Future minimum lease payments fall due as follows				
- within one year	130 392	173 988	125 117	173 988
- later than one year but within five years	-	130 392	-	130 392
- later than five years	-	-	-	-
Total	130 392	304 380	125 117	304 380
Future finance costs	(5 275)	(26 213)	-	(26 213)
Lease liability	125 117	278 167	125 117	278 167
Analysed as follows:				
Current portion	125 117	153 050	125 117	153 050
Long term portion	-	125 117	-	125 117
	125 117	278 167	125 117	278 167

The lease liability is secured over certain items of property ,plant and equipment disclosed in Note 5.

# 11. COMMITMENTS UNDER OPERATING LEASES

The entity rents several offices at Lakeside Place under operating leases. The leases are for an average period of one year ending 31 October 2015, with fixed rentals over the same period.

	Consolidated		Council	
	2015	2014	2015	2014
Minimum lease payments under operating leases recognised as an expense during the year	880 998	1 056 511	880 998	1 056 511

At year-end, the Council has outstanding commitments under non-cancellable operating leases that fall due as follows:

	Consolidated		Council	
	2015	2014	2015	2014
Within one year	460 231	89 535	460 231	89 535
Later than one year but within five years	-	-	-	-
Later than five years	-	-	-	-
	460 231	89 535	460 231	89 535

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

### 12. TRADE AND OTHER PAYABLES

Accruals	1 041 955	197 619	1 041 955	197 619
Amounts received in advance	3 106 903	3 133 914	3 106 903	3 133 914
Accrual leave pay	348 752	129 127	233 852	129 127
Trade creditors	1 091 777	228 331	1 091 777	228 332
	5 589 387	3 688 991	5 474 487	3 688 992

### 13. REVENUE

An analysis of revenue is as follows:

Annual fees	19 112 051	16 993 503	19 112 051	16 993 513
Administration fees	217 611	454 897	217 611	454 897
Exam fees	845 383	920 650	845 383	920 650
Registration and re-registrations	3 959 165	2 440 293	3 959 165	2 440 293
Renewals	292 104	221 051	292 104	221 051
	24 426 314	21 030 394	24 426 314	21 030 404

Registration is cancelled when the Registered Professionals do not pay their fees within the prescribed time. When such a person wants to re-register, the prior years' outstanding fees must be settled first. The fees are then recognised in the year in which they are received.

### 14. OTHER INCOME

	Consolidated		Council	
	2015	2014	2015	2014
Other income	200 799	142 051	199 197	142 051
Sundry income	-	12 471	-	12 471
	200 799	154 522	199 197	154 522



# 15. OPERATING PROFIT

Operating profit is arrived at after taking into account the following items:

	Consolidated		Council	
	2015	2014	2015	2014
<i>Income</i>				
Loss on disposal of property, plant and equipment	133 372	-	133 372	-
<i>Depreciation</i>				
Work In Progress	(572 461)	(750 544)	(572 461)	(750 544)
Audit fees				
-current	162 820	300 110	162 820	272 455
<i>Operating lease charges</i>				
Premises	880 998	1 056 511	880 998	1 056 511
Minimum lease payments under operating leases	880 998	1 056 511	880 998	1 056 511

# 16. FINANCE INCOME

Interest received	1 926 026	1 246 572	1 766 660	1 106 315
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# 17. FINANCE COSTS

Bank overdrafts and acceptances	-	1 176	-	1 176
Finance leases	20 938	35 445	20 938	35 445
	20 938	36 621	20 938	36 621

# 18. CASH FLOWS FROM OPERATING ACTIVITIES

Surplus for the year	3 434 784	3 819 420	3 389 557	4 147 779
<i>Adjustments for:</i>				
Finance costs	20 938	36 621	20 938	36 621
Depreciation and amortisation of assets	572 461	750 544	572 461	750 544
Investment income	(1 926 026)	(1 246 572)	(1 766 660)	(1 106 315)
Loss on disposal of property, plant and equipment	133 372	-	133 372	-
<b>Operating cash flow before working capital changes</b>	<b>2 235 529</b>	<b>3 360 013</b>	<b>2 349 668</b>	<b>3 828 629</b>
<i>Working capital changes</i>				
Increase in trade and other receivables	(496 641)	(1 253 041)	(56 641)	(1 628 243)
Increase in trade and other payables	1 900 396	195 801	1 785 496	23 389
<b>Cash generated by operating activities</b>	<b>3 639 284</b>	<b>2 302 773</b>	<b>4 078 523</b>	<b>2 223 775</b>

## 19. TAXATION

The South Africa Council for the Architectural Profession's receipts and accruals are exempt from Income tax in terms of the provision of section 10 (1) (cA) (i) of the Income Tax Act, 1962 (No.58 of 1962)

## 20. RELATED PARTY TRANSACTIONS

### Relationships

Members of key management	Marella O'Reilly - Registrar Barbara van Stade - General Manager (Appointed 27 May 2014) Thiru Mudaly - CFO (Appointed 01 July 2014)
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's report for the Council member names
Relationship governed by law	Council for the Built Environment

### Related party balances

	Consolidated		Council	
	2015	2014	2015	2014
Amounts included in trade receivables				
Education Fund of SACAP	-	-	-	440 000
Amounts included in trade payables				
Council for the Built Environment.	99 876	9 408	99 876	9 408
Provision for doubtful debts related to the amount of outstanding balance				
None				

### Related party transactions

#### Included in operation expenses

Council for the Built Environment.	395 409	343 224	395 409	343 224
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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

	2015			2014		
<b>Executive Management</b>	<b>Basic Salary</b>	<b>Travel</b>	<b>Total</b>	<b>Basic Salary</b>	<b>Travel</b>	<b>Total</b>
Marella O'Reilly	1 393 308	139 072	1 532 380	55 660	7 383	63 044
Barbara van Stade	561 066	5 661	566 727	-	-	-
Thiru Mudaly	751 048	1 284	752 332	-	-	-
	<b>2 705 422</b>	<b>146 017</b>	<b>2 851 439</b>	<b>55 660</b>	<b>7 383</b>	<b>63 044</b>

	2015			2014		
<b>Non Executive</b>	<b>Honorarium</b>	<b>Travel</b>	<b>Total</b>	<b>Honorarium</b>	<b>Travel</b>	<b>Total</b>
Y Luckan-President	157 436	-	157 436	-	-	-
M Gerrans- Vice President	129 613	-	129 613	80 340	-	80 340
G Bolton	66 367	-	66 367	-	-	-
R Ruiters	40 454	-	40 454	32 046	-	32 046
L Mampuru	14 421	-	14 421	-	-	-
N Lombard	37 645	-	37 645	-	-	-
S Thubane	20 830	-	20 830	-	-	-
S Patel	2 003	-	2 003	-	-	-
R Lekota	3 205	-	3 205	-	-	-
P Mashabane- resigned 11 Septemb	27 216	-	27 216	126 760	-	126 760
K Ranchod-Appointed 28 August 201	21 163	-	21 163	-	-	-
D Arvanitakis-Appointed 19 Decemb	6 409	-	6 409	-	-	-
L Scott- resigned 05 June 2014	21 693	-	21 693	152 954	-	152 954
A Houston- Treasurer-resigned 05 Ju	3 205	-	3 205	76 300	-	76 300
D Basdew-resigned 05 June 2014	6 409	-	6 409	50 358	-	50 358
F Motsepe-resigned 05 June 2014	13 734	-	13 734	100 980	-	100 980
G Steyn-resigned 05 June 2014	36 863	-	36 863	64 841	-	64 841
P Crafford-resigned 05 June 2014	-	-	-	-	-	-
H Nienaber-resigned 05 June 2014	11 124	-	11 124	15 904	-	15 904
	<b>619 789</b>	<b>-</b>	<b>619 789</b>	<b>700 483</b>	<b>-</b>	<b>700 483</b>

## 21. FINANCIAL INSTRUMENTS

### Financial Assets by Category

The Council has classified its financial assets in the following categories: Consolidated

<b>2015</b>	Loans and receivables	Total
Investments	27 184 392	27 184 392
Trade and other receivables	1 837 085	1 837 085
<b>Cash and cash equivalents</b>	<b>4 037 143</b>	<b>4 037 143</b>

### 2014

Investments	24 101 623	24 101 623
Trade and other receivables	1 532 087	1 532 087
Cash and cash equivalents	2 778 831	2 778 831

The Council has classified its financial liabilities in the following categories: Council

<b>2015</b>	Loans and receivables	Total
Investments	24 152 673	24 152 673
Trade and other receivables	1 837 085	1 837 085
<b>Cash and cash equivalents</b>	<b>3 874 300</b>	<b>3 874 300</b>

### 2014

Investments	20 781 959	20 781 959
Trade and other receivables	1 972 087	1 972 087
Cash and cash equivalents	2 624 061	2 624 061

#### Financial liabilities by Category

The Council has classified its financial liabilities in the following categories: Consolidated

<b>2015</b>	Financial liabilities amortised cost	Total
Trade and other payables	5 589 387	5 589 387
Finance lease obligation	125 117	125 117
<b>2014</b>		
Trade and other payables	3 688 991	3 688 991
Finance lease obligation	278 167	278 167

The Council has classified its financial liabilities in the following categories: Council

<b>2015</b>	Financial liabilities amortised cost	Total
Trade and other payables	5 474 487	5 474 487
Finance lease obligation	125 117	125 117
<b>2014</b>		
Trade and other payables	3 688 992	3 688 992
Finance lease obligation	278 167	278 167

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

### Credit risk

Credit risk consists mainly of cash deposits, investments, trade receivables and other receivables. The Council only deposits cash with major banks with high quality credit standing and limit exposure to any one counter-party.

Receivables comprise of fees owed by registered persons in terms of the Architectural Profession Act, 2000 (Act No. 44 of 2000). Receivables comprises of a wide spread registered person's base. Receivables are monitored for impairment on an ongoing basis. Non-payment by registered persons results in de-registration, in which event outstanding fees are provided for as bad debt

#### Financial assets exposed to credit risk at year end were as follows:

##### Financial instrument

Investments	27 184 392	24 101 623	24 152 673	20 781 959
Trade and other receivables	1 837 085	1 532 087	1 837 085	1 972 087
Deposits with banks	4 037 143	2 778 831	3 874 300	2 624 061

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### Consolidated

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>2015</b>				
Trade and other payables	5 589 387	-	-	-
Finance Lease obligation	125 117	-	-	-
<b>2014</b>				
Trade and other payables	3 688 991	-	-	-
Finance Lease obligation	125 117	153 050	-	-

### Council

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>2015</b>				
Trade and other payables	5 474 487	-	-	-
Finance Lease obligation	125 117	-	-	-
<b>2014</b>				
Trade and other payables	3 688 992	-	-	-
Finance Lease obligation	125 117	153 050	-	-

#### Interest rate risk

As the Council has significant interest-bearing assets that causes its income and operating cash flows to be substantially dependent on changes in the market interest rates.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the entity's profit before tax.

Effect on the profit before tax	Increase/ decrease in base points	Consolidated	Council
South African Rand	0.01	271 844	241 527
South African Rand	-0.01	(271 844)	(241 527)

#### Capital Risk Management

The Council's objective when managing capital is to safeguard its ability to continue as a going concern.

The capital structure of the Council consists of cash and cash equivalents disclosed in the note 6 and accumulated funds as disclosed in the statement of financial position

#### Financial Risk Management

The Council's activities expose it to liquidity and cash flow interest rate risk



# DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Consolidated		Council	
Figures in R	2015	2014	2015	2014
<b>Gross Revenue</b>				
Administration fees	217 611	454 897	217 611	454 897
Annual fees	19 112 051	16 993 503	199 197	154 522
Exam fees	845 383	920 650	(22 981 676)	(18 106 841)
<b>Registrations and re-registration fees</b>	3 959 165	2 440 293	1 643 835	3 078 085
Renewals	292 104	221 051	1 766 660	1 106 315
	24 426 314	21 030 394	24 426 314	21 030 404
<b>Other Income</b>				
Investment income	1 926 026	1 246 572	1 766 660	1 106 315
Other income	200 799	142 051	199 197	142 051
Sundry income	-	12 471	-	12 471
	<b>2 126 825</b>	<b>1 401 094</b>	<b>1 965 857</b>	<b>1 260 837</b>
	<b>26 553 139</b>	<b>22 431 488</b>	<b>26 392 171</b>	<b>22 291 241</b>

## DETAILED INCOME STATEMENT CONTINUED

Figures in R	Consolidated		Council	
	2015	2014	2015	2014
<b>Expenditure</b>				
Advertising	1 273 819	357 891	1 273 819	357 891
Annual Report	121 448	135 010	121 448	135 010
Auditors' remuneration	162 820	300 110	162 820	272 455
Bad debts	740 204	486 003	740 204	486 003
Bank charges	82 593	94 329	81 752	93 378
CAA Validation reps	83 111	175 482	83 111	175 482
CBE levies	395 409	343 224	395 409	343 224
Computer expenses	92 554	45 608	92 554	45 608
Consulting fees	1 673 866	2 519 675	1 673 866	2 519 675
Database & Document Management	19 104	31 490	19 104	31 490
Depreciation - Tangible assets	572 461	750 544	572 461	750 544
Employee benefits	1 222 161	993 281	1 222 161	993 281
Finance costs	20 938	36 621	20 938	36 621
General expenses	245 569	118 693	245 569	118 693
Grants	-	440 000	-	-
Honorariums	1 079 801	1 305 334	1 079 801	1 305 334
Insurance	89 548	72 616	89 548	72 616
Internal Audit fees	625 643	94 600	625 643	94 600
Lease rental on operating lease	880 998	1 056 511	880 998	1 056 511
Legal expense	1 598 295	409 984	1 598 295	409 984
Loss on sale of fixed assets	133 372	-	133 372	-
Motor vehicle expense	40 681	28 406	40 681	28 406
Outreach, roadshows and exhibitions	624 275	145 528	624 275	145 528
Policy Development	-	100 000	-	100 000
Postage	71 970	84 002	71 970	84 002
Printing and stationery	250 743	218 685	250 743	218 685
Promotions	25 950	-	25 950	-
Registration Certificates	-	19 144	-	19 144
Repairs and maintenance	81 267	1 900	81 267	1 900
Salaries	8 614 073	6 176 533	8 499 173	6 176 533
Subscriptions	24 182	1 285	24 182	1 285
Telephone and fax	366 770	269 203	366 770	269 203
Training	18 143	-	18 143	-
Travel - local	1 249 873	1 277 212	1 249 873	1 277 212
Utilities	234 022	202 119	234 022	202 119
Venue costs and catering	170 292	134 019	170 292	134 019
Website Maintenance	232 400	187 026	232 400	187 026
	23 118 355	18 612 068	23 002 614	18 143 462
<b>Profit for the year</b>	<b>3 434 784</b>	<b>3 819 420</b>	<b>3 389 557</b>	<b>4 147 779</b>



# INDEX

## THE EDUCATION FUND OF THE SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE FINANCIAL STATEMENTS PRESENTED TO THE MEMBERS:

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# GENERAL INFORMATION

COUNTRY OF INCORPORATION:	Republic of South Africa
NATURE OF BUSINESS AND PRINCIPLE ACTIVITIES:	An educational fund for the purpose of education, training, and continuing education and training of registered persons and students in the architectural profession as contemplated by section 15(5) of the Architectural Profession Act, 2000 (Act No. 44 of 2000)
COUNCIL MEMBERS	Y Luckan-President M Gerrans- Vice President G Bolton-Treasurer D Arvanitakis (Appointed 19 December 2014) R Lekota N Lombard L Mampuru P Mashabane (Resigned 11 September 2014) S Patel K Ranchod (Appointed 28 August 2014) R Ruiters S Thubane
REGISTERED OFFICE ADDRESS:	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
BUSINESS ADDRESS:	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
BANKERS	First National Bank
AUDITORS	NEXIA SAB&T Registered Auditors
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act 2000, (Act No. 44 of 2000)
PREPARER	The annual financial statements were independently compiled by: Thiru Mudaly (SACAP)
PUBLISHED	31 August 2015

# REPORT OF THE INDEPENDENT AUDITORS



To the Persons Registered with the South African Council for the Architectural Profession (Established under the Architectural Profession Act)

We have audited the annual financial statements of the Education Fund of the South African Council for the Architectural Profession set out on pages 83 to 97, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year that ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## THE COUNCIL'S RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000) and for such internal control as the Council determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of The Education Fund of the South African Council for the Architectural Profession at 31 March 2015, and its financial performance and cash flows for the year that ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act 2000 (Act No. 44 of 2000).

## SUPPLEMENTARY INFORMATION

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 97 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

## OTHER REPORTS

As part of our audit of the annual financial statements for the year ended 31 March 2015, we have read the Registrar's report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the respective preparers. Based on reading the report we have not identified material inconsistencies between the report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.

Nexia SAB&T  
Per: P Mkumbuzi  
Registered Auditor  
Date: 30 July 2015

# COUNCIL'S RESPONSIBILITIES AND APPROVALS

The Council is required in terms of the Architectural Profession Act, 2000 (Act No. 44 of 2000) to maintain adequate accounting records and are responsible for the integrity of the annual financial statements and related financial information included in this report. It is the Council's responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal control can provide only reasonable, and not absolute, assurance against a material misstatement or loss.

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 80.

The annual financial statements set out on pages 79 to 96, which have been prepared on a going concern basis, were approved by the Council on the 30th July 2015 and were signed on its behalf by:



**Mr. Y Luckan**  
President



**Ms. G Bolton**  
Treasurer



# REGISTRAR'S REPORT

The Registrar submits her report for the year ended 31 March 2015.

## 1. REVIEW OF ACTIVITIES MAIN BUSINESS AND OPERATIONS

The entity is an educational fund of the South African Council of the Architectural Profession which is a statutory body that regulates the architectural profession in South Africa.

The South African Council for the Architectural Profession ("the entity") is a regulatory body that was established by the Architectural Profession Act, 2000 (Act No. 44 of 2000) which was published on 01 December 2000 and came into effect on 26 January 2001.

### MISSION

SACAP will Transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

### VISION

People-centred architecture for South Africa.

The South African Council for the Architectural Profession is tasked with making the major decisions within the organisation. Council members have a term of four years.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net (Profit/Loss) was R 160 128 (2014: R328 371).

## 2. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlements of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## 3. EVENTS SUBSEQUENT TO YEAR END

The Council members are not aware of any matters or circumstances arising after the financial year end.

## 4. COUNCIL MEMBERS

The members of the Council during the year and to date of this report are as follows:

NAME	NATIONALITY
Mr. Y Luckan-President	South African
Ms. M Gerrans-Vice President	South African
Ms. G Bolton-Treasurer	South African
Mr. R Ruiters	South African
Mr. L Mampuru	South African
Mr. N Lombard	South African
Mr. S Thubane	South African
Ms. S Patel	South African
Mr. P Mashabane (Resigned)	South African
Mr. R Lekota	South African
Ms. K Ranchod	South African
Ms. D Arvanitakis	South African

## 5. AUDITORS

NEXIA SAB&T were appointed auditors for the financial year ended 31 March 2015 and will continue in office for the next financial period.

## 6. APPOINTMENT OF COUNCIL

The current Council was inaugurated on the 6 June 2014 and is the 4th Term Council of SACAP.

# STATEMENT OF FINANCIAL POSITION

## AS AT 31 MARCH 2015

R million	Note	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Other Financial Assets	4	3 031 719	3 319 664
Trade and other receivables	5	-	-
Cash and cash equivalents	6	162 843	154 770
		<b>3 194 562</b>	<b>3 474 435</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings		3 194 540	3 034 413
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	-	440 000
<b>Total Equity and Liabilities</b>		<b>3 194 540</b>	<b>3 474 413</b>

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

R million	Note	2015	2014
Other income		1 603	
Operating expenses		(841)	(468 628)
<b>Operating shortfall for the year</b>		<b>761</b>	<b>(468 628)</b>
Finance income	10	159 366	140 257
<b>(Deficit)/Surplus for the year</b>		<b>160 128</b>	<b>(328 371)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/ income for the year</b>		<b>160 128</b>	<b>(328 371)</b>

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

R million	Retained earnings	Total Equity
<b>Balance at 01 April 2013</b>	<b>3 362 784</b>	<b>3 362 784</b>
Total comprehensive income for the year	(328 371)	(328 371)
Total changes	<b>(328 371)</b>	<b>(328 371)</b>
<b>Balance at 01 April 2014</b>	<b>3 034 413</b>	<b>3 034 413</b>
Total comprehensive income for the year	160 128	160 128
Total changes	160 128	160 128
<b>Balance at 31 March 2015</b>	<b>3 194 540</b>	<b>3 194 540</b>

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2015

R million	Note	2015	2014
<b>OPERATING ACTIVITIES</b>			
Cash generated/ utilised from operations activities	13	(439 239)	78 977
Finance income		159 366	140 257
<b>Net cash flows from operating activities</b>		<b>(279 872)</b>	<b>219 234</b>
<b>INVESTING ACTIVITIES</b>			
Net movement on financial assets		287 945	(139 462)
<b>Net cash flows used in investing activities</b>		<b>287 945</b>	<b>(139 462)</b>
Net increase in cash and cash equivalents		8 073	79 772
Cash and cash equivalents 1 April at the beginning of the year		154 769	74 998
<b>Cash and cash equivalents 31 March</b>	6	<b>162 843</b>	<b>154 769</b>

# ACCOUNTING POLICIES

## 1. BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act, 2000 (Act No. 44 of 2000). The annual financial statements have been prepared on the historical cost basis, except where otherwise indicated, and incorporate the principal accounting policies as set out below.

These accounting policies are consistent with the previous period.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Current versus non-current classification

Assets and liabilities are presented in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

### b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. It has been concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, and has pricing latitude.

The specific recognition criteria described below must also be met before revenue is recognised.

### Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

### c) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 1) FINANCIAL ASSETS

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Council commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The entity has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

### Loans and receivables

This category is the most relevant to the entity. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

## II) FINANCIAL LIABILITIES

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and

payables, net of directly attributable transaction costs. The entity's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings

This is the category most relevant to the entity. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of an Education Fund of similar financial assets) is primarily derecognised (i.e. removed from the Education Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Education Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Education Fund has transferred substantially all the risks and rewards of the asset, or (b) the Education Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Education Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Council continues to recognise the transferred asset to the extent of the Education Fund's continuing involvement. In that case, the Education Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Education Fund has retained.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **d) Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

##### Adoption of new and revised pronouncements

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014.

At the date of authorisation of these financial statements for the year ended 31 March 2015, the following IFRSs were adopted:

IFRS / IFRIC	TITLE AND DETAILS	EFFECTIVE	EXPECTED IMPACT
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	Effective for annual periods beginning on 1 January 2014	Being assessed
Amendment to IFRS 2	Annual Improvements to IFRSs (2010–2012 Cycle)	Effective for annual periods beginning on 1 January 2014	Being assessed
Amendment to IFRS 3	Annual Improvements to IFRSs (2010–2012 Cycle)	Effective for annual periods beginning on 1 January 2014	Being assessed
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	Effective for annual periods beginning on 1 January 2014	Being assessed

##### New standards and interpretations not yet adopted

The company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial year beginning 1 January 2014 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). The Board anticipates that the new standards, amendments and interpretations will be adopted in the Group's consolidated financial statements when they become effective. The company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

IFRS / IFRIC	TITLE AND DETAILS	EFFECTIVE	EXPECTED IMPACT
Amendment to IAS 24	Annual Improvements to IFRSs 2010–2012 Cycle	Effective for annual periods beginning on 1 July 2014	None
Amendments to IAS 27	Equity Method in Separate Financial Statements	Effective for annual periods beginning on 1 January 2016	None
Amendment to IAS 40	Annual Improvements to IFRSs 2011–2013 Cycle	Effective for annual periods beginning on 1 July 2014	None
Amendment to IFRS 3	Annual Improvements to IFRSs 2011–2013 Cycle	Effective for annual periods beginning on 1 July 2014	None
Amendment to IFRS 5	Annual Improvements to IFRSs 2012–2014 Cycle	Effective for annual periods beginning on 1 January 2016	None
Amendment to IFRS 7	Annual Improvements to IFRSs 2012–2014 Cycle	Effective for annual periods beginning on 1 July 2014	None
Amendment to IFRS 8	Annual Improvements to IFRSs 2010–2012 Cycle	Effective for annual periods beginning on 1 July 2014	None
IFRS 9 Financial Instruments	This standard will replace IAS 39 (and all the previous versions of IFRS 9)	Effective for annual periods beginning on 1 January 2018	None
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective for annual periods beginning on 1 January 2016	None
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	Effective for annual periods beginning on 1 January 2016	None
Amendment to IFRS 13	Annual Improvements to IFRSs 2011–2013 Cycle	Effective for annual periods beginning on 1 July 2014	None
IFRS 15	Revenue from Contracts with Customers	Effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2017	None

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

R million	2015	2014
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## 4. OTHER FINANCIAL ASSETS

### Loans and receivables

Nedbank	2 805 243	2 668 459
Investec	226 476	651 205
	<b>3 031 719</b>	<b>3 319 664</b>

### Current assets

Loans and receivables	3 031 719	3 319 664
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The maximum exposure to credit risk at the reporting date is the carrying amount of the held to maturity financial assets.

## 5. TRADE AND OTHER RECEIVABLES

Trade receivables	-	-
South African Council for the Architectural Profession grant	-	-
	-	-

The carrying value of trade and other receivables reflects their approximate fair value at year end.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	162 843	154 770
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Cash and bank earns interest at floating rate based on a daily bank deposit rate.

## 7. TRADE AND OTHER PAYABLES

South African Council for the Architectural Profession	-	440 000
	-	440 000

## 8. FINANCIAL ASSETS BY CATEGORY

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

### 2015

	Loans and receivable	Fair value through profit and loss held for trading	Fair value through profit and loss - designated	Held to maturity investments	Available for sale	Total
Other financial assets	3 031 719	-	-	-	-	3 031 719
Cash and cash equivalents	162 843	-	-	-	-	162 843
	<b>3 194 562</b>					<b>3 194 562</b>

### 2014

Other financial assets	3 319 664	-	-	-	-	3 319 664
Trade and other receivables	-	-	-	-	-	-
Cash and cash equivalents	154 770	-	-	-	-	154 770
	<b>3 474 435</b>					<b>3 474 435</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF THE EDUCATION FUND CONTINUED

R million	2015	2014
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## 9. FINANCIAL LIABILITIES BY CATEGORY

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

### 2015

	Financial liabilities at amortised cost	Fair value through profit and loss - held for trading	Fair value through profit and loss - designated	Total
Trade and other receivables	-	-	-	-

## 10. FINANCE INCOME

Interest received from investments	-	-	159 366	140 257
The following is an analysis of finance income asset category:				
Available for sale financial assets	-	-	-	-
Loans and receivables	-	-	159 366	140 257
Held-to-maturity investments	-	-	-	-
Total interest income for financial assets not through profit or loss			159 366	140 257
Investment income earned on non-financial assets			-	-
			<b>159 366</b>	<b>140 257</b>

## 11. TAXATION

The Education Fund of the South African Council for the Architectural Profession's receipts and accruals are exempt from income tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act, No 58 of 1962.

## 12. AUDITORS' REMUNERATION

Audit	-	(27 655)
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## 13. OPERATING ACTIVITIES

Surplus for the year	160 128	(328 371)
<b>Adjustments to reconcile operating surplus for the year to net cash flows:</b>		
Finance income	(159 366)	(140 257)
<b>Working capital adjustments:</b>		
Decrease/(increase in trade and other receivables	-	178 403
Decrease in trade and other payables	(440 000)	369 202
<b>Cash generated/(utilised) from operating activities</b>	<b>(439 239)</b>	<b>78 977</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF THE EDUCATION FUND CONTINUED

### 14. RELATED PARTIES

#### Relationships

Members of key management

Marella O'Reilly - Registrar  
Barbara van Stade - General Manager (Appointed 27 May 2014)  
Thiru Mudaly - CFO (Appointed 01 July 2014)

Executive authority

Department of Public Works

Governing body

Refer to the Registrar's report for the Council member names

**Controlling entity**

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

Relationship governed by law

Council for the Built Environment

#### Related party balances

R million	2015	2014
<b>Amounts included in trade payables</b>		
South African Council for the Architectural Profession	-	440 000
<b>Amounts included in trade receivables</b>		
Provision for doubtful debts related to the amount of outstanding balance		
None		

## 15. RISK MANAGEMENT

### CAPITAL RISK MANAGEMENT

The Council's objectives when managing capital is to safeguard the Council's ability to continue as a going concern.

The capital structure of the entity consists of cash and cash equivalents disclosed in note 5 and accumulated funds disclosed in the statement of financial position.

### FINANCIAL RISK MANAGEMENT

The entity's activities expose it to liquidity risk and cash flow interest rate risk.

### LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties.

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

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>At 31 March 2014</b>				
Trade and other payables	-	-	-	-
<b>At 31 March 2013</b>				
Trade and other payables	-	-	-	-
Finance Lease obligation	440 000	-	-	-

**15. RISK MANAGEMENT continued**

**INTEREST RATE RISK**

As the entity has significant interest-bearing assets that cause the entity's income and operating cash flows to be substantially dependent on changes in market interest rates.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the entity's profit before tax.

**Interest rate risk table**

	Increase/ decrease in base points	Effect on the profit before tax	Effect on equity
South African Rand	1%	30 317	30 317
South African Rand	-1%	(30 317)	(30 317)

**Credit risk**

Credit risk consists mainly of cash deposits and investments. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

**Financial instrument**

<b>R million</b>	<b>2015</b>	<b>2014</b>
Investments	3 031 719	3 045 219
Trade and other receivables	-	178 403
Cash and cash equivalents	162 843	121 194

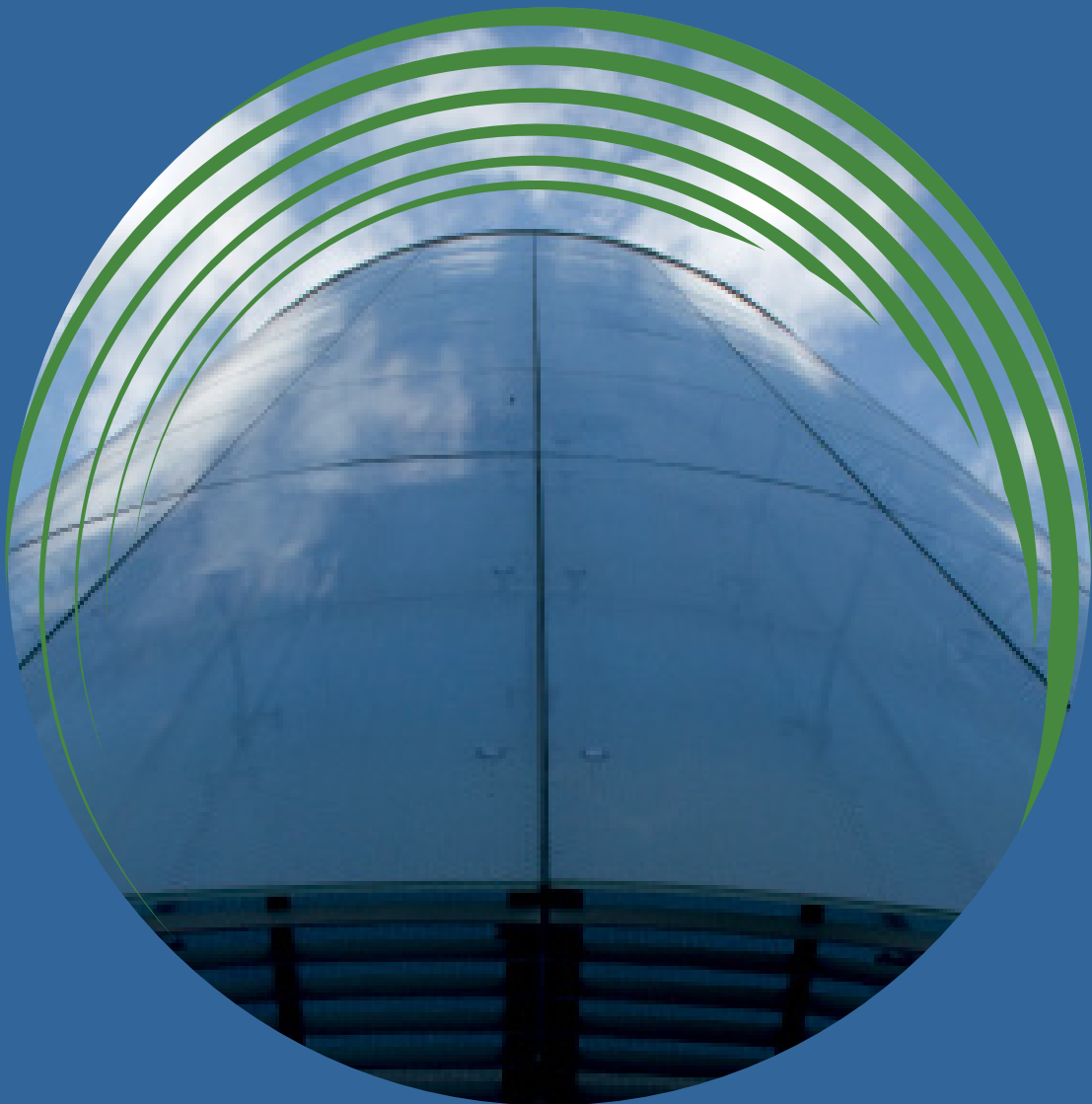
# DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note (s)	2015	2014
<b>OTHER INCOME</b>			
Sundry income		1 603	0
Finance income		159 366	140 257
		<b>160 969</b>	<b>140 257</b>
<b>OPERATING EXPENSES</b>			
Auditors remuneration		-	(27 655)
Bank charges		(841)	(139 462)
Grants		-	(440 000)
		<b>(841)</b>	<b>(468 628)</b>
<b>Surplus for the year</b>		<b>160 128</b>	<b>(328 371)</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.



SOUTH AFRICAN COUNCIL  
for the  
ARCHITECTURAL PROFESSION



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