



Hong Kong Green Building Council Limited

Financial statements
for the year ended 31 December 2021

Directors' Report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2021.

Principal place of business

Hong Kong Green Building Council Limited ("the Council") was incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 102, 1/F, Jockey Club Environmental Building, 77 Tat Chee Avenue, Kowloon Tong, Hong Kong.

Principal activities

The principal activities of the Council are to promote the adoption of green building standards and construction of green buildings in Hong Kong for environmental protection for the benefit of the community of Hong Kong.

Business Review

Vision and Mission

The Council is a non-profit, member-led organisation with the vision to help save the planet and improve the wellbeing of the people of Hong Kong by transforming the city into a greener built environment. Its mission is to lead market transformation by advocating green policies to the Government; introducing green building practices to all stakeholders; setting design, construction and management standards for the building profession; and promoting green living to the people of Hong Kong.

Our Work

The Council is committed to realising its mission. It carried out various activities and events in 2021 with the following highlights:

- *Helping Hong Kong to become a role model of decarbonising for other high-density cities in the sub-tropical climate zone*
 - organised Hong Kong's first-ever "Advancing Net Zero (ANZ) Ideas Competition", with Swire Properties as the principal partner, to generate inspirational ideas to help the building industry meet Hong Kong's carbon neutrality target
 - organised a series of ANZ technical webinars to form a knowledge sharing platform on net zero initiatives
 - organised Hong Kong's first "International Conference on Advancing Net Zero – Decarbonising High-rise, High-density, Sub-tropical Cities" to bring together international net zero solutions and enhance knowledge sharing
 - started organising post-competition events and roving exhibitions to showcase the valuable and pioneering solutions from the Competition

Business Review (continued)

- *Promotion of Retro-commissioning (RCx) Best Practices to Local Industry, Greater Bay Area (GBA) and APEC Member Economies*
 - provided initial training and continuing professional development (CPD) activities for practitioners in Hong Kong, Macau and Mainland, and carried out registration for practitioners, professionals and services providers in Hong Kong
 - developed 10 RCx demonstration videos and a case book with Building Services Operation and Maintenance Executives Society (BSOMES) and Hong Kong Productivity Council (HKPC) under the Professional Services Advancement Support Scheme (PASS)
 - worked with the Electrical and Mechanical Services Department (EMSD), CLP Power Hong Kong Limited (CLP), Airport Authority Hong Kong and Hong Kong Observatory to carry out researches to advance knowledge and technology on RCx
 - provided verification services for RCx projects under CLP Eco Building Fund
 - provided training-cum-workshop to approximately 300 practitioners of different building sectors via CLP RCx Charter Programme to facilitate the industry to participate in RCx projects
 - organised a competition and experience sharing session hosted by the Environment Bureau to promote best practices of RCx
 - organised a series of talks and seminars hosted by EMSD and published demonstration videos under the “Green Schools 2.0” project for promoting RCx implementation in tertiary education institutions
 - conducted pilot RCx projects in tertiary education and NGO buildings through the “ACT-Shop” programme
 - provided RCx-related services and training for 10 hospital buildings under the Hospital Authority
 - started standardising training materials on RCx with a view to enabling them to be applied to the GBA
 - helped with the development of technical guidelines on RCx 《粵港澳大灣區既有建築機電系統再調適技術導則》 that can be applied to the GBA
 - engaged 6 buildings in Hong Kong and other GBA regions to undergo a joint RCx process with all signatories to the Memorandum of Collaboration
 - organised an APEC Workshop-cum-Training on RCx for APEC Member Economies, sharing experts’ insights and experiences, and fostering further collaboration in the APEC Region.

Business Review (continued)

- *BEAM Plus and Related Training*
 - further developed BEAM Plus including the introduction of a new rating tool for data centres and the extension of volume certification programme to “Energy Use” aspect apart from “Management”
 - operated the BEAM plus scheme, with record-high numbers of registrations received in 2021, including 168 new building developments (including a first-time application to railway stations), 107 existing properties, 12 interior fit-out projects and 2 neighbourhoods
 - accredited BEAM practitioners, with the numbers of BEAM Professionals, BEAM Affiliates, Green Building Faculty and BEAM Assessors growing to a strong level at 3037, 688, 151 and 85 respectively
 - provided CPD activities to BEAM practitioners, with the number of annual CPD training manhours reaching a record high of over 26000
 - offered for the first time a structured training programme on a comprehensive set of BEAM Plus-related subjects, which was subsidised by the Government’s Matching Grant Scheme for Skills Upgrading.
- *Scheme and Tool Development Other than BEAM Plus*
 - signed a Memorandum of Understanding with the School of Energy and Environment, City University of Hong Kong to set up an “Industry Ready Programme” for providing RCx training to undergraduate students
 - operated an RCx Training and Registration Scheme to equip three levels of RCx Practitioners and Professionals through training, examination and CPD events
 - launched an energy performance database and a diagnostic analytics dashboard to facilitate energy benchmarking and performance evaluation
 - started developing a digital platform “Sustainable Built Environment Resources Centre” for the industry to facilitate easy searching and editing of materials on sustainable built environment
 - started developing a target setting and certification scheme for the industry to set net zero target and to go for related energy certification
- *Engagement and Outreach Activities*
 - engaged the Government and industry stakeholders by organising the Green Building Award 2021 together with Professional Green Building Council, and attained a record breaking number of 100 nominations

Business Review (continued)

- jointly organised the Chinachem Sustainability Conference 2021 with Chinachem Group to foster knowledge exchange on creating a sustainable and healthy community for all ages
- engaged the Council's Members via various activities including the HKGBC 12th Anniversary as well as other marketing and media opportunities
- promoted the Hong Kong Green Shop Alliance (HKGSA) to foster a green shopping environment in Hong Kong and organised a successful HKGSA Award with industry players
- hosted the Hong Kong Green Building Week, a city-wide public campaign, as well as other educational and publicity initiatives to arouse public awareness on green building and BEAM Plus
- participated in ReThink HK and Eco Expo Asia 2021 by hosting conference sessions with Council's Members to promote green building

Financial Highlights

The financial position of the Council was healthy in 2021. As at 31 December 2021, net current assets was HK\$59.4 million (2020: HK\$45.9 million) while current ratio was 9.94 (2020: 13.64). The total revenue in 2021 was HK\$52.5 million, an increase of 18% compared to the last year. This was mainly attributed to the increase in BEAM Plus registration fee income and funding support from the Hong Kong Jockey Club (HKJC).

The total funding support from the CIC amounted to HK\$4 million, decreased by 16.2% from the last year, in which HK\$2.7 million was to support HKGBC's justifiable projects and events while the remaining HK\$1.3 million was for the operation of green product certification scheme owned by CIC.

Although the BEAM Plus registration fees were frozen in 2021, income from the said fees reached a record high at HK\$34.1 million, increased by 34.4% from the last year. Membership fee income for the year amounted to HK\$4.1 million, a slight increase of 3.8% from the last year.

On expenditure side, HK\$11.6 million was spent on projects and programmes, representing an increase of 39% as compared to the last year, mainly due to increase in the expense of Sustainable Development Initiatives. Publicity and advertising expense increased by 21.9% to HK\$0.85 million.

Governance and Control

The Council has two Standing Committees to look after governance and control.

Finance and Executive Committee assists the Board in various control functions including overseeing corporate governance on approvals, developing policies and procedures, monitoring financial position and maintaining budgetary control of the Council.

Business Review (continued)

Governance and Quality Committee, with majority of its members from external parties, monitors the compliance and effectiveness of governance and quality standards as well as recommends necessary improvements.

During the year, the Council continued to carry out audits on BEAM Society Limited (“BSL”)’s assessment operations to ensure proper governance was in place.

Law Compliance

A Guide to Directors’ Duties issued by the Companies Registry was issued to all directors to remind them of their duty to act in good faith in the best interests of the Council. All directors, committee members and staff were also provided with a Code of Conduct (in light of the Council’s public body status) to remind their role as public servants, particularly on matters regarding conflict of interest and acceptance of advantage for the purpose of complying with the Prevention of Bribery Ordinance (Cap. 201).

In the year, the Council experienced no known non-compliance issues with laws or regulations and did not receive any material claim brought against the Council.

Risks and Uncertainties

To manage the uncertainty over income, the Council has proactively sought funding and generated income from different sources. By the end of 2021, the Council has accumulated a General Fund balance of HK\$37.6 million, which buffers the financial uncertainty and enables the Council to better meet future resource needs. The Council will continue to diversify its funding and income sources.

Although BEAM Plus registration numbers in 2021 have reached record-high, it is understood that these numbers will fluctuate from year to year. The Council continues to expand its income sources so that its income will not overly rely on BEAM Plus project registration. This includes our initiatives to provide RCx training and registration and expand our rating system to cover civil infrastructure.

Key Relationships

Staff

The Council highly regards staff force as a valuable asset and encourages staff’s development to boost internal core competence. During the year, training sessions for professional development, workshops on health, wellbeing and green awareness, and overseas exposure for capacity building were provided to staff.

BEAM Society Limited (“BSL”)

BSL is a key partner of HKGBC in BEAM Plus and BEAM Practitioner schemes. HKGBC works closely with BSL in rating tool development work and entrusts BSL with BEAM Plus project assessment as well as training and examination of BEAM Practitioners.

Business Review (continued)

Members

As of the end of 2021, the Council recruited 145 Institutional Members including 81 Patron Members, and another 4,198 Associate Members. They continued to enjoy preferential discount to the Council's activities including conferences and CPD seminars as well as marketing exposure and networking opportunities in various events or projects organised by the Council.

Customers

To be more customer-oriented, the Council has put in place a number of procedural and services enhancements during the year including:

- making it easier for BEAM Plus registrants to upgrade the version of rating tool during the course of a building development;
- making it feasible for BEAM Plus certificate holders to apply for extension of certificate validity period in the case of BEAM Plus Neighbourhood;
- operating and enhancing CIC Green Product Certification scheme and eco product directory website to enrich green product market coverage and promote green certification to a wider range of product categories.

Government

The Council has actively coordinated with the Development Bureau, Environment Bureau, EMSD and Buildings Department in matters related to BEAM Plus, infrastructure rating tool development, retro-commissioning and society's carbon reduction as a whole.

The Council proactively supports the Government's promotion of RCx and collaborates with EMSD to conduct RCx projects, organise RCx competition, talks and workshop-cum-training, and produces demonstration videos to establish the way forward to promote RCx to local industry, the GBA and the APEC Region.

Industry

During the year, the Council has

- stepped up cooperation with the finance industry with the results of engaging banks as our institutional members and creating Hong Kong's first green mortgage programmes;
- launched the Hong Kong Smart Green Building Design Best Practice Guidebook (including contents related to interfacing with Smart City) with a set of practical guidelines/strategies, design and operational best practices pertaining to smart green building development and optimising the performance of buildings;
- launched the RCx Training and Registration Scheme to build up RCx practitioners, professionals and services providers' capabilities and expand the RCx market; over 1,200 RCx Practitioners and Professionals have been trained; over 400 practitioners and professionals, and 11 services providers have been registered successfully under the Scheme;

Business Review (continued)

- organised the Advancing Net Zero (ANZ) Ideas Competition and invited experts from around the globe to contribute innovative and practical design ideas to help drive net zero solutions in the building sector and encourage market transformation;
- organised a series of technical ANZ webinars; professionals and experts from the government, developers, academia and technology providers delivered presentations that focused on zero or low carbon policy, design and technology; the webinars had attracted over 3,600 participants;
- organised a 4-day International Conference on ANZ, funded by PASS, to equip building and construction industry professionals with the latest strategies and technical solutions to decarbonise and advance towards a net zero and sustainable built environment in a high density high-rise compact city context; an Award Ceremony was also held on Day 4 of the Conference with Secretary for the Environment presenting the awards; the Conference attracted an audience of over 2,000 per day on average;
- held roving exhibitions for showcasing the design concepts and solutions from the ANZ Ideas Competition;
- started developing a Guidebook for Development of Sustainable Built Environment to guide green and sustainable design for the built environment including buildings, infrastructure and open spaces at the urban planning stage;
- organised the Green Building Award 2021 to acknowledge the contributions of pioneering projects and organisations driving green building development;
- organised the Chinachem Sustainability Conference 2021 and conference sessions in various events to foster green building knowledge transfer;
- continuously promoted the HKGSA as a valuable platform to mall operators to share experiences as well as green and healthy messages; by the end of 2021, 30 Developers, 167 Shopping Malls and over 680 Shops have joined the alliance;
- celebrated the 12th Anniversary of the Council with top government officials, Council's Members and industry stakeholders;
- worked closely with other industry associations or institutions by acting as supporting organisations, providing speakers or joining their committees to contribute.

Community

The Council held its signature public campaign, the HKGBW 2021 in a hybrid format containing both online and physical activities to boost public awareness on local green building development and encourage the public to adopt a greener lifestyle.

The Council also dedicated efforts to further educate the younger generations and nurture them into pioneers in promoting green building via several initiatives, namely Environmental Forum co-organised with the Hong Kong Metropolitan University, "My Green Space" Student Competition 2020-2021 Award, as well as active engagement with various schools for the Jockey Club "BEAM Plus in Schools" Project.

Business Review (continued)

International and Mainland Outreach

The Council continued to engage actively in various global initiatives of the World Green Building Council (WorldGBC) and participated in the WorldGBC Asia Pacific Network Awards. HKGBC Executive Director was elected as the Chairman of WorldGBC Asia Pacific Regional Network for the term of 1 July 2021 to 30 June 2023 to lead the green building movement on regional and global levels.

The Council has been one of the Founding Organisations of the “Green Building Industry Alliance in Guangdong-HongKong-Macao Greater Bay Area”, with the Chairman of the Council being one of the Vice Chairmen of the Alliance. Five HKGBC Platinum Patron Members had also become the Alliance Members. These achievements enabled an active participation in the GBA and knowledge exchange with the Mainland counterparts.

The Council committed to WorldGBC’s global projects “Advancing Net Zero” (ANZ) and “Better Places for People”. The ANZ project aims to accelerate the uptake of net zero carbon buildings to 100% by 2050. The Better Places for People initiative launched the “Beyond the Business Case Report” and “Health and Wellbeing Framework Training Materials” which were aimed at driving a healthier and equitable built environment.

Environmental Policies and Performance

In 2021, the Council continued to operate in an environmentally responsible manner. There has been an increased use of on-line meeting and electronic tools/platforms to help reduce the Council’s carbon footprint. For example, a number of forms in the BEAM Plus project account system were digitalised in 2021 to help reduce the use of paper.

Subsequent Events

No important event affecting the Council has occurred since the end of the financial year.

Future Development of the Council

The Council will move forward in a few key strategic directions as described below.

Enhancing the environmental performance of existing buildings is a challenge for major cities. The Council will make efforts to engage more existing buildings to adopt BEAM Plus. This will be accomplished by launching the new tool – BEAM Plus Existing Schools – which is designed for primary and secondary schools, and further revamping the existing building rating tool to meet the latest carbon neutrality and green finance trends. Besides, the rating tool for interior fit-out is being revised to extend reach to domestic fit-out projects.

There will be a lot of new towns and infrastructure to be developed in Hong Kong and the GBA. It is of paramount importance that they should be planned, designed, built and operated in a sustainable manner. To this end, the Council will work closely with the

Government to develop a sustainability assessment tool for infrastructure and comprehensive guidelines for sustainable built environment.

Business Review (continued)

The Council will also explore opportunities of collaborating with organisations in the GBA, the Belt and Road countries, and APEC Member Economies on matters such as RCx, green building products and promotion of green building practices. Besides, a Chinese translation of the “BEAM Plus New Buildings” Manual will be launched in the near future to help promote BEAM Plus to the Mainland cities.

The Council will start promoting “retrofitting” (i.e. furnishing a building with new or modified systems and equipment) to the industry through mainstreaming mature solutions, and will explore other promising technologies as part of the Council’s carbon neutrality action plan.

The Council will, through its certification activities, facilitate the adoption of green financing by the industry in both the domestic and non-domestic markets.

The Council will also strive to enhance its global profile through a strong presence in international events and making contributions to the WorldGBC.

Last but not least, the Council will continue to be one of the closest partners with the Government in driving a sustainable built environment and working towards carbon neutrality.

Directors

The directors during the year and up to the date of this report were:

Cheung Hau Wai (Chairman)	
Cheng Chin Pang	
Cheng Ting Ning	
Choi Wun Hing Donald	
Ip Chung Man	
Lai Yuk Fai Stephen	
Lee Siu Wing Ivy	
Li Ho Kin	
Pan Shujie	
Poon Shun Wing	
So Hung Fai	
Yau Man Hung Raymond	
Yeung Hon Chung	
Cheung Chi Kong Victor	(appointed on 1 January 2022)
Cheung Tin Cheung	(appointed on 1 January 2021)
Kwok May Han Grace	(appointed on 1 January 2022)
Lam Ngan Tung Tony	(appointed on 1 January 2022)
Leung Wai Kin	(appointed on 1 January 2022)
Lo Chi Wah	(appointed on 1 January 2022)
Ng Ka Wing Simon	(appointed on 1 January 2022)
Wong Yeuk Lan	(appointed on 1 January 2022)
Yu Franklin	(appointed on 1 January 2021)
Yu Shek Man Ringo	(appointed on 1 January 2022)
Yuen Pak Leung	(appointed on 1 January 2022)
Yun Ying Kit	(appointed on 1 January 2022)
Chan Sau Kit Allan	(resigned on 1 January 2022)
Chan Suk Fan Mary	(resigned on 1 January 2022)
Cheng Sai Yau Vincent	(resigned on 1 January 2022)
Cheung Po Chung	(resigned on 1 January 2022)
Ho Hok Keung	(resigned on 1 January 2022)

Directors (continued)

The directors during the year and up to the date of this report were (continued):

Ho Man Yiu Ivan	(resigned on 1 January 2021)
Kong Chi Yuen	(resigned on 22 August 2021)
Koo Tze Cheung Adam	(resigned on 1 January 2022)
Leung Kin Man Stephen	(resigned on 1 January 2022)
Leung Man Kit	(resigned on 1 January 2022)
Li Siu Kong Kenneth	(resigned on 1 January 2022)
Wong Bay	(resigned on 1 January 2021)

In accordance with the Council's existing Articles of Association, there being no provision in connection with the retirement of directors appointed by the Founding Members, and all elected directors will retire from the board at the end of the term of office of two years and will be eligible for re-election, provided that no directors shall serve on the Board for an aggregate period of more than six years, whether consecutive or not. In the event that an elected Director has served on the board as a director appointed by a Founding Member, such years of service shall be counted towards the said maximum six-year period.

As the composition of the Board of Directors of the Council was being drawn from private or public construction industry sector organisations, it is inevitable that transactions will take place with organisations in which a director may have an interest. All transactions involving organisations in which directors of the Council may have an interest, subsisted at the end of the year or at any time during the year, were conducted on normal commercial terms and in accordance with the Council's procurement procedures.

At no time during the year was the Council a party to any arrangement to enable the directors of the Council to acquire benefits by means of the acquisition of shares in or debentures of the Council or any other body corporate.

Indemnity of directors

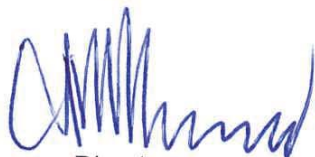
A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Council is currently in force and was in force throughout this year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment.

By order of the board

Cheung Hau Wai



Director

Hong Kong, 25 May 2022

Independent auditor's report to the members of Hong Kong Green Building Council Limited

(Incorporated in Hong Kong, limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Green Building Council Limited ("the Council") set out on pages 14 to 30, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in reserve and funds and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Council as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Council in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of Hong Kong Green Building Council Limited (continued)

(Incorporated in Hong Kong, limited by guarantee)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.



Independent auditor's report to the members of
Hong Kong Green Building Council Limited (continued)
(Incorporated in Hong Kong, limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 May 2022

Statement of profit or loss and other comprehensive income for the year ended 31 December 2021

(Expressed in Hong Kong dollars)

	Note	2021	2020
Revenue			
Funding support from a founding member, the Construction Industry Council ("CIC")		\$ 3,999,400	\$ 4,772,325
Donation from The Hong Kong Jockey Club Charities Trust		1,722,243	76,260
Other funding support income		1,940,952	498,709
Registration fee income	3	34,147,780	25,401,020
Membership fee income	4	4,095,000	3,946,000
Functions and events income	5	1,362,000	225,000
Seminar income		231,200	157,185
Projects and programmes income		2,728,594	4,180,363
BEAM practitioner's qualification renewal fee income		867,850	823,450
Income from sharing the surplus of BEAM Plus operations		1,305,408	1,883,040
Other income	6	141,161	2,548,187
		<u>\$ 52,541,588</u>	<u>\$ 44,511,539</u>
Less: Expenditure			
Projects and programmes expenses	7	\$ 11,626,588	\$ 8,364,517
General and administrative expenses	8	24,083,486	24,009,989
Functions and events expenses	9	2,129,414	2,108,637
Publicity and advertising expenses		849,560	697,119
Seminar expenses		57,662	68,530
Depreciation		169,548	208,443
World Green Building Council membership expenses		194,452	194,619
		<u>\$ 39,110,710</u>	<u>\$ 35,651,854</u>
Surplus and total comprehensive income for the year		<u>\$ 13,430,878</u>	<u>\$ 8,859,685</u>


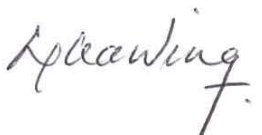
The notes on pages 18 to 30 form part of these financial statements.

Statement of financial position at 31 December 2021

(Expressed in Hong Kong dollars)

	Note	2021	2020
Non-current asset			
Property, plant and equipment	11	\$ 146,436	\$ 237,663
Current assets			
Deposits, prepayments and other receivables	12	\$ 3,121,651	\$ 1,970,936
Amounts due from founding members	16	150,015	191,478
Cash and bank deposits	13	62,783,405	47,358,720
		<u>\$ 66,055,071</u>	<u>\$ 49,521,134</u>
Current liabilities			
Payables and accruals	14	\$ 5,155,682	\$ 3,477,447
Amounts due to founding members	16	1,486,903	153,306
		<u>\$ 6,642,585</u>	<u>\$ 3,630,753</u>
Net current assets		<u>\$ 59,412,486</u>	<u>\$ 45,890,381</u>
NET ASSETS		<u>\$ 59,558,922</u>	<u>\$ 46,128,044</u>
Founding members' reserve	17	\$ 200,000	\$ 200,000
Accumulated fund		7,738,922	5,884,044
Operation reserve fund		14,000,000	14,000,000
General fund		<u>37,620,000</u>	<u>26,044,000</u>
TOTAL RESERVE AND FUNDS		<u>\$ 59,558,922</u>	<u>\$ 46,128,044</u>

Approved and authorised for issue by the board of directors on 25 May 2022

Cheung Hau Wat Ng Ka Wing Simon
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 Directors

The notes on pages 18 to 30 form part of these financial statements.

Statement of changes in reserve and funds for the year ended 31 December 2021 (Expressed in Hong Kong dollars)

	<i>Founding members' reserve</i>	<i>Accumulated fund</i>	<i>Operation reserve fund</i>	<i>General fund</i>	<i>Total</i>
Balance at 1 January 2020	\$ 200,000	\$ 5,668,359	\$ 14,000,000	\$ 17,400,000	\$ 37,268,359
Changes in reserve and funds for 2020:					
Surplus and total comprehensive income for the year before usage of funds	-	9,215,685	-	-	9,215,685
Usage of general fund	-	-	-	(356,000)	(356,000)
Surplus and total comprehensive income for the year	-	9,215,685	-	(356,000)	8,859,685
Transfer of funds	-	(9,000,000)	-	9,000,000	-
Balance at 31 December 2020 and 1 January 2021	\$ 200,000	\$ 5,884,044	\$ 14,000,000	\$ 26,044,000	\$ 46,128,044
Changes in reserve and funds for 2021:					
Surplus and total comprehensive income for the year before usage of funds	-	14,854,878	-	-	14,854,878
Usage of general fund	-	-	-	(1,424,000)	(1,424,000)
Surplus and total comprehensive income for the year	-	14,854,878	-	(1,424,000)	13,430,878
Transfer of funds	-	(13,000,000)	-	13,000,000	-
Balance at 31 December 2021	\$ 200,000	\$ 7,738,922	\$ 14,000,000	\$ 37,620,000	\$ 59,558,922

The notes on pages 18 to 30 form part of these financial statements.

Cash flow statement
for the year ended 31 December 2021
 (Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Cash generated from operations	13(b)	\$ 15,486,145	\$ 12,879,021
Investing activities			
Interest received		\$ 16,861	\$ 134,079
Payment for purchase of property, plant and equipment		(78,321)	(56,269)
Net cash (used in)/generated from investing activities		<u>\$ (61,460)</u>	<u>\$ 77,810</u>
Net increase in cash and cash equivalents		\$ 15,424,685	\$ 12,956,831
Cash and cash equivalents at 1 January		35,358,720	22,401,889
Cash and cash equivalents at 31 December	13(a)	<u>\$ 50,783,405</u>	<u>\$ 35,358,720</u>

Note: Cash and cash equivalents represented cash at bank and on hand at 31 December 2021 and 2020.

The notes on pages 18 to 30 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 Status of the Council

The Council was incorporated in Hong Kong under the Hong Kong Companies Ordinance on 27 November 2009 and is limited by guarantee whereby in the event of the Council being wound up each member agrees to contribute to the assets of the Council an amount not exceeding HK\$100. The Council has become public body under the Prevention of Bribery Ordinance since 2016.

The principal activities of the Council are to promote the adoption of green building standards and construction of green buildings in Hong Kong for environmental protection for the benefit of the community of Hong Kong.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Council are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Council. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Council for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and 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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Significant accounting policies (continued)

(c) Changes in accounting policies

The HKICPA has issued certain amendments to HKFRS that are first effective for the current accounting period of the Council.

None of these developments have had a material effect on how the Council's results and financial position for the current or prior periods have been prepared. The Council has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Leasehold improvements	50%
- Plant and machinery	50%
- Furniture and fixtures	20%
- Computer equipment	30%
- Office equipment	20%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in the statement of profit or loss and other comprehensive income if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of profit or loss and other comprehensive income on the date of retirement or disposal.

2 Significant accounting policies (continued)

(e) *Receivables (including amounts due from founding members)*

A receivable is recognised when the Council has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Council has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Council's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Council recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Council determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(f) *Payables (including amount due to a founding member)*

Payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(g) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(h) *Employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 Significant accounting policies (continued)

(i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Council has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(j) Revenue recognition

Income is classified by the Council as revenue when it arises from the provision of services in the ordinary course of the Council's business.

Revenue is recognised when control over service is transferred to the customer, at the amount of promised consideration to which the Council is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Council's revenue and other income recognition policies are as follows:

Funding support income and donation income are recognised when the Council's right to receive payment has been established.

Income from sharing the surplus of BEAM Plus operations is recognised based on 20% share of surplus derived from BEAM Plus operations earned by BEAM Society Limited, a founding member, from the date when the Council's right to receive payment has been established.

Membership fee income and qualification renewal fee income are recognised over the period/year of membership or qualification.

Registration fee, functions and events, seminar and projects and programmes income are recognised when the services are rendered.

Interest income is recognised as it accrues using the effective interest method.

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Council will comply with the conditions attaching to them. Grants that compensate the Council for expenses incurred are recognised as income in income and expenditure on a systematic basis in the same periods in which the expenses are incurred

Except for the funding support income and donation income of \$7,662,595 (2020: \$5,347,294) in total, all of other sources of revenue are within the scope of HKFRS 15.

2 Significant accounting policies (continued)

(k) Leases

At inception of a contract, the Council assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the lease payments associated with short-term leases that have a lease term of 12 months which are not capitalised are recognised as an expense on a systematic basis over the lease term.

(l) Related parties

- (a) A person, or a close member of that person's family, is related to the Council if that person:
- (i) has control or joint control over the Council;
 - (ii) has significant influence over the Council; or
 - (iii) is a member of the key management personnel of the Council or the Council's parent.
- (b) An entity is related to the Council if any of the following conditions applies:
- (i) The entity and the Council are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Council or an entity related to the Council.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Council.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Registration fee income

Registration fee income represents registration fee received and receivable for registration services rendered by the Council for the applicants who apply to take part in a green building assessment and accreditation programme.

4 Membership fee income

	2021	2020
Platinum patron members	\$ 1,160,000	\$ 600,000
Gold patron members	1,270,000	1,800,000
Silver patron members	800,000	770,000
Bronze patron members	176,000	148,000
Marble patron members	329,000	284,000
Institutional members	308,000	290,000
Associate members	52,000	54,000
	<u>\$ 4,095,000</u>	<u>\$ 3,946,000</u>

5 Functions and events income

	2021	2020
Income from Green Building Awards 2021	\$ 1,137,000	\$ -
Income from other events	225,000	225,000
	<u>\$ 1,362,000</u>	<u>\$ 225,000</u>

6 Other income

	2021	2020
Bank interest income	\$ 16,861	\$ 134,079
Government grants (note)	-	2,242,500
Sundry income	124,300	171,608
	<u>\$ 141,161</u>	<u>\$ 2,548,187</u>

Note: During the year ended 31 December 2020, the company successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set by the HKSAR Government. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the company was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There is no such subsidy introduced by Government during the year ended 31 December 2021.

7 Projects and programmes expenses

	2021	2020
Expenses for projects and programmes funded by CIC	\$ 3,274,250	\$ 4,279,382
Expenses for other projects and programmes	<u>8,352,338</u>	<u>4,085,135</u>
	<u>\$ 11,626,588</u>	<u>\$ 8,364,517</u>

8 General and administrative expenses

General and administrative expenses included:

	2021	2020
(a) Staff costs		
Contribution to defined contribution retirement plan	\$ 671,477	\$ 692,840
Salaries, wages and other benefits	<u>19,325,427</u>	<u>19,793,451</u>
	<u>\$ 19,996,904</u>	<u>\$ 20,486,291</u>
(b) Other items		
Auditor's remuneration	\$ 104,600	\$ 103,200
Depreciation	169,548	208,443
Facilities service fee – short term operating lease charges	<u>2,174,860</u>	<u>2,241,768</u>

9 Functions and events expenses

	2021	2020
Expenses for Hong Kong Green Building Week	\$ 1,400,000	\$ 1,649,675
Expenses for Green Building Awards 2021	410,297	-
Expenses for other events	<u>319,117</u>	<u>458,962</u>
	<u>\$ 2,129,414</u>	<u>\$ 2,108,637</u>

10 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2021	2020
Directors' fees	\$ -	\$ -
Salaries, allowances and benefits in kind	-	-
Discretionary bonuses	-	-
Retirement scheme contributions	<u>-</u>	<u>-</u>

11 Property, plant and equipment

	<i>Leasehold improvements</i>	<i>Plant and machinery</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Computer equipment</i>	<i>Total</i>
Cost:						
At 1 January 2020	\$ 436,612	\$ 1,324,982	\$ 1,655,587	\$ 321,848	\$ 1,772,081	\$ 5,511,110
Additions	-	-	-	17,572	38,697	56,269
At 31 December 2020	<u>\$ 436,612</u>	<u>\$ 1,324,982</u>	<u>\$ 1,655,587</u>	<u>\$ 339,420</u>	<u>\$ 1,810,778</u>	<u>\$ 5,567,379</u>
Accumulated depreciation:						
At 1 January 2020	\$ 436,612	\$ 1,310,409	\$ 1,547,959	\$ 290,044	\$ 1,536,249	\$ 5,121,273
Charge for the year	-	14,573	51,810	19,594	122,466	208,443
At 31 December 2020	<u>\$ 436,612</u>	<u>\$ 1,324,982</u>	<u>\$ 1,599,769</u>	<u>\$ 309,638</u>	<u>\$ 1,658,715</u>	<u>\$ 5,329,716</u>
Net book value:						
At 31 December 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,818</u>	<u>\$ 29,782</u>	<u>\$ 152,063</u>	<u>\$ 237,663</u>
Cost:						
At 1 January 2021	\$ 436,612	\$ 1,324,982	\$ 1,655,587	\$ 339,420	\$ 1,810,778	\$ 5,567,379
Additions	-	-	1,721	2,680	73,920	78,321
At 31 December 2021	<u>\$ 436,612</u>	<u>\$ 1,324,982</u>	<u>\$ 1,657,308</u>	<u>\$ 342,100</u>	<u>\$ 1,884,698</u>	<u>\$ 5,645,700</u>
Accumulated depreciation:						
At 1 January 2021	\$ 436,612	\$ 1,324,982	\$ 1,599,769	\$ 309,638	\$ 1,658,715	\$ 5,329,716
Charge for the year	-	-	27,486	16,897	125,165	169,548
At 31 December 2021	<u>\$ 436,612</u>	<u>\$ 1,324,982</u>	<u>\$ 1,627,255</u>	<u>\$ 326,535</u>	<u>\$ 1,783,880</u>	<u>\$ 5,499,264</u>
Net book value:						
At 31 December 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,053</u>	<u>\$ 15,565</u>	<u>\$ 100,818</u>	<u>\$ 146,436</u>

12 Deposits, prepayments and other receivables

The amount of the Council's prepayments expected to be recovered or recognised after more than one year are HK\$33,033 (2020: HK\$2,329) respectively. All of the other deposits, prepayments and other receivables are expected to be recovered or recognised within one year.

Based on past experience, the directors consider that the expected credit loss ("ECL") allowance is insignificant in respect of these balances as there has not been any significant change in credit quality and due to the short duration of the receivables.

13 Cash and bank deposits

(a) *Cash and bank deposits comprise:*

	2021	2020
Cash at bank and on hand	\$ 50,783,405	\$ 35,358,720
Time deposits with original maturity over three months	<u>12,000,000</u>	<u>12,000,000</u>
	<u>\$ 62,783,405</u>	<u>\$ 47,358,720</u>

(b) *Reconciliation of surplus to cash generated from operations:*

	2021	2020
Surplus for the year	\$ 13,430,878	\$ 8,859,685
Adjustments for:		
Depreciation	169,548	208,443
Bank interest income	(16,861)	(134,079)
Changes in working capital:		
(Increase)/decrease in deposits, prepayments and other receivables	(1,150,715)	2,474,549
Increase in payables and accruals	1,678,235	1,389,364
Decrease in amounts due from founding members	41,463	234,388
Increase/(decrease) in amounts due to founding members	<u>1,333,597</u>	<u>(153,329)</u>
Cash generated from operations	<u>\$ 15,486,145</u>	<u>\$ 12,879,021</u>

14 Payables and accruals

All of the payables and accruals are expected to be settled within one year or are repayable on demand.

15 Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Council is exempted from taxation pursuant to Section 88 of the Inland Revenue Ordinance.

16 Amounts due from/(to) founding members

	2021	2020
Amounts due from founding members		
BEAM Society Limited (“BSL”)	\$ 137,861	\$ 162,225
Business Environment Council Limited (“BEC”)	12,154	29,253
	<u>\$ 150,015</u>	<u>\$ 191,478</u>
Amounts due to a founding members		
CIC	\$ 760,200	\$ 153,306
Professional Green Building Council Limited (“PGBC”)	726,703	-
	<u>\$ 1,486,903</u>	<u>\$ 153,306</u>

The amounts due from/(to) founding members are unsecured, interest-free and recoverable/(repayable) on demand. They are expected to be recovered/(repaid) within one year.

The amounts due from founding members are not past due and expected credit losses on the amounts are considered insignificant.

17 Funding members’ reserve and funds

(a) Components of the Council’s reserve and funds

The reconciliation between the opening and closing balances of each component of the Council’s reserve and funds is set out in the statement of changes in reserve and funds.

(b) Founding members’ reserve

The founding members’ reserve represents the contributions made by the four founding members of \$50,000 each upon the incorporation of the Council.

(c) Nature and purpose of funds

Operation reserve fund

The operation reserve fund was established to retain the Patron Membership fee income and any other income which CIC allows the Council to keep at the end of a financial year, to serve as a reserve to sustain at least 6 months’ operation of the Council during a prolonged period of financial shortfall, and to retain additional provision of reserve that the Board of the Council sees appropriate due to inflation in order to maintain at least 6 months’ operation of the Council.

During the year ended 31 December 2021, no surplus generated from self-financed core operation and activities was transferred from accumulated fund to operation reserve fund (2020: \$Nil).

17 Funding members' reserve and funds (continued)

(c) Nature and purpose of funds (continued)

General fund

The general fund was established to retain surplus generated by the Council's self-financed core operation and activities at the end of a financial year (excluding surplus generated by projects and events funded by third parties), as approved by the Board of the Council and to finance any ad-hoc researches, tool development and other activities that the Board of the Council thinks fit to carry out.

During the year ended 31 December 2021, surplus generated from self-financed core operation and activities of \$13,000,000 (2020: \$9,000,000) was transferred from accumulated fund to general fund.

(d) Capital management

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

The Council defines "capital" as including all components of reserve and funds.

The Council's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Council.

The Council is not subject to any externally imposed capital requirements.

18 Financial risk management and fair values of financial instruments

Exposure to credit and liquidity risks arises in the normal course of the Council's business. The Council's exposure to these risks and the financial management policies and practices used by the Council to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Council. The Council's credit risk is primarily attributable to amounts due from founding members and other receivables. The Council's credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are banks with sound credit rating, for which the Council considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

The Council's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate funding from founding members to meet its liquidity requirements in the short and longer term.

18 Financial risk management and fair values of financial instruments (continued)

(c) Fair values

The carrying amounts of the Council's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2021 and 2020.

19 Material related party transactions

(a) Transactions with key management personnel

All members of key management personnel are directors of the Council, and their remuneration is disclosed in note 10.

(b) Transactions with other related parties

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Council entered into the following material related party transactions:

	2021	2020
Funding support for consultancy study on BEAM Plus BI Major Revision paid to BSL, a founding member	\$ 1,424,000	\$ 356,000
Funding support for consultancy study on pilot project assessment paid to BSL, a founding member	154,000	88,000
Training & exam materials for BEAM Pro & BEAM Affiliates for Development of BEAM Plus paid to BSL, a founding member	-	94,680
Funding support from CIC, a founding member	3,999,400	4,772,325
Facilities service fee paid to BEC, a founding member	2,237,200	2,259,280
Income from sharing the surplus of BEAM Plus operations received from BSL, a founding member	1,305,408	1,883,040
Functions and events surplus payable to PGBC, a founding member	726,704	-
Projects and programmes income received and receivable from BSL, a founding member	137,861	203,975
Projects and programmes expense paid to BSL, a founding member	19,198	22,077
Refund of facilities service fee received and receivable from BEC, a founding member	25,580	47,401
Expenses of jointly organising launch ceremony for BEAM Plus Data Centres V1.0 paid to BSL, a founding member	188,165	-
Membership fee for BEAM Practitioners Annual Qualification received from BSL, a founding member	6,450	4,350
BEAM Plus Registration fee received from BEC, a founding member	27,000	-
Instructor fee for training course paid to Dr Jack CHENG Chin-pang, a Director of HKGBC	40,000	-

20 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and interpretations which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these financial statements. These include the following which may be relevant to the Council.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to HKAS 37, <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of accounting Policies</i>	1 January 2023
Amendments to HKAS 8, <i>Definition of Accounting Estimates</i>	1 January 2023

The Council is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Council has not identified any aspects of the new standards which may have a significant impact on the financial statements. The Council does not intend to early adopt any of these amendments or new standards.

Management accounts in respect of the
Hong Kong Green Building Week 2021 (“HKGBW 2021”)
held from July – October 2021
(Expressed in Hong Kong Dollars)

Revenue

Funding support from Construction Industry Council for HKGBW 2021 \$ 1,120,000

Total income \$ 1,120,000

Expenditure

Expenses for API Production \$ (300,249)

Expenses for Programme fee (600,817)

Expenses for Agency Management Fee (290,000)

Expenses for Staff Cost (200,000)

Miscellaneous & Auditor’s Remuneration (8,934)

Total expenditure \$ (1,400,000)

Deficit for the event (to be borne by the Council) \$ (280,000)

Summary of management accounts in respect of the 3 projects and 1 scheme approved and funded by Construction Industry Council (“CIC”) in 2021

(Expressed in Hong Kong Dollars)

Revenue

Funding Support from CIC for Green Shop Alliance	\$ 800,000
Funding Support from CIC for Digital Platform (Sustainable Built Environment Resources Centre)	657,700
Funding Support from CIC for Guidebook for the Development of Sustainable Built Environment	121,700
Funding Support from CIC for CIC Green Product Certification Scheme	1,300,000

Total Income \$ 2,879,400

Expenditure

Expenses for Green Shop Alliance	\$ (1,000,000)
Expenses for Digital Platform (Sustainable Built Environment Resources Centre)	(822,125)
Expenses for Guidebook for the Development of Sustainable Built Environment	(152,125)
Expenses for CIC Green Product Certification Scheme	(1,300,000)

Total expenditure \$ (3,274,250)

Deficit for the projects (to be borne by the Council) \$ (394,850)