

GREEN BUILDING COUNCIL OF AUSTRALIA
ABN 43 100 789 937

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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This financial report covers Green Building Council of Australia as an individual entity.

Green Building Council of Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered offices and principal place of business are:

Level 15
179 Elizabeth Street
SYDNEY NSW 2000
Australia

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 1 to 9.

The financial report was authorised for issue by the directors on 27 October 2008. The Council has the power to amend and reissue the financial report.

GREEN BUILDING COUNCIL OF AUSTRALIA
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DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 30 June 2008.

Directors

The name of the Directors in office at any time during or since the end of the year are:

Name	Date of appointment	Date of retirement/ resignation
Anthony John Arnel	16.09.2002	
Romilly Madew	15.11.2006	
Maria Louise Atkinson	11.06.2002	
Michael Charles Barnes	21.10.2002	
Geoffrey Richmond Beck	15.07.2005	20.01.2008
Molly Harriss Olson	15.11.2006	
David Worley	15.11.2006	
Carey Lyon	04.04.2007	
Robert Allen Coombs	24.11.2004	
Greg Paramor	17.04.2007	26.08.2008
Daniel Bruno Grollo	21.10.2002	
Bill McHarg	15.11.2006	12.11.2007
Andrew Borger	15.11.2006	
Kenneth John Maher	11.06.2002	13.11.2007
Dennis Christopher O'Regan	24.11.2004	29.02.2008
John Thomas	17.08.2006	14.08.2008
Peter John Verwer	04.06.2002	
Che Shiva Wall	04.06.2002	
Siobhan Toohill	14.08.2008	
Johnstone Thwaites	12.02.2008	

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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DIRECTORS' REPORT

Principal Activities

The principal activities of the company during the financial year were:

- Green Star rating tool development
- Green Star certification
- Green Star course delivery
- Green Building educational networking events
- Website and newsletter updates and delivery
- Membership and sponsorship drive
- Marketing and communication
- Advocacy & Research

There were no significant changes in the nature of company's principal activities during the financial year.

Operating Results

The surplus of the company for the year amounted to \$429,747 (2007: \$632,045).

Dividends Paid or Recommended

The company's Constitution prohibits the distribution of dividends.

Review of Operations

The Directors continued to operate the company in the best interests of the members and in accordance with the Constitution.

In the last financial year, the GBCA undertook successful pilot phases on Green Star - Education and Green Star - Retail Centre (formerly Shopping Centre), version 1 of these tools is expected to be released early in the new financial year. Feedback on Green Star - Healthcare helped to evolve the rating tool towards an expected release of version 1 late in 2008. The development of Green Star - Multi Unit Residential was completed, and the PILOT version of the rating tool was launched alongside the Green Star - Mixed Use PILOT, whilst Green Star - Industrial completed its development phase. The Green Star - Office Existing Building EXTENDED PILOT phase continued, with workshops and meetings to collate feedback for the next stage of this important rating tool. Green Star - Office Design and As Built version 3 was released at Green Cities '08, and the Green Star - Energy Calculator was launched in PILOT form prior to roll-out across the suite of rating tools. Green Star - Office Interiors v1.1 began a re-formatting to strengthen and improve the tool, prior to a release of version 2 late in 2008. Development and scoping work on other rating tools was commenced, with a view to a more integrated suite of tools becoming available.

The increase in the number of registered and certified projects was significant, due to the release of Green Star - Office Design and As Built version 3, the launch of new rating tools to cope with other sectors of the property industry, and a rapid rise in the 'market feeling for green' (Davis Langdon Sentiment Monitor). Registered projects numbered 592 at the close of 2007/08, against 270 at the same time last year, and there were 69 certified projects against 29 at the same time last year.

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DIRECTORS' REPORT

Review of Operations (continued)

The website and e-newsletter have undergone a complete overhaul, enabling online registration for courses and events and increasing the ease of use for visitors. The process is now underway to move project registration online and, in turn, create a project database for staff use. Website hits are, on average, over 40,000 per month and the e-newsletter is now sent to over 12,000 contacts worldwide.

GBCA was also involved in the successful running of the Green Cities conference in February 2008, which is held in conjunction with the Property Council of Australia. Approximately 1,200 attended the conference and the GBCA received over \$400,000 in revenue from the conference.

Growing the membership and attracting additional sponsorship income has been a strong focus in the last year. Membership has increased with 261 new members in the last financial year compared to 173 in 2006/07 and more than 85% of existing members renewing. As at 30 June 2008, GBCA has 608 active members.

Sponsorship remained strong for the Green Star rating tool development with \$17,500 received for Green Star – Residential, \$67,500 received for Green Star – Industrial and \$10,000 received for Green Star – Public Building during the financial year.

GBCA was awarded a grant from the Federal Government under the “Asia Pacific Partnership” (APP). The project will bring in \$430,000 over a 9 month period, earned when certain milestones are achieved. \$330,000 was recognised in the 2007/08 year. Costs incurred totalled \$128,864 in the 2007/08 year.

Staff numbers grew significantly over the past year. At 30 June 2008 GBCA employed 45 staff, compared to 18 as at 30 June 2007. As part of the expansion, the GBCA Sydney staff moved into new premises at 179 Elizabeth Street in early February 2008.

The Green Building Council achieved a surplus during the 2008 year. It is expected that surpluses will be used to fund future Green Building programs and initiatives within the Council’s Charter.

Significant Changes in State of Affairs

No significant changes in the company’s state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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DIRECTORS' REPORT

Future Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Information on current Directors

Anthony John Arnel, Chair

Tony Arnel is the Victorian Building Commissioner and Plumbing Industry Commissioner. Tony was appointed chair of the World Green Building Council in September 2008. Tony holds degrees in architecture and town planning. He is a Life Fellow of the Australian Institute of Architects, a Fellow of the Australian Institute of Company Directors and a Member of the Australian Planning Institute.

Romilly Madew, Director

Romilly Madew is the Chief Executive of the GBCA. Romilly is also a Board Member of the Australian Capital Territory Governments, Land Development Agency. Romilly is a founding Member of Built Environment Meets Parliament and the GBCA representative on the Australian Sustainable Built Environment Council. Romilly is a member on the World Green Building Councils Policy committee.

Maria Louise Atkinson, Director

Maria Atkinson is the Global Head of Sustainability for Lend Lease. She was the founding CEO of the Green Building Council and has been a Director since 2002. Maria is an Environmental Scientist.

Ché Shiva Wall, Director

Ché Wall is Managing Director of Lincolne Scott group of companies. Ché was a co-founder of the Green Building Council of Australia, and continues to serve as a Director and Chair of the Technical Steering Committee. Ché was also the founding Chairman of the World Green Building Council from 2002 to 2007.

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DIRECTORS' REPORT

Information on current Directors (continued)

- Peter John Verwer, At-Large Director** Peter Verwer is Chief Executive of the Property Council of Australia, which is the nation's leading advocate for the \$600 billion investment property industry. As well as pursuing its core business of advocacy and public affairs, the Property Council operates learning, research, publishing and networking businesses. Peter's current political priorities are tax modernisation, sustainability and regulatory reform.
- Michael Charles Barnes, Director** Michael Barnes is the Managing Director of ISIS Group Holdings Pty Limited and a director of each of ISIS' subsidiary companies. Michael holds a degree in civil engineering.
- Daniel Bruno Grollo, Director** Daniel Grollo is Chief Executive Officer of Grocon Pty Ltd, Australia's largest privately-owned construction company. Daniel became a non-executive director on the Bluescope Steel Board as of October 2006 and is the Victorian President of the Property Council of Australia.
- Robert Allen Coombs, Director** Robert Coombs is President and Chief Executive Officer of the Asia Pacific division of Interface Inc., a manufacturer of commercial carpets. With a background in marketing and product management, Robert first joined interface in the UK in 1988 and later became Chief Executive of the Company's European business, returning to Australia in 2002 to his current position. Interface Inc. is a long term proponent of sustainable business development and has a vision of becoming fully sustainable and restorative by 2020.
- Molly Harriss-Olson, Director** Molly Harriss-Olson is a Director of Eco Futures Pty Ltd, an Australian-based international policy firm working on building sustainable strategies with business, government and civic leaders. Ms Olson is the Convenor of the National Business LeadersForum on Sustainable Development, and an internationally recognised leader on sustainability.

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DIRECTORS' REPORT

Information on current Directors (continued)

David Worley, Director

David Worley is the Chief Executive of the leading Australasian building products company, The Laminex Group (TLG). TLG manufactures and distributes a wide range of decorative surface products including laminates and wood panel products. The company turns over in excess of \$1 billion and employs 3,000 people.

Carey Lyon, Director

Carey Lyon was elected as National President of the Royal Australian Institute of Architects in 2006/2007, the peak member body for Australian architects.

He is one of the founding Directors of the well known Australian design practice Lyons, and is an Adjunct Professor with the School of Architecture and Design at RMIT University in Melbourne. His practice's work was recognised in the year 2002 with the Victorian Architecture Medal and in 2001 by representing Australia at the Venice Architecture Biennale.

Andrew Borger, Director

Andrew Borger is an Executive Director with Leighton Properties, directly responsible for nine major ecologically sustainable development focused projects. Examples of these include;

Green Square South Tower - 5 Star Design + 5 Star As Built

Green Square North Tower - 6 Star Design

400 George Street - 5 Star Design

Siobhan Toohill, Director

Siobhan Toohill is General Manager, Corporate Responsibility & Sustainability (CR&S) for Stockland, Australia's largest diversified property group.

Siobhan guides the development and implementation of Stockland's CR&S strategy, addressing responsibilities in the marketplace; workplace; community; and environment. She supports Stockland's CR&S Board Committee, leads the organisation's sustainability network and chairs the Employee CR&S and Giving & Volunteering Committees.

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DIRECTORS' REPORT

Information on current Directors (continued)

Johnstone Thwaites, Director

John Thwaites is a Professorial Fellow, Monash University, and Chair of the Monash Sustainability Institute. He also chairs The Climate Group in Australia and the Australian Centre for the Moving Image.

John Thwaites was Deputy Premier of Victoria,, from 1999 until his retirement in 2007. During this period he was Minister for Health, Minister for Planning, Minister for Environment, Minister for Water, Minister for Victorian Communities and Victoria's first Minister for Climate Change.

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were:

Name	Number eligible to attend	Number attended
Anthony John Arnel	4	4
Romilly Madew	4	4
Maria Louise Atkinson	4	4
Michael Charles Barnes	4	3
Geoffrey Richmond Beck	1	0
Andrew Borger	4	4
Robert Allen Coombs	4	3
Molly Harriss-Olson	4	3
Daniel Bruno Grollo	4	3
David Worley	4	2
Bill McHarg	1	1
John Thomas	4	4
Kenneth John Maher	1	1
Greg Paramor	4	1
Carey Lyon	4	3
Dennis Christopher O'Regan	2	0
Peter John Verwer	4	4
Che Shiva Wall	4	4
Siobhan Toohill	0	0
Johnstone Thwaites	2	2

Insurance of Officers

The company has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than wilful breach of duty in relation to the company. It is a condition of the insurance contract that the amount of the premium is not disclosed.

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DIRECTORS' REPORT

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors.

Signed in accordance with a resolution of the Board of Directors.

Director

Romadaw

Dated 27 October 2008

Auditor's Independence Declaration

PricewaterhouseCoopers
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As lead auditor for the audit of Green Building Council of Australia for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Green Building Council of Australia during the period.



N R McConnell
Partner
PricewaterhouseCoopers

Sydney
27 October 2008

Independent auditor's report to the members of Green Building Council of Australia

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Green Building Council of Australia (the company), which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our procedures include reading the other information attached to the financial report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion, the financial report of Green Building Council of Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.


PricewaterhouseCoopers


N R McConnell
Partner

Sydney
27 October 2008

GREEN BUILDING COUNCIL OF AUSTRALIA
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
	Note	
Membership revenue	1,945,749	1,001,290
Training course revenue	2,306,774	978,326
Green Star sponsorship revenue	105,000	281,500
Green Star certification revenue	902,120	437,485
Events and conferences revenue	654,826	385,480
Other sponsorship revenue	258,500	36,500
Advocacy revenue	330,000	150,000
Interest income	298,080	99,025
Other income	24,447	114,469
Administrative expenses	(580,407)	(331,310)
Advocacy	(348,641)	(142,777)
Conference and meeting expenses	(129,740)	(82,431)
Consultants expenses	(100,602)	(17,261)
Depreciation and amortisation expenses	(261,774)	(40,681)
Employee benefits expenses	(2,459,622)	(1,060,555)
Insurance expenses	(18,609)	(9,980)
Legal expenses	(86,324)	(66,959)
Marketing expenses	(373,702)	(176,602)
Occupancy expenses	(397,682)	(75,021)
Tool Development costs	(557,932)	(404,271)
Training courses	(846,766)	(320,999)
Travel expenses	(202,848)	(107,331)
Other expenses from operations	(31,100)	(15,850)
Surplus from operations before income tax expense	429,747	632,045
Income tax benefit relating to operations	-	-
Surplus from operations after income tax expense	429,747	632,045
Total change in members' funds	429,747	632,045

The accompanying notes form part of these financial statements.

GREEN BUILDING COUNCIL OF AUSTRALIA
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BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	2	4,799,777	3,380,718
Receivables	3	246,207	304,558
Other	4	137,491	23,403
TOTAL CURRENT ASSETS		<u>5,183,475</u>	<u>3,708,679</u>
NON-CURRENT ASSETS			
Other	4	393,145	52,384
Property, plant and equipment	5	1,363,484	124,894
Intangible assets	6	63,666	24,296
TOTAL NON-CURRENT ASSETS		<u>1,820,295</u>	<u>201,574</u>
TOTAL ASSETS		<u>7,003,770</u>	<u>3,910,253</u>
CURRENT LIABILITIES			
Payables	7	808,873	364,314
Unearned Revenue	8	516,666	1,918,156
Lease Liabilities	9	130,215	-
Provision for Employee Entitlements	10	63,604	21,725
TOTAL CURRENT LIABILITIES		<u>1,519,358</u>	<u>2,304,195</u>
NON-CURRENT LIABILITIES			
Unearned Revenue	8	2,830,285	-
Lease Liabilities	9	602,870	-
Provision for Employee Entitlements	10	15,452	--
TOTAL NON-CURRENT LIABILITIES		<u>3,448,607</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,967,965</u>	<u>2,304,195</u>
NET ASSETS		<u>2,035,805</u>	<u>1,606,058</u>
MEMBERS' FUNDS			
Members' guarantee	12	-	-
Accumulated Surplus	13	2,035,805	1,606,058
TOTAL MEMBERS' FUNDS		<u>2,035,805</u>	<u>1,606,058</u>

The accompanying notes form part of these financial statements.

GREEN BUILDING COUNCIL OF AUSTRALIA
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the financial year		1,606,058	974,013
Surplus attributable to members		429,747	632,045
Total equity at the end of the financial year	13	<u>2,035,805</u>	<u>1,606,058</u>

The accompanying notes form part of these financial statements.

**GREEN BUILDING COUNCIL OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers (inclusive of GST)		8,267,456	4,374,532
Operating sponsorship and grant receipts		399,850	349,800
Interest received		298,080	99,025
Payments to suppliers and employees (inclusive of GST)		(6,792,973)	(2,884,449)
Net cash provided by operating activities	14b	2,172,413	1,938,908
CASHFLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		(691,894)	(99,119)
Intangible purchases		(61,460)	(27, 536)
Net cash used in investing activities		(753,354)	(126,655)
Net increase in cash held		1,419,059	1,812,253
Cash at the beginning of the financial year		3,380,718	1,568,465
Cash at the end of the financial year	14a	4,799,777	3,380,718

The accompanying notes form part of these financial statements.

GREEN BUILDING COUNCIL OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with AASB 101 *Presentation of Financial Statements (except as stated below)*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031 *Materiality* and AASB 1048 *Interpretation and Application of Standards* which apply to all entities required to prepare financial reports under the *Corporations Act 2001*. The financial report also complies with other applicable Accounting Standards and Interpretations with the exception of the disclosure requirements in the following:

AASB 2 – Share-based Payment

AASB 3 – Business Combinations

AASB 5 – Non-current Assets Held for Sale and Discontinued Operations

AASB 7 – Financial Instruments: Disclosures

AASB 101 – Presentation of Financial Statements: Paragraphs 124A to 124C

AASB 114 – Segment Reporting

AASB 117 – Leases

AASB 124 – Related Party Disclosures

AASB 139 – Financial Instruments: Recognition and Measurement

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Membership revenue

Membership levies are charged once a member registers with the Council and is valid from the date of acceptance of the membership application until the end of the financial year. Membership levies are then invoiced annually at the beginning of each financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Grant Revenue

Grant revenue is recognised in accordance with the terms and conditions of the individual grants received and when the company obtains control of the amount contributed or the right to receive the amount contributed. Where specific grants are tied to performance milestones, revenue is deferred as unearned income until the relevant milestones have been met. Where grants are not tied to any performance milestones, the revenue is recognised in the period received.

(iii) Sponsorship revenue

Sponsorship revenue is recognised as income in the financial reporting period in which it is received and when the company obtains control of the amount contributed or the right to receive the amount contributed, unless it is tied to a specific period or project in which case it is deferred and recognised in the relevant period or as the milestones are achieved. In 2008, contributions received to develop rating tools have been recognised as revenue as received, or as the company becomes entitled to receive the sponsorship.

(iii) Certification revenue

Certification revenue and expenses are recognised in accordance with the stage of completion of the transaction at the reporting date, unless the outcome of the services cannot be reliably estimated. Where the outcome of a service cannot be reliably estimated, costs are recognised as an expense when incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

(c) Receivables

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(d) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(e) Employee benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

No liability for long service leave is currently calculated as no employees have yet reached service periods at which long service leave is expected to become payable.

GREEN BUILDING COUNCIL OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(f) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is measured on the cost basis less, where applicable, any accumulated depreciation. All assets are depreciated over the following useful lives:

Computer Equipment	3 years	diminishing value
Computer Software	2.5 years	straight line basis
Furniture & Fixtures	13 years	diminishing value
Office Equipment	10 years	diminishing value
Website Development	2.5 years	straight line basis
Leasehold Improvements	length of lease	straight line basis

(h) Intangibles

Software and website development costs are capitalised at cost of acquisition only when they are expected to deliver future economic benefits and these benefits can be measured reliably. The software and website development costs have a finite life and are amortised over their useful lives which are expected to be 2.5 years.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

Lease incentives received are capitalised by recording a fixed asset under leasehold improvements and a corresponding lease liability, both of which are amortised over the length of the lease term. Make good provisions for office leases are also capitalised and amortised over the term of the lease.

(j) Taxation

The company has been granted income tax exempt status by the Australian Taxation Office, effective from the company's incorporation. No income tax effect will be accounted for in future years as long as the tax exempt status of the company is maintained.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Rating Tool Development Expenses

The Green Building Council has developed rating tools which are expected to generate enough revenue in the future to meet operating costs. The rating tools have not been developed to generate future surplus economic benefits.

(n) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**GREEN BUILDING COUNCIL OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008 \$	2007 \$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank	4,798,559	3,380,468
Cash on hand	1,218	250
	4,799,777	3,380,718

Included in above cash at bank is an amount of \$4,731,648 relating to an Interest Bearing Deposit. The deposit is an interest bearing account with rates between 6.18% to 7.70% p.a. (2007: 5.58% to 6.18%). The deposits have an average maturity of 60 days.

NOTE 3: RECEIVABLES

CURRENT

Trade receivables	168,731	303,020
Accrued income	75,739	-
Other receivables	1,737	1,538
	246,207	304,558

NOTE 4: OTHER ASSETS

CURRENT

Prepayments	133,391	23,403
Deposits	4,100	-
	137,491	23,403

NON-CURRENT

Rental & Credit Card Bonds	390,755	51,688
Other Bonds	2,390	696
	393,145	52,384

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
Computer equipment at cost	246,571	118,619
Less accumulated depreciation	(100,144)	(51,466)
	146,427	67,153
Furniture and fixtures at cost	105,588	53,171
Less accumulated depreciation	(15,746)	(6,904)
	89,842	46,267
Office equipment at cost	76,290	10,980
Less accumulated depreciation	(6,528)	(2,497)
	69,762	8,483
Leasehold Improvements	1,209,195	4,596
Less accumulated depreciation	(151,742)	(1,605)
	1,057,453	2,991
Total property, plant and equipment	1,363,484	124,894

(a) Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment and intangibles between the beginning and the end of the current financial year

	Computer Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Software	Website Development	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	67,153	46,267	8,483	2,991	4,188	20,108	149,190
Additions	153,459	52,417	71,094	1,209,195	12,488	48,972	1,547,625
Depreciation/amortisation expense	(72,034)	(8,842)	(6,617)	(152,191)	(5,522)	(16,568)	(261,774)
Disposals	(2,151)	-	(3,198)	(2,542)	-	-	(7,891)
Carrying amount at the end of the year	146,427	89,842	69,762	1,057,453	11,154	52,512	1,427,150

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
NOTE 6: INTANGIBLES		
Software	18,671	6,184
Less accumulated amortisation	(7,517)	(1,996)
	11,154	4,188
Website development at cost	103,124	54,152
Less accumulated amortisation	(50,612)	(34,044)
	52,512	20,108
Total Intangibles	63,666	24,296
 NOTE 7: PAYABLES		
CURRENT		
Trade creditors	479,830	158,661
Sundry creditors and accrued expenses	329,043	205,653
	808,873	364,314
 NOTE 8: UNEARNED REVENUE		
CURRENT		
Unearned membership revenue	68,805	806,726
Unearned course fees	275,572	70,564
Unearned events revenue	6,564	-
Unearned certification fees	165,725	1,040,866
	516,666	1,918,156
 NON-CURRENT		
Unearned certification revenue	2,830,825	-
	2,830,825	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 9: LEASE LIABILITIES		
CURRENT		
Lease Incentive	130,215	-
NON CURRENT		
Rent Accrual	25,625	-
Lease Incentive	413,245	-
Lease Make Good Costs	164,000	-
	602,870	-

NOTE 10: PROVISION FOR EMPLOYEE ENTITLEMENTS

CURRENT		
Lease Incentive	63,604	21,725
NON CURRENT		
Long Service Leave Entitlements	15,452	-
	79,056	21,725

NOTE 11: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Sydney Office Lease

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4.25% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. The lease allows for subletting of all lease areas.

Melbourne Office Lease

The property lease is a non-cancellable lease with a two-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. An option exists to renew the lease at the end of the two-year term for an additional term of two years.

NOTE 12: MEMBERS' GUARANTEE

Every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while the member is a member, or within one year after the member ceases to be a member, for the debts and liabilities of the company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding two dollars (\$2) per member.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
NOTE 13: ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	1,606,058	974,013
Surplus attributable to members of the company for the year	429,747	632,045
Accumulated surplus at the end of the financial year	2,035,805	1,606,058
 NOTE 14: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at Bank (Note 2)	4,798,559	3,380,468
Cash on Hand (Note 2)	1,218	250
	4,799,777	3,380,718
 (b) Reconciliation of net cash provided by operating activities to surplus from operations after income tax		
Surplus from Operations after tax	429,747	632,045
Non cash flows in surplus from operations		
Depreciation	261,774	40,681
Loss on sale of fixed assets	7,891	-
Amortisation of lease incentives	(86,810)	-
Changes in assets and liabilities		
(Increase)/Decrease in receivables	58,351	(304,558)
(Increase)/Decrease in other assets	(454,849)	(16,861)
Increase/(Decrease) in payables	1,720,226	1,577,144
Increase/(Decrease) in accruals	178,752	-
(Decrease)/Increase in provisions	57,331	10,457
Net cash provided by operating activities	2,172,413	1,938,908

**GREEN BUILDING COUNCIL OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

NOTE 14: CASH FLOW INFORMATION (continued)

(c) The company has no credit stand-by or financing facilities in place.

(d) There were no non-cash financing or investing activities during the year.

NOTE 15: CONTINGENT LIABILITIES

The company had contingent liabilities at 30 June 2008 in respect of:

Guarantees

Unsecured guarantees detailed as follows:

- (a) Lease of premises amounting to \$314,387 (2007: \$22,000)
- (b) Credit Card borrowings amounting to \$24,000 (2007: \$24,000)

These guarantees may give rise to liabilities in the company if the associates do not meet their obligations under the terms of the lease or credit card facility subject to the guarantee.

No material losses are anticipated in respect of any of the above contingent liabilities.

NOTE 16: REMUNERATION OF AUDITORS

The auditors have not been paid for their services but have received free membership in lieu of payment. The membership fee waived amounted to \$10,000 (2007: \$10,000).

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DIRECTORS' DECLARATION

As stated in Note 1(a) to the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet Corporations Act 2001 requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

(a) the financial statements and notes set out on pages 13 to 26 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the Corporations Regulations 2001; and
- (ii) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director

Romadaw

Dated 27 October 2008