



Council for Debt Collectors

**Integrated
Annual Report**

2022 - 2023



Foreword

The recovery of debts plays an integral part in the economy of South Africa. Before the emergence of the Covid 19 pandemic our economy was already under severe strain. Covid 19 added to this resulting in a weaker exchange rate, rising fuel prices, rising interest rates and a massive rise in unemployment figures. Consumers are buckling under the strain of meeting their month-to-month expenses. It is estimated that more than half the population cannot meet their financial obligations. It is therefore clear that the collection industry affects or has the potential to affect the vast majority of South Africans on a daily basis. Much has been done to improve and regulate the debt collection industry. The most important advance has been the creation of a statutory regulator named the Council for Debt Collectors. This body came into operation in 2003 and this report deals with advances made in the regulation of the industry.

Even though much has been achieved in ensuring that the recovery of debts is done in an ethical and fair manner in accordance with the Debt Collectors Act, Regulations and Code of Conduct for which the industry should be congratulated, there is still work that needs to be done.

The issues surrounding the conduct of attorneys in the recovery of debts and the fact that their fees are uncapped has resulted in a public outcry and prompted the Government to consider their inclusion under the Debt Collectors Act. The debates surrounding prescription and the implementation of authenticated non face to face debit orders are also of some concern and will hopefully be addressed during the next year.

We look forward to engaging with each stakeholder on the issues raised in this document and to together build the industry in serving stakeholders, the public and South Africa in the effort to ensure the fair recovery of debts.

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PART A: GENERAL INFORMATION

STRATEGIC OVERVIEW

VISION:

Regulating the debt collection industry by ensuring the fair recovery of debt.

MISSION:

To excel in the provision of accessible, sustainable, ethical, quality and independent oversight services to the debt collection industry.

VALUES:

- Passion for Justice
- Ubuntu
- Integrity
- Accountability
- Service Excellence
- Innovation

STRATEGIC OUTCOME ORIENTATED GOALS

Outcome 1: Quality oversight and regulation of the industry thereby contributing to the general NDP goal of reliable, fair and inclusive regulatory bodies.

Outcome 2: Respected, accessible, high performing and sustainable public entity impacting positively on the debt collection profession, society, the economy and the environment.

LEGISLATIVE MANDATE

The Council was established by the Debt Collectors Act, 1998 (Act 114 of 1998) which came into operation on 7 February 2003. The broad objectives of the Council are contained in the long title of the Act:

To provide for the establishment of a Council, known as the Council for Debt Collectors; to provide for the exercise of control over the occupation of debt collector; to amend the Magistrates' Courts Act, 1944, so as to legalize the recovery of fees or remuneration by registered debt collectors; and to provide for matters connected therewith.

The broad mandate is formalized in more detail in the Act as follows:

The objects of the Council

The objects of the Council are set out in section 2(2) of the Act: to exercise control over the occupation of debt collector. This provision in the enabling legislation is supplemented by other provisions in the Act, the Regulations and the Code of Conduct promulgated in terms of the Act. Broadly speaking the aims of the Council are to:

- regulate the occupation of debt collectors.
- regulate the recovery of fees.
- register debt collectors.
- issue registration certificates
- the investigation of complaints against debt collectors and
- where appropriate, institute disciplinary proceedings against debt collectors for misconduct.

In short, the Council for Debt Collectors regulates the occupation of debt collector, ensures that debt collectors are registered with the Council and protects the public by the investigation of complaints and the institution of disciplinary proceedings where necessary.

ORGANISATIONAL STRUCTURE

The constitution of the Council

In terms of section 3(1) of the Act the Council must consist of not more than 10 members appointed by the Minister. Appointments can be made for a period not exceeding three years.

In terms of section 3(2) the Minister must appoint:

- a chairperson; and
- as members
 - a magistrate
 - an attorney nominated by a representative body or bodies.
 - at least two, but not more than four debt collectors, two of whom shall be appointed after consultation with organisation's representing debt collectors, who are natural persons and who have exercised the occupation of debt collector for at least three years.
 - two persons who, in the Minister's opinion, are fit and proper persons to serve on the Council and
 - one person from nominations submitted by institutions representing consumer interests and who, in the opinion of the Minister, is a fit and an appropriate person to serve on the Council.

Meetings of the Council

In terms of section 4(1) the Council must meet at least three times in every financial year.

Committees

- ***Executive Committee***

In terms of section 4(1) of the Act the Council may appoint not less than three and not more than five of its members as an Executive Committee provided that the majority of members of the Executive Committee must be members other than members who have been appointed by virtue of the fact that they are debt collectors.

- **Audit Committee**

In terms of the statutory framework set out previously the following Council members were appointed:

NAME	CAPACITY	DATE OF APPOINTMENT	APPOINTED UNTIL	SECTION OF THE ACT
Mr C Senzani	Chairperson	29 July 2021	28 July 2024	Section 3(2)(a)
Mr EA Makda	Member	1 July 2020	30 June 2023	Section 3(2)(b)(i)
Ms L Ralenala	Member	1 July 2020	30 June 2023	Section 3(2)(b)(ii)
Ms LA Dhorie	Member	27 November 2021	26 November 2024	Section 3(2)(b)(iii)
Ms R Mare	Member	29 July 2021	28 July 2024	Section 3(2)(b)(iii)
Mr M Kuljeeth	Member	29 July 2021	28 July 2024	Section 3(2)(b)(v)
Mr N Shezi	Member	29 July 2021	28 July 2024	Section 3(2)(b)(iii)
Ms P Ravhuhali	Member	29 July 2021	28 July 2024	Section 3(2)(b)(iv)
Mr T Ramathikhithi	Vice Chairperson	29 July 2021	28 July 2024	Section 3(2)(b)(iv)

Although no specific provision has been made in the Act for the appointment of an audit committee, the Council has deemed it necessary to convene such a committee from the members of the Council with the required expertise in order to promote the principles of sound corporate governance recommended in the King Report on Corporate Governance.

Secretariat of the Council

In terms of section 7 of the Act the Council may appoint such personnel as it may deem necessary for the efficient performance of its functions and management of its administration and may determine the remuneration and conditions of service of such personnel.

COUNCIL MEMBERS



Mr C Senzani



Mr T Ramathikhithi



Ms L Ralenala



Mr M Kuljeeth



Ms P Ravhuhali



Ms R Mare



Ms LA Dhorie



Mr N Shezi



Mr EA Makda

- **Secretariat of the Council**

The Council is assisted in its task by a full-time secretariat. The management team consists of the following individuals:



CEO
(Adv A Cornelius)



LEGAL
(Adv J Makondo)

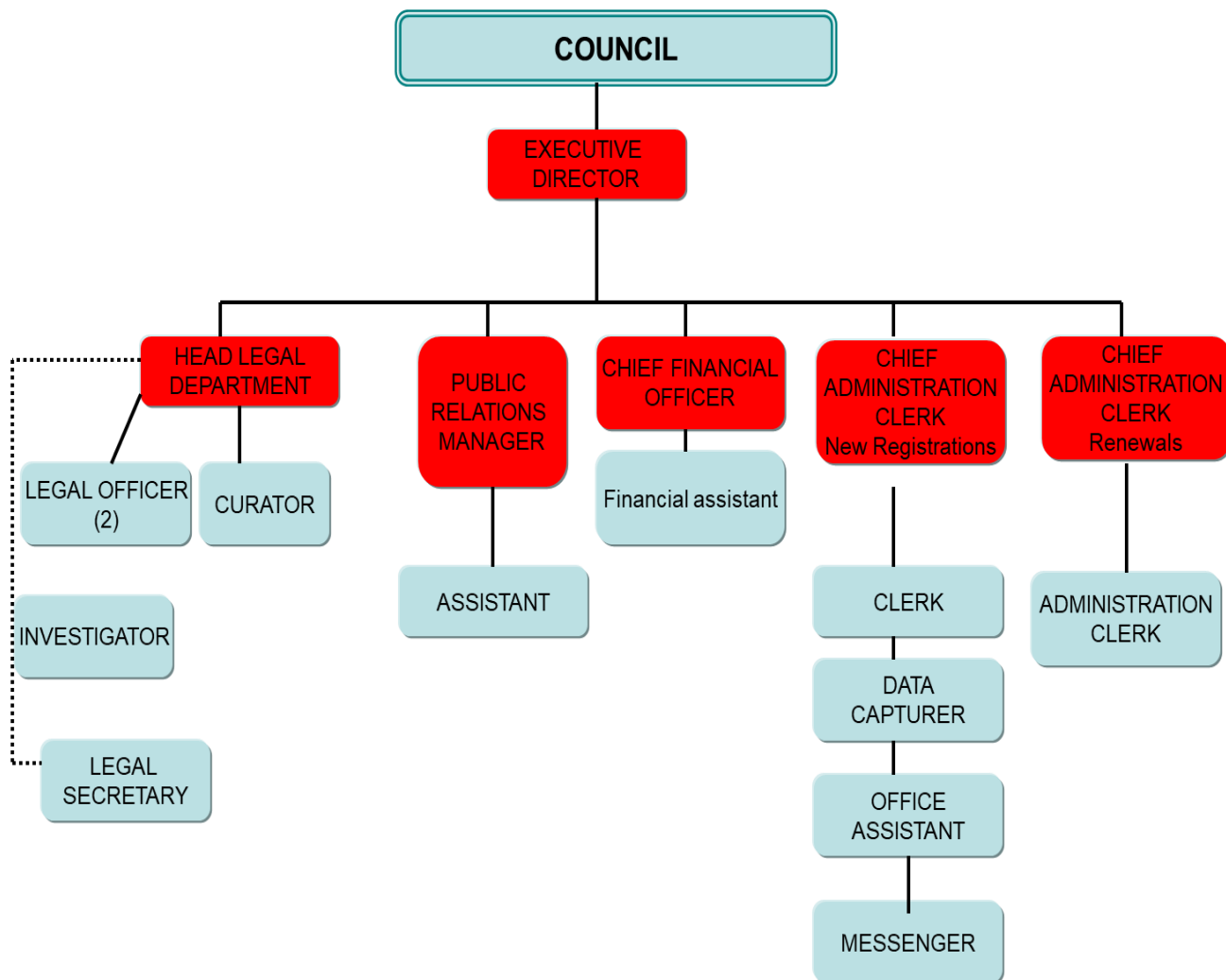


FINANCE
(Mr C Mafela)



PR
(Ms L Mencane)

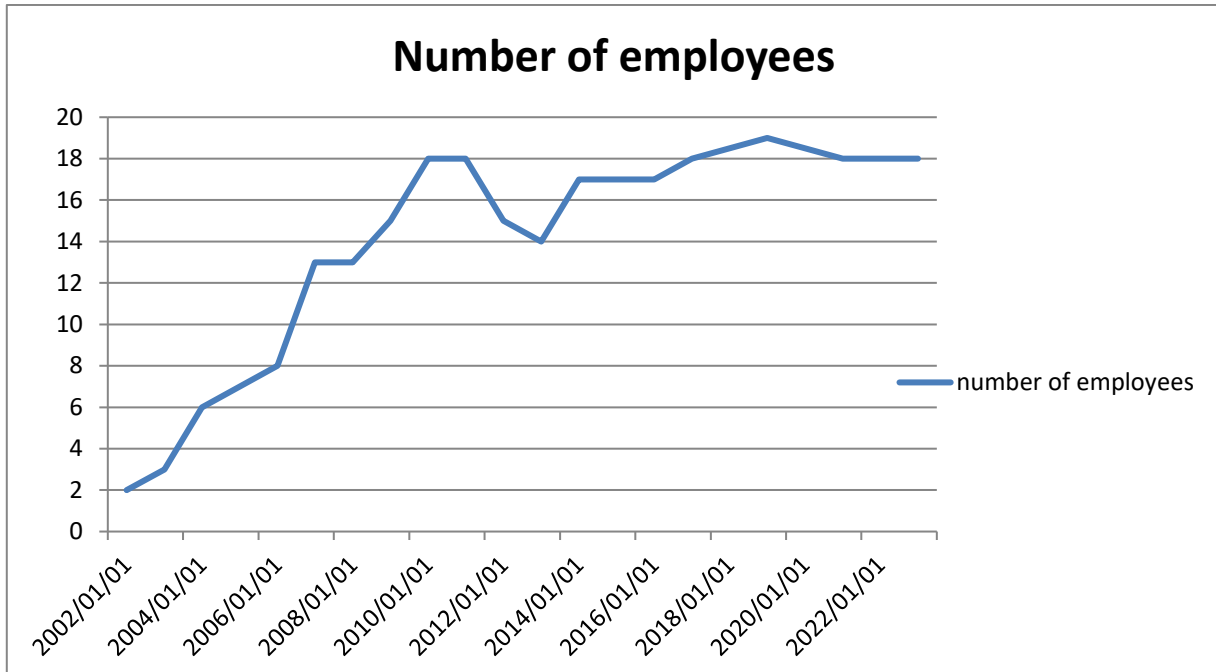
The 18 posts are represented in the organogram below:



Functionally the administrative component is divided into three departments:

- An administrative department to deal with new applications for registration and renewals of current debt collectors.
- A financial department responsible for managing the Council's finances.
- A Legal Department dealing with complaints and disciplinary hearings.

The increase of the staff complement since 2003 is reflected in the table below:



The Council has a relatively small administrative component to deal with a considerable workload. The Council wishes to express its appreciation to the members of the Secretariat for their outstanding services, their commitment to service excellence and for the high standard of work delivered. It is also gratifying to report that no financial losses occurred during the year under review.



CHAIRPERSON'S REPORT

I have pleasure in presenting the review of the Council's activities for the period from 1 March 2022 until 28 February 2023.

- **Introduction**

I am pleased to report that the reporting period 2022/2023 was a proactive and productive year, accentuated by a period of continuing growth and stabilisation within the Council for Debt Collectors. The worsening economic situation presented very real challenges to the Council, debt collectors and the public. I am satisfied that the Council remains well positioned to act as an effective and efficient sector regulator even in these challenging times.

I believe that the Council's progress since its inception achieved its vision of being a world class regulator by meeting and even surpassing the needs and expectations of its stakeholders.

- **Strategic planning**

The strategic plan was reviewed and revised to ensure a vibrant organisation, committed to fulfill its statutory mandate and to render a service to its clients in line with the principles of *Batho Pele*.

Council also identified the need to assist and empower new debt collectors in the industry. To address this need, the Council has embarked on a training initiative for all new registered debt collectors, the distribution of the free software program developed for new collectors is an ongoing process.

- **Corporate governance and King IV**

All recommendations contained in King IV have been implemented. The implementation of King IV added value to the Council to further enhance good corporate governance. The Council, with the assistance of the Audit, Risk and Finance Committee, has reviewed all its policies in 2019 to enhance governance.

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with the

Act and the King IV Report on Corporate Governance requirements, the Audit, Risk and Finance Committee and external audit provide the Council with assurance that internal controls are adequate and effective.

This is also achieved by means of the ongoing risk management process that is reviewed by the Audit, Risk and Finance Committee as well as at each Council meeting. The Committee is satisfied that the Council's top risks have received adequate attention throughout the course of the reporting year.

The risks inherent to the Council and controls implemented to monitor these risks will be monitored on an ongoing basis.

The Council continuously strives to be competent and respected, and to conduct its affairs with integrity.

The Council has the following committees in place:

- Executive Committee
- Audit, Risk and Finance Committee.
- Disciplinary Committees (to exercise its statutory oversight role)

- **Long term financial stability**

The Council's finances as indicated in the annual report continue to remain healthy. The Council maintains sufficient reserves to carry on operations for a number of years. I believe that the secretariat will continue to manage the finances and activities prudently, whilst recognizing the need to gear up capacity in certain areas to support the anticipated growth in our membership as well as the needs and expectations of our stakeholders.

- **Enabling legislation**

A number of important amendments to our enabling Act have been recommended for inclusion in the legislative program. These amendments will not only enhance a more effective Administration and Regulation process but will also assist debt collectors by providing for a new registration procedure in respect of trainee debt collectors. The inclusion of attorneys under the jurisdiction of the Council as proposed in the current draft is welcomed and will hopefully receive attention during the next financial year.

- **Stakeholder management**

In line with the strategic plan of the Council, various campaigns were conducted to create awareness of the Council and its activities throughout the course of the year. Those activities are set out in Part F.

- **Conclusion**

Whilst recognizing that the Council has made great strides since its humble beginning in 2003, the Council is committed to strive towards raising the Council yet to another level. I have full confidence that the Chief Executive Officer and his team will make further strides in the year ahead in increasing the stature of the Council and exceeding the expectations of our stakeholders.

I wish to thank the Chief Executive Officer as well as the staff for their dedication and commitment to ensure service excellence. It is equally important to express my appreciation to fellow Council members for their significant contributions, tireless support, and commitment throughout the year.



C SENZANI
CHAIRPERSON



REPORT OF THE CHIEF EXECUTIVE OFFICER

Introduction

For the year under review the Council managed to maintain the high service levels and service excellence that our stakeholders have become accustomed to. Council members and managers have developed a closely-knit bond that promotes the effective functioning of the Council.

Managing and Monitoring of Administration

From an operational perspective, further strides have been made in ensuring that we run operations effectively, efficiently, and economically by updating and enforcing the necessary governance structures and processes that ensures service excellence. The profession of debt collecting is a volatile occupation as reflected in Part D, an additional burden on the industry has been the changes made to the National Credit Act, and in particular the prohibition on the recovery of prescribed debts and the Changes to the Magistrates Court Act with regards to the granting of EAO orders. The relief is welcomed as it prevents the exploitation of the most vulnerable. Unfortunately, one of the unforeseen consequences appears to be the de facto removal of EAO orders as a useful tool for the recovery of debts. The only viable legal alternative left is sales in execution which will bring challenges to consumers of a different nature.

The goal of a turnaround time of seven days for applications received has through hard work and diligence been maintained and, in most instances, exceeded. A same day policy has been implemented in those instances where Debt Collectors apply in person for registration.

For the year under review the Council has registered 18 079 debt collectors.

In order to effectively exercise control over the debt collection profession it is crucial that all collectors have to be registered. The figures show that this primary objective has been successfully dealt with.

IT Governance

The Council's dedicated software program is improved and maintained on an ongoing basis. A disaster management plan is in existence and comprehensive backup procedures ensure the integrity of the Council's data. A brand new platform has been developed and implemented to bring the registration process in line with the digital developments and advances in the world we live in.

Human Resources

The Council is committed to growing our talent and competencies to enable better quality service. For the period under review a new Financial Manager was appointed. The succession plan and vision are monitored and evaluated on an ongoing basis. During the course of the reporting period staff members attended various initiatives with the goal of training and empowerment.

A performance reward system has been adopted and in terms of the remuneration policy, a number of staff members were rewarded in accordance with their performance, during the year under review.

The annual strategic planning session and team building event allows for the opportunity to not only bring the staff of the Council together, but also to discuss and resolve any areas of concern and improvement. I am happy to report that there were no problems or major concerns. The well-being of the staff remains a priority, contributing to the dedication and loyalty of the staff. The number of employees who received merit awards reflects the staff's commitment to service excellence.

Market and Promote the Council

The Council once again embarked on a publicity campaign to raise the public awareness of the functions of the Council. The details of the 2022/23 campaign are set out in the report under Part F.

The Council continued with the process of maintaining an effective stakeholder management plan. The Council also participated in numerous meetings with its stakeholders and on a regular basis attends the general meetings of ADRA (Association of Debt Recovery Agents). All proposed legislative changes and amendments are also broadly canvassed with the industry to obtain a comprehensive consensus.

Through its website the Council strives to keep its clients informed. The website has been redesigned to provide an efficient consumer friendly basis for communication. The Council made a concerted effort to keep the public informed about their rights through public consultation, engaging the printed and electronic media as well as awareness campaigns. These matters are fully dealt with in Part F of the main report.

In line with the principles of Batho Pele and in honor of Mandela Day, the staff, in an effort to give back to the community, engaged in a number of activities as set out in Part F.

Financial Management

The Council's main source of income is the application fees for new registrations and the annual subscription fees for the renewal of existing registrations which has not been adjusted since 2003. Considering the Council's additional income on investments, its financial position is sound, and its financial reserves have grown steadily since its establishment.

The Council has again received an unqualified audit report for the year under review. The Council's risk management plan is a standing item on the agenda and reviewed regularly to ensure preventative rather than retroactive solutions.

Disciplinary hearings

Comparing the number of disciplinary hearings against the number of complaints received, it is clear that the industry ensures a high degree of self-regulation. The fact that the Council actively ensures compliance with the Act, Regulations and Code, contributes to self-regulation.

As can be seen from the report set out in Part E, it is clear that this core principle of the regulation of debt collectors is being successfully implemented.

The complaint process has been automated to enable consumers to effortlessly lodge complaints against debt collectors.

Enabling legislation

A critical analysis of our enabling legislation has revealed a number of areas where reform is indicated. These areas have been identified and proposed amendments to both the enabling Act and the Regulations have been developed and are currently being promoted by the Department of Justice and Constitutional Development. The details are dealt with under Part E of the main report.

Corporate governance

The implementation and adherence to the principles as set out in King IV is monitored on an ongoing basis. Explanations are also provided in case of non implementation of certain principles.

Conclusion

The focus in the 2023/2024 period will be on sustainability and the continued monitoring of risk management. We also aim to actively promote the finalisation of the Amendment Bill for approval by Parliament.

Attention is to be given to the ongoing development of the current IT platform and systems to bring the Council in line with the requirements and advances currently available. This process should digitize and automate the entire registration process and management.

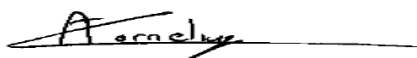
The Social Responsibility program will also be monitored and executed. A program to enlarge the Council footprint will also be undertaken, with this in mind it was decided to run the media campaigns in house which will enable the Council to expand its reach without incurring additional costs to do so.

There are a number of issues impacting on the debt collection industry which needs to be closely monitored going forward. Those issues are:

- The authenticated debit order system
- The changes to the Prescription Act
- The Financial Services Act

The implementation of rolling blackouts sometimes lasting for more than 10 hours on stage 6 has placed considerable strain on the operations of the Council. A decision was made to switch over to Solar power and a system implemented to enable the Council to operate even in periods of extended blackouts.

Ultimately the achievements and high performance of the Council are only possible due to the commitment and contribution of our dedicated staff and Council members. It is hereby then that I express my sincere gratitude to the Council's leadership and staff members for their dedication and commitment.



A CORNELIUS
CHIEF EXECUTIVE OFFICER

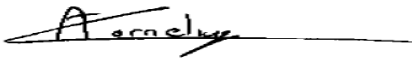
SCOPE AND BOUNDARY OF THE INTEGRATED ANNUAL REPORT

The integrated annual report covers the activities and achievements of the Council for Debt Collectors for the period 28 February 2022 to 1 March 2023. The integrated annual report has been prepared in accordance to Generally Recognized Accounting Principles (GRAP) and the recommendations of King IV.

A statement from the Council acknowledging its responsibility for ensuring the integrity of the report.

The members of the Council acknowledge its responsibility to ensure the integrity of the integrated report. The members have accordingly applied their minds to the integrated report and in the opinion of the members the integrated report addresses all the material issues and presents fairly the integrated performance of the Council. The integrated report has been prepared in line with best practice pursuant to the recommendations of the King IV Code.

The Annual Report is signed on their behalf by:

A handwritten signature in black ink, appearing to read 'A Cornelius', is written over a horizontal line.

A CORNELIUS
CHIEF EXECUTIVE OFFICER
Council for Debt Collectors

**PART B:
FINANCIAL INFORMATION**

AUDITOR'S REPORT, APPROVAL AND STATEMENT OF RESPONSIBILITY

- The Auditor's report
- Approval and statement of responsibility

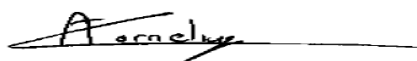
The auditor's report and the financial statements which appear in Annexure 1 to the report were approved by Council on 30 Mach 2023 and signed on their behalf by:



Mr C Senzani: Chairperson

30/05/2023

Date



Adv A Cornelius: Chief Executive Officer

30/05/2023

Date



REPORT OF THE AUDIT, RISK AND FINANCE COMMITTEE

- **Introduction**

Although no specific provision has been made in the Act for the appointment of an audit committee, the Council has deemed it necessary to convene such a committee from the members of the Council with the required expertise in order to promote the principles of sound corporate governance recommended in the King Report on Corporate Governance.

- **Audit, Risk and Finance Committee Members and Attendance**

During the year under review the Audit, Risk and Finance Committee was constituted as follows:

Chairperson : Ms p Ravhuhali
Members : Ms L Ralenala
Member : Mr C Senzani
Member : Ms L Dhorie

Adv A Cornelius, Chief Executive Officer, has been co-opted for the period under review.

Mr C Senzani (Chairperson of the Council) served on the Audit, Risk and Finance Committee in an advisory capacity for the duration of the year under review.

The Audit, Risk and Finance Committee met on five occasions during the year under review:

14 February 2022
16 May 2022
16 August 2022
25 October 2022
20 February 2023

- **Audit, Risk and Finance Committee**

The Audit, Risk and Finance Committee has presented the following report to Council for the year under review:

- **Audit, Risk and Finance Committee Responsibility**

The Audit, Risk and Finance Committee reports that it has adopted appropriate formal terms of reference as its Audit, Risk and Finance Committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

- **The effectiveness of internal control**

The system of internal control, although not fully compliant with King IV principles due to the size of the organisation, was effective during the year under review.

The Audit, Risk and Finance Committee has addressed this by having developed systems, policies and guidelines to be adhered to by the organisation.

Although the Audit, Risk and Finance Committee advised management and Council to engage a service provider to fulfill the role of internal audit for the Council, a Council decision was not to engage the services of an internal audit due to the size of the organisation. The Audit, Risk and Finance Committee was delegated by Council to closely monitor audit, risk and finance activities during the year.

- **The quality of the year's management and monthly quarterly reports**

The Committee is satisfied with the content and quality of the monthly reports prepared and issued by the Chief Financial Officer.

Reporting has improved in respect of member subscriptions, the entire financial management system and corporate governance.

- **The effectiveness of risk management and compliance**

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with the Act and King IV Report on Corporate Governance requirements the Audit, Risk and Finance Committee (in the absence of internal audit) and external audit provide the Council with assurance that internal controls are appropriate and effective. This is achieved by means of the ongoing risk management process. A risk assessment workshop was conducted during the year where the top risks and corresponding controls were identified, as part of ongoing risk management. The Committee is satisfied that the Council's top risks have received adequate attention throughout the reporting period. The risks inherent to the Council and controls implemented to monitor these risks were evaluated on an ongoing basis.

- **External Audit**

The committee is responsible for recommending the appointment of the independent auditors. The committee has satisfied itself that the auditors of the Council are independent as defined by the Act. The committee, in consultation with executive management, agreed

to the audit plan and audit fee for the 2022/2023 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

- **Budget**

Procedures were reviewed and it was decided to accommodate the reporting of income and expenditures monthly as and when expenditure is incurred, or income received.

It was also decided to review the budget on a six-monthly basis to make provision for any changes due to the volatility of the industry and the current global financial crisis.

- **Evaluation of Financial Statements**

The Audit, Risk and Finance Committee has

- Reviewed external auditor's management letter and management response.
- Reviewed, discussed with the external auditors, the CFO and the CEO and recommended the audited annual financial statements to be included in the annual report for approval by Council and
- Council has subsequently approved the unqualified annual financial statements.



MS P RAVHUHALI



MR C SENZANI

THE FINANCIAL MANAGEMENT OF THE COUNCIL

The following information analyses income and expenditure and contains full disclosure on emoluments.

- **External audit and financial statements**

The external auditor presented an unqualified audit report for the year under review.

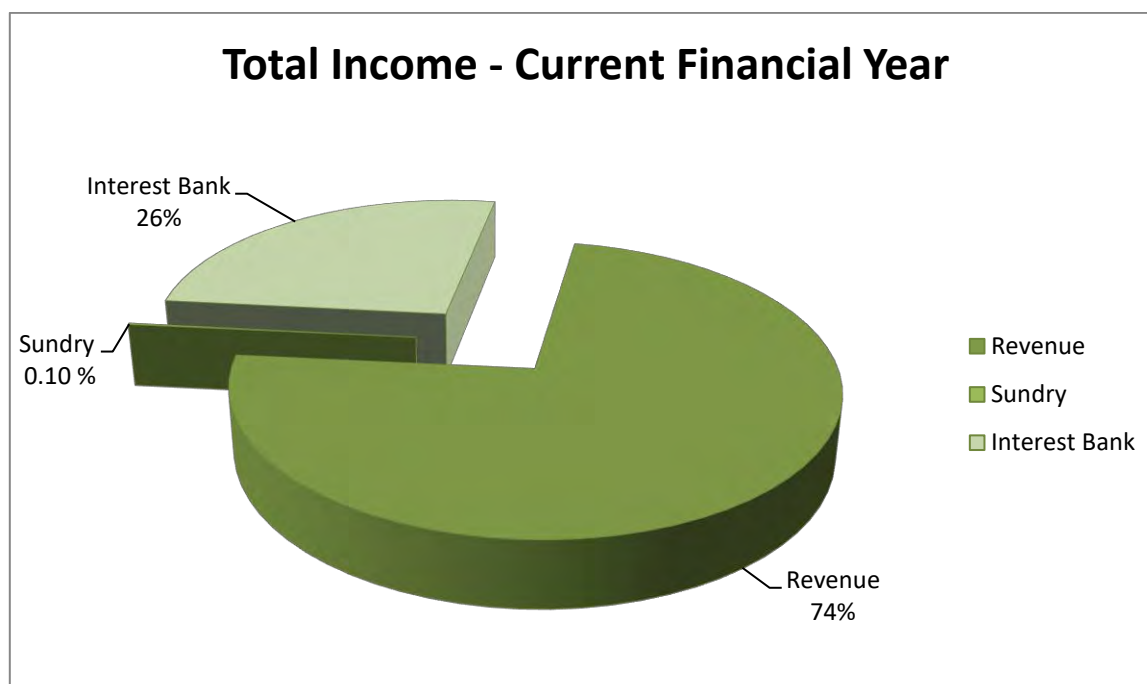
- **Income and expenditure**

- **Income**

The gross revenue for the year under review totals R 17 333 813 and is made up as follows:

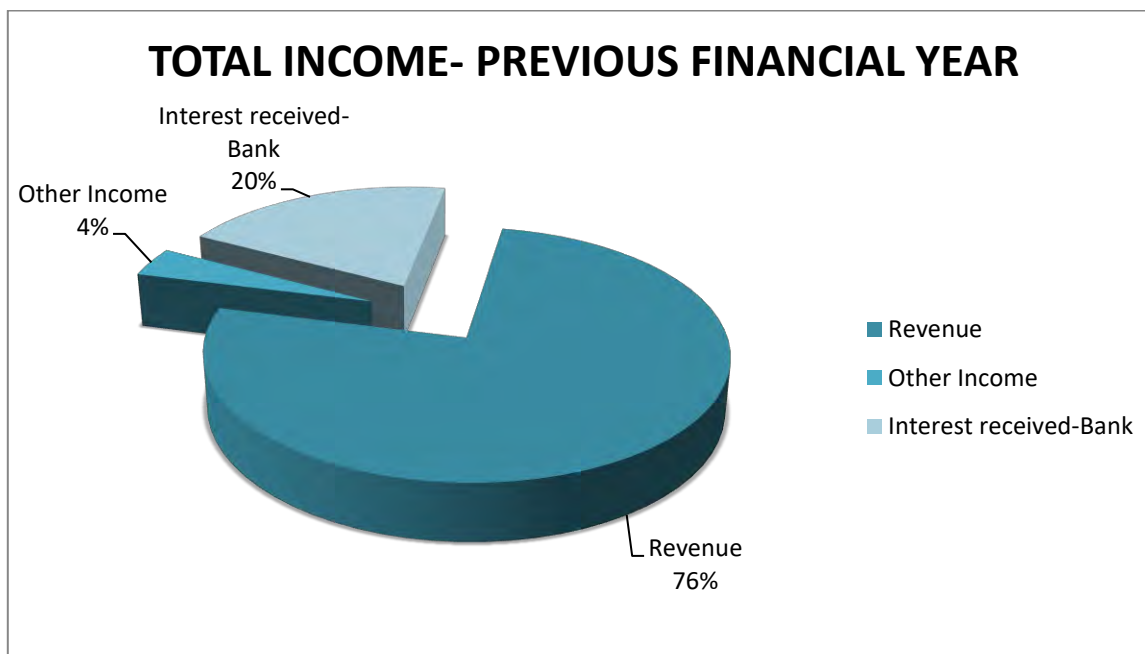
Fees received	:	R 12 518 598
Sundry income	:	R 25 413
Interest received	:	R 4 432 178

Total income illustrated:



Gross revenue for the previous financial year totalled 15 585 902 and made up as follows:

Fees received	:	R 11 866 980
Sundry Income	:	R 608 648
Interest received	:	R 3 110 274



The Council's total income in the current financial year increased by R1 747 911. The increase in income is attributed to an increase in interest rates.

- **Expenditure**

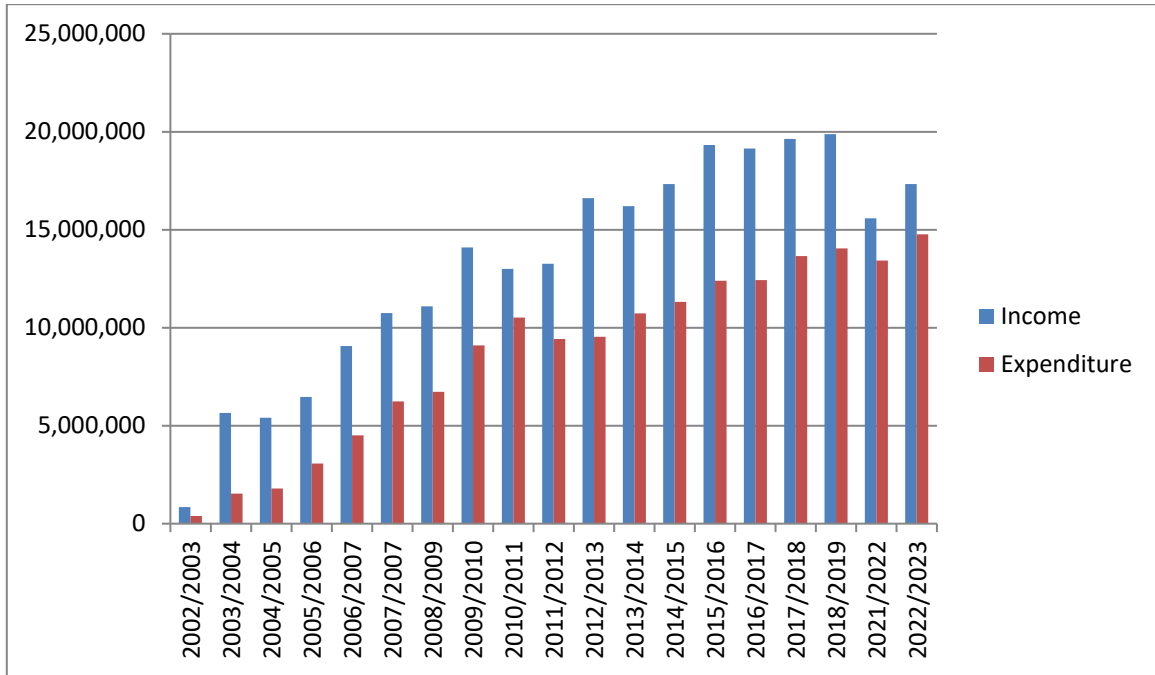
The Council's expenditure during the year under review totalled R 14 763 929 while the expenditure in respect of the previous financial year totalled R 13 423 533. This represents an increase in expenditure of R 1 340 096. The increase is mainly due to the development of a new IT platform.

- **Income and expenditure since 2003**

The income based on gross revenue including the income on interest and expenditure since 2003 is reflected in the table below:

FINANCIAL YEAR	INCOME	EXPENDITURE
2002/2003	844 557	390 779
2003/2004	5 651 370	1 531 498
2004/2005	5 412 853	1 787 242
2005/2006	6 469 187	3 075 829
2006/2007	9 061 202	4 505 784
2007/2008	10 744 349	6 245 142
2008/2009	11 095 175	6 725 308
2009/2010	14 095 980	9 102 218
2010/2011	12 994 406	10 519 841
2011/2012	13 256 230	9 427 913
2012/2013	16 609 877	9 539 002
2013/2014	16 207 925	10 728 664
2014/2015	17 326 306	11 319 946
2015/2016	19 324 240	12 397 130
2016/2017	19 149 484	12 432 338
2017/2018	19 642 659	13 651 760
2018/2019	19 876 222	14 052 824
2021/2022	15 585 902	13 423 533
2022/2023	17 333 813	14 763 929

The above information is illustrated as follows:

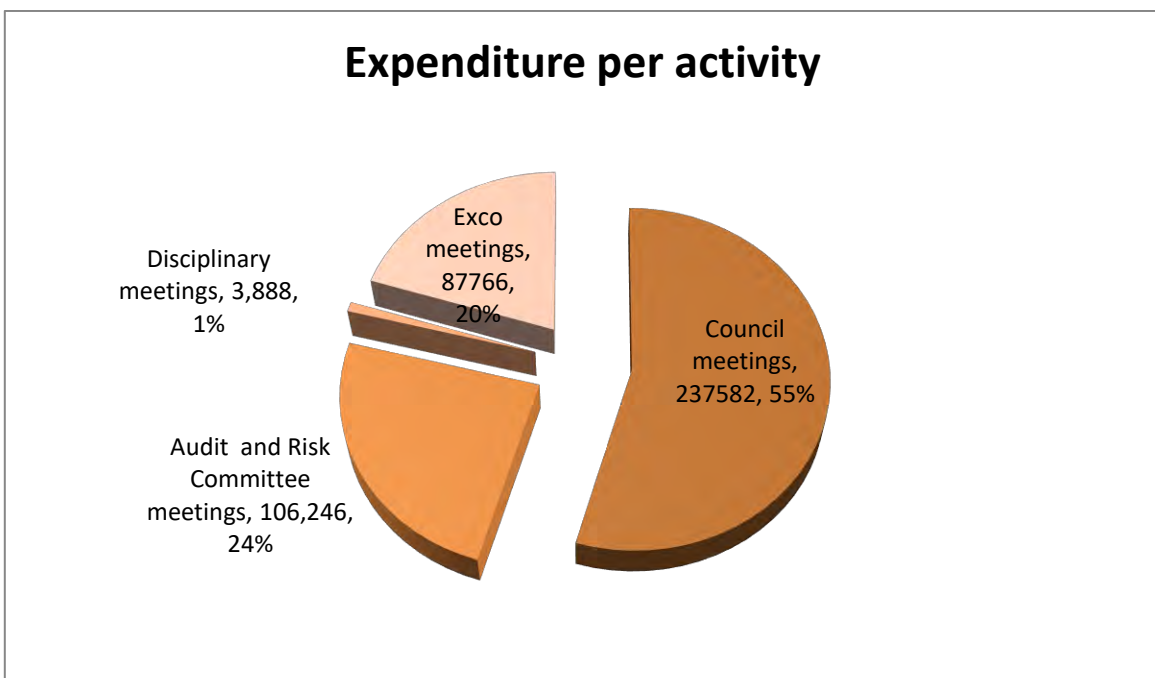


Since there has been no increase in fees since 2003, the income based on gross revenue remains dependent upon the annual fees of registered debt collectors and the number of new registrations. The gap between income and expenditure has been steadily decreasing since 2005 but appears to have stabilised.

Expenditure in respect of Council related activities

The following expenditure was incurred in respect of Council meetings:

The expenditure is illustrated below.



- **Emoluments of Council members and management**

- **Council members**

During the year under review the remuneration of Council members was as follows:

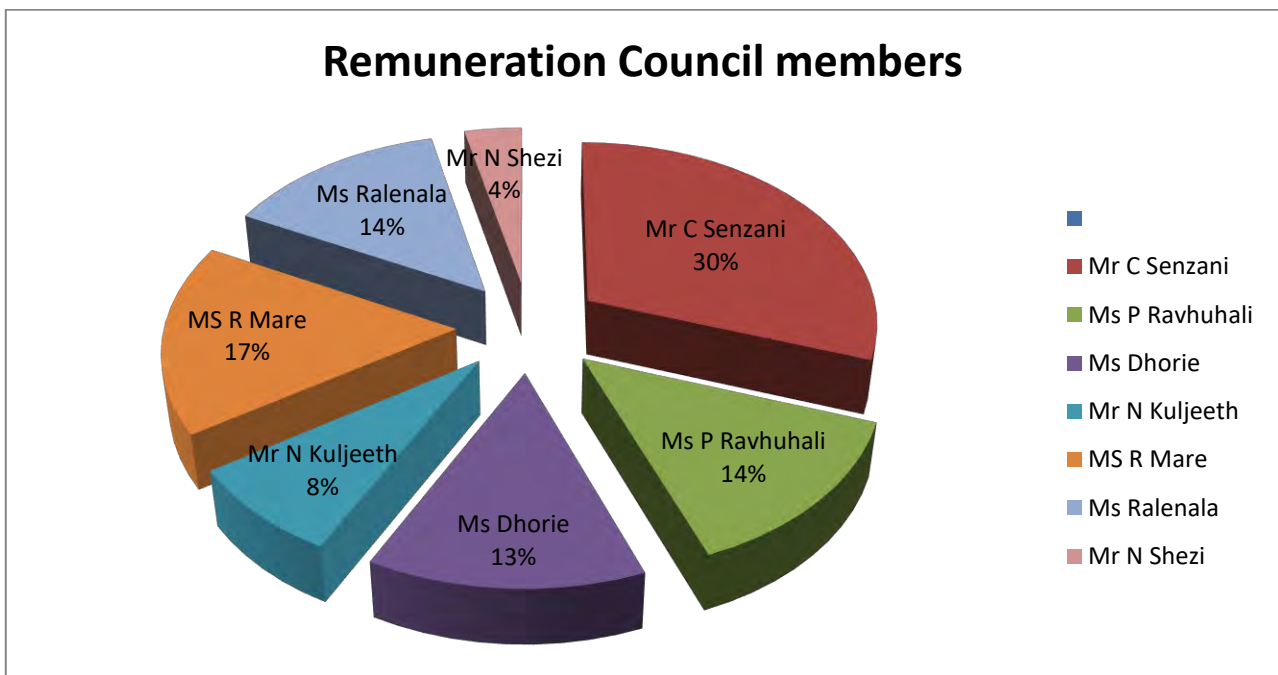
Chairperson	:	R 5 230 per day
Vice chairperson	:	R 4 445 per day
Members	:	R 3 888 per day

The remuneration (including subsistence and travelling) of individual Council members is as follows:

COUNCIL MEMBER	PERIOD	GROSS REMUNERATION
Mr C Senzani Chairperson	1/03/2022- 28/2/2023	R 130 760
Mr L Ralenala	1/03/2022- 28/2/2023	R 59 778
Mrs L Dhorie – Member	1/03/2022- 28/2/2023	R 58 320
Mr M Shezi Member	1/03/2022- 28/2/2023	R 15 552
Mr n Kuljeeth – Member	1/03/2022- 28/2/2023	R 34 992
Ms R Mare - Member	1/03/2022- 28/2/2023	R 72 414
Ms P Ravhuhali	1/03/2022- 28/2/2023	R 59 778
TOTAL		R 431 594

Mr Ramathikhithi and Mr Makda are excluded in lieu of their appointment status.

The gross remuneration for 2022/2023 as a percentage of the total expenditure:



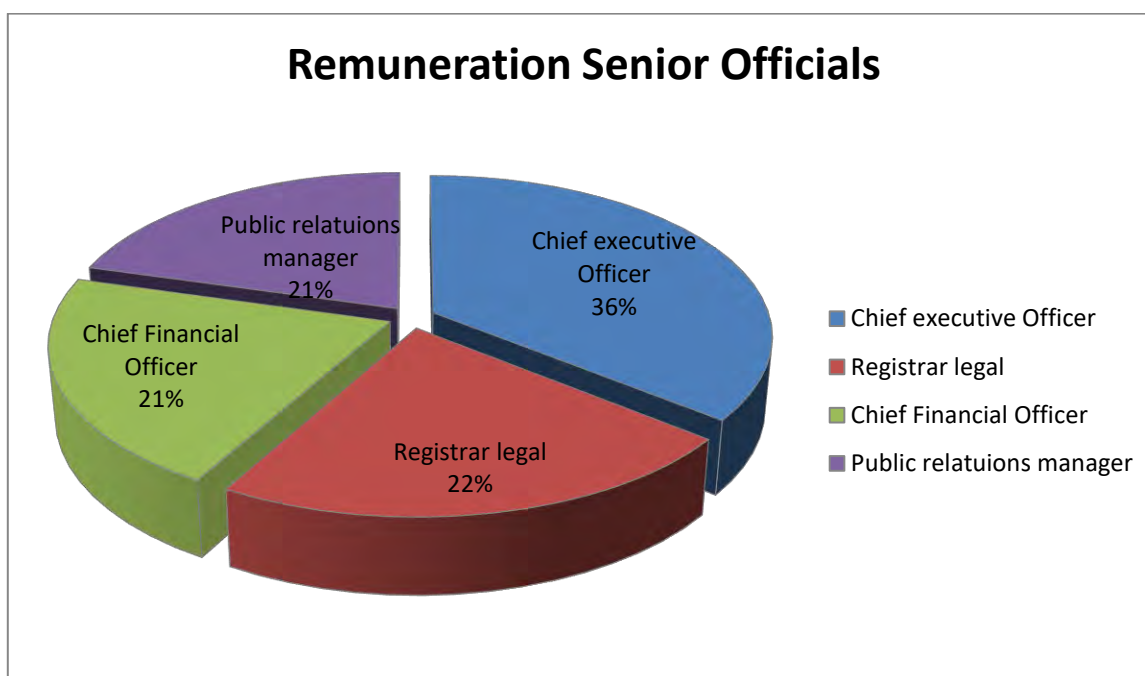
o **Management**

OFFICIAL	SALARY	ANNUAL 13 TH CHEQUE	GROSS REMUNERATION
Chief Executive Officer	R 1 116 603	R 97 176	R 1 213 779
Head Legal Department	R 700 000	R 59 000	R 759 000
Chief Financial Officer	R 663 384	R 57 733	R 721 117
Public relations manager	R 642 504	R 55 525	R 698 029
TOTAL			R 3 391 925

Note:

Annual 13th cheques paid were not based on performance and paid in accordance with respective service contracts.

The gross remuneration as a percentage of expenditure for senior officials:



PART C: GOVERNANCE

GOVERNANCE

1. Introduction

The Council for Debt Collectors is committed to the implementation of sound corporate governance practices which are reviewed on an ongoing basis to ensure compliance with the obligation to use funds in an economic, efficient, and effective manner. All actions are underpinned by the principles of openness, integrity, and accountability.

2. Council

The Council for Debt Collectors was established by the Debt Collectors Act, 1998 (Act 114 of 1998) – referred to below as “the Act”. Section 2(1) of the Act provides that the Council is a juristic person.

In short, the Council for Debt Collectors regulates the occupation of debt collector, ensures that debt collectors are registered with the Council and protects the public by the investigation of complaints and the institution of disciplinary proceedings where necessary. For the year under review and in order to exercise its mandate the Council met on the following dates:

24 May 2022

30 August 2022

21 and 22 November 2022

21 February 2023

The Council for Debt Collectors has two committees which assist the Council to discharge its responsibilities and are accountable to the Council:

- ***Executive Committee***

In terms of section 4(1) of the Act the Council may appoint not less than three and not more than five of its members as an Executive Committee provided that the majority of members of the Executive Committee must be members other than members who have been appointed by virtue of the fact that they are debt collectors.

During the year under review, the Executive Committee was constituted as follows:

Chairperson : Mr C Senzani
Members : Mr Ramathikhithi
 : Ms R Mare

The Executive Committee met on eight occasions during the year under review:

28 January 2022
22 March 2022
19 April 2022
21 June 2022
26 July 2022
20 September
18 October 2022
29 January 2023

o **Audit, Risk and Finance Committee**

Although no specific provision has been made in the Act for the appointment of an audit committee, the Council has deemed it necessary to convene such a committee from the members of the Council with the required expertise in order to promote the principles of sound corporate governance recommended in the King Report on Corporate Governance. During the year under review the Audit, Risk and Finance Committee was constituted as follows:

Chairperson : Ms P Ravhulani
Members : Ms L Ralenala
 : Ms L Dhorie
Advisor : Mr C Senzani

Mr C Senzeni (Chairperson of the Council) serves on the Audit, Risk and Finance Committee in an advisory capacity since 22 November 2021. Council resolved that in compliance with King IV principles, her skills are required on the Audit, Risk and Finance Committee.

The Audit Committee met on five occasions during the year under review:

14 February 2022
16 May 2022
16 August 2022
25 October 2022
20 February 2023

3. IT Governance

A new automated software management system has been developed. The software allows electronic importing of all documents, resulting in a more efficient registration process. A concomitant benefit is the elimination of the risk of the possible loss of original documents leaving the premises of the Council.

Numerous refinements were incorporated in the new software system, enhancing productivity enabling the Council to render improved service delivery to its clients. The most important refinements include the following:

- Live updates of the register as registration transactions occur including any other register-related updates are captured on the system.
- The submission of the prescribed audit certificates has been computerized.
- New reports facilitating the administration of registrations.
- The generation of revised and additional statistics.
- Refinement of the financial system.
- Electronically generated certificates.
- Management of a debt collectors' details and employees in the hands of the employer.
- In addition, the system has been safe guarded by limiting the access of the various users.
- In respect of the legal section several refinements were developed to facilitate the administration including the upgrading of statistical reports.
- An online compliant system to assist the public with the lodging of complaints.
- Automatic emailing of control lists to save on printing and paper expenses.

These measures contributed to a hands-on approach in management.

The management of the IT system constitutes a considerable risk to the organisation since the smooth running of the registration process and related matters is dependent on proper maintenance of the system and the protection of the integrity of the data on the system. Consequently, several measures have been taken to reduce the risks. The Information Technology policy of the Council has been revised, amongst others, with the inclusion of a detailed backup policy to ensure the integrity of the Council's data at all times. In addition a hardware firewall has been installed to provide an additional layer of protection against hackers. A full IT penetration test is conducted regularly to identify potential risks and implement measures to protect the system.

Telephone system

The entire telephone system has been converted to a VOIP system. The VOIP system also carried with it a significant reduction in operating expenditure.

In order to reach all our members, a bulk SMS system was also implemented, enabling the Council to immediately reach all registered debt collectors.

4. Environmental Report

The Council's operations are mainly of a regulatory and administrative nature. Consequently, the environmental impact is mostly restricted to the use of paper, saving of electricity and its carbon footprint.

The Council uses its wastepaper for internal printing of draft documents and wastepaper not suitable for this purpose is made available for recycling. In addition, electronic means of communication is used instead of paper-based communication wherever possible.

Travelling is restricted as far as possible.

Measures are in place to ensure that no electricity is used after hours except in the case of the server and cut out relays have been installed to ensure the automatic shutdown of any air-conditioning units.

A contractor has been approved to furnish the Council with live plants in all common areas to further reduce the carbon footprint.

A system making use of paperless meetings has been implemented with the acquisition of tablets for all Council members. All meetings are conducted making use of this technology and as a result the objective of paperless meetings has been achieved successfully.

The electronic generation and sending of some documents have been finalised and implemented. Additional documents will be added in due course once the ongoing development of the program is finalised.

5. Risk Management

The Council's Risk Management policy is a standing item on each Agenda. The Council, through the Audit and Risk Committee, provided oversight of risk management by reviewing management reports and providing guidance on a quarterly basis. Management is accountable for providing assurance to the Board that the risk management process is in place and is integrated into the day-to-day activities.

6. Internal Control Unit

The Council, due to its size, does not have an internal control unit. However, management is responsible for this function and a system of matrix management is in place. This provides management with sufficient oversight over all the activities of the Council.

The Council has established a framework for internal controls, including an effective procurement and provisioning system. The controls implemented focus on those areas identified by management, confirmed by the Council and assessed by the auditors. The controls ensure the protection of Council assets, and that liabilities and capital are efficiently managed.

Council policies, procedures and approval frameworks provide direction, accountability, and a division of responsibilities. Management closely monitors these controls and acts to correct any deficiencies identified. All policies were reviewed in 2019.

7. Code of Conduct

The Council has approved Codes of Conduct for all committees of the Council and the secretariat. These policies apply to all Council members and employees and compliance with the Codes is mandatory. The purpose of these codes is to promote and enforce ethical business practices and standards within the Council environment. The codes represent the highest ethical standards applicable in the environment in which the Council operates. The codes are driven by the principles of integrity and accountability.

8. Social Responsibility

One of the cornerstones of corporate citizenship is a commitment towards social responsibility. The Council's social responsibility is implemented through community outreach programs. Outreach programs target all South African citizens and aim to create awareness of the Council and its functions, and to also empower people and to inform them of their rights.

The Council realizes that in the spirit of Batho Pele and good corporate citizenship it is necessary to grow its social footprint by making charitable donations. In the year under review the Council engaged in numerous activities as more completely set out in Part F. In the next financial year, the council aims to identify and assist other institutions in need.

The Council promotes social responsibility by encouraging employees to participate in activities designed to benefit less privileged members of society such as Mandela Day. In this regard the Council staff visited several institutions on the day.

PART D: REGISTRATION OF DEBT COLLECTORS

THE REGISTRATION OF DEBT COLLECTORS

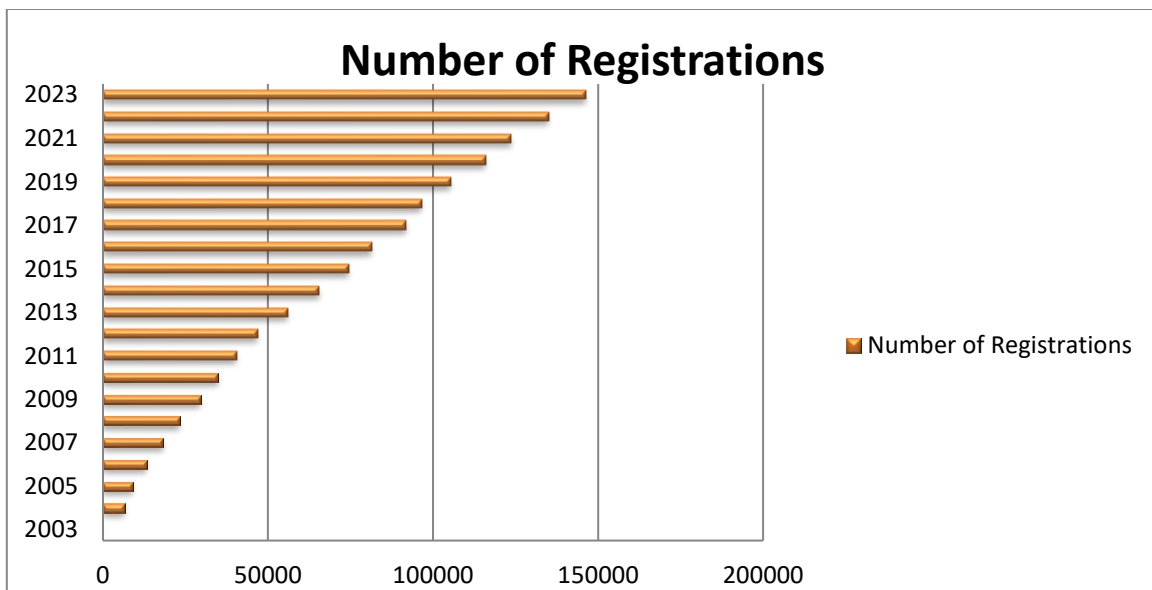
In this Chapter attention is devoted to registration trends while the procedural requirements for registration, transfers and the fee structure are also referred to.

- **Registration trends**

The total number of approved applications since the inception of the Council reached the number of 107 328 on 28 February 2019. The table below reflects the increase in the accumulated number of applications received since 2003:

28 February 2003	8
28 February 2004	6 580
28 February 2005	8 945
28 February 2006	13 251
28 February 2007	18 233
28 February 2008	23 326
29 February 2009	29 683
28 February 2010	34 912
28 February 2011	40 521
28 February 2012	46 881
28 February 2013	55 903
28 February 2014	65 458
28 February 2015	74 434
29 February 2016	81 347
28 February 2017	91 826
28 February 2018	96 602
28 February 2019	107 328
28 February 2023	151 061

Graphically displayed the information can be presented as follows:

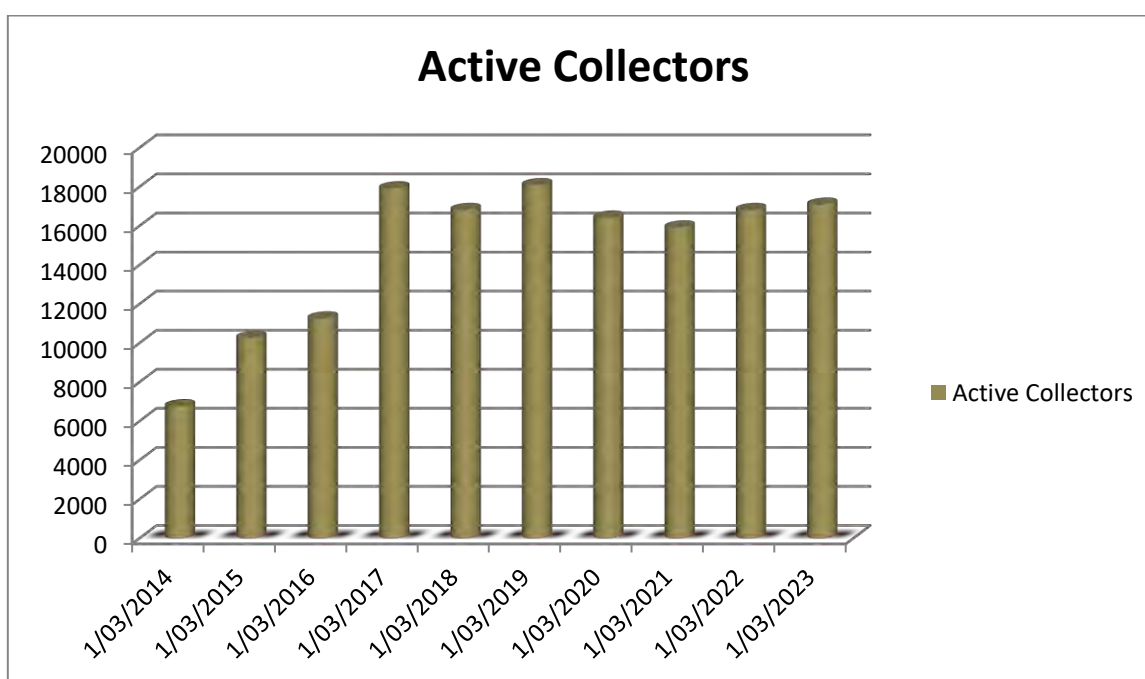


From the available information it appears that since 2005 the total number of applications received has increased to in excess of 6 000 per year.

The occupation of debt collector is a volatile one which reflects a high turnover. At the end of the year under review there was a total number of 17 079 active debt collectors as opposed to 16 808 in 2022 and 15 913 in 2021.

Even though there is a huge fluctuation between approvals and withdrawals one a month to month basis and on a year to year basis the true reflection of the industry is reflected in the number of active debt collectors as collectors who remain registered for the year is not reflected in the approvals list.

This can be seen from the following graph:



The Council is convinced that the enactment of the proposed amendment relating to trainee debt collectors (more fully dealt with in part E) will contribute to curb the large number of withdrawals.

In the course of the financial year the stringent measure implemented since 2012 was continued, resulting in better compliance with registration requirements. New applications in respect of companies and closed corporations are verified to ensure that all directors and members are registered, and trust account particulars are also verified before any application is processed.

To assist the industry in the case of submission of defective applications, measures were adopted to facilitate the correction of these applications before refusal. In appropriate cases the Council presented training to debt collectors on the correct procedures for submitting applications for registration.

- **Procedural requirements**

An application for registration as a debt collector must be lodged with the Council on the prescribed form and must be accompanied by the registration fee and annual subscription fee prescribed by the Regulation.

The total fees (registration fee and annual subscription fee payable) including VAT are:

- R 3 450.00 in respect of a company or close corporation.
- R 1380.00 in respect of each director or member of the company or close corporation.
- R 920.00 in respect of every officer of the company or close corporation who is involved in debt collecting.
- R 920.00 in the case of a natural person.

- **Transfers**

In the case of a transfer from another juristic person, company, close corporation or a sole proprietor, a new application must be lodged complying with the applicable procedural requirements.

Notes:

- The disqualifications for registration as a debt collector are contained in section 10(1) of the Act.

- **Fee structure**

The Council is aware of, and sensitive to, the current economic climate. Consequently, there has been no increase in the registration and annual subscription fees since 2003. Tight budget controls, particularly in respect of expenses have kept the Council financially viable without necessitating any fee increases.

PART E: COMPLIANCE

THE FUNCTIONING OF THE LEGAL SECTION

The Legal Department is charged with the primary responsibilities of receiving, investigating, and in appropriate instances prosecuting cases of unprofessional conduct by all debt collectors (registered or unregistered). The Legal Department also provides legal support to the Council, Administration Department and Stakeholders.

The Department is also responsible to provide support to the society and debt collectors on all queries regarding debt collection or the Debt Collectors Act 114 of 1998, its Code of Conduct and Regulations.

In this chapter, attention is devoted to the disciplinary procedure, statistics on disciplinary hearings and the outcome of disciplinary hearings. Appeals to the Council emanating from disciplinary hearings are also dealt with.

- ***Disciplinary procedure***

Any allegation of improper conduct against a debt collector must be in the form of a written affidavit, stating the date, time and particulars of the incident, the name of the debt collector and the names of any witnesses to the incident, and must be submitted to the Council as soon as practical after the incident, together with any corroborative documents and or supporting evidence, if any.

Broadly speaking the following disciplinary procedure is followed:

- On receipt of a complaint that meets the requirements outlined above, the complaint is brought to the attention of the debt collector concerned within 14 days.
- The investigation process is then started. The investigation is done by way of correspondence between the parties and correspondence received from the debt collector is forwarded to the complainant for comment.
- Once all aspects have been canvassed and the investigation completed, the matter is referred to the Chief Executive Officer (CEO) for a decision whether disciplinary proceedings should be instituted.
- Once a decision has been taken both parties are informed of the decision.
- Should the decision be to proceed with disciplinary proceedings, the debt collector is informed of the charges to be answered and of the date and time to attend the inquiry. This inquiry is heard by members of the Council other than those members who made the initial decision to have the debt collector charged or by a person or persons appointed by the Council to conduct such an inquiry. The complainant is also instructed to attend the proceedings and give evidence when necessary.
- Should the result of the inquiry be a guilty verdict, the committee determines a suitable sentence as provided for in section 15(3) of the Debt Collectors Act 114 of 1998.

The Council has no jurisdiction over the actions or fees charged by attorneys, micro lenders, banks, or furniture stores. These institutions are controlled by their respective regulatory bodies or applicable legislations. In the case of attorneys, Legal Practice Council (LPC) has

jurisdiction, banks shall be dealt with by Banking Ombudsman whilst Micro Lenders and Furniture Stores by the National Credit Regulator (NCR).

E-mail queries are not regarded as formal complaints and cannot be investigated since they do not meet the requirements laid down by the Regulations relating to Debt Collectors in terms of the Debt Collectors Act 114 of 1998. They are not under oath and all complaints shall be in our prescribed complaint form which shall be under oath or by an affidavit.

- **Statistics on disciplinary hearings**

For the year under review 1 March 2022 - 28 February 2023 the statistics in respect of complaints and disciplinary hearings are as follows:

○ Number of investigations carried over	:	430
○ Complaints received complying with Regulations	:	980
○ Investigations finalised (no disciplinary action taken)	:	1100
○ Number of disciplinary matters finalised	:	106
○ Number of partly heard disciplinary hearings	:	0
○ Complaints still under investigation	:	194
○ Admissions of Guilt Fines Paid	:	10
○ Cases Older than Six Months	:	0
○ Telephonic complaints	:	12 700

The number of formal complaints received during the year under review has increased from 1266 to 1410. The number of disciplinary hearings finalised increased from 101 to 106. The number of investigations finalised where no disciplinary action was taken has increased from 1042 to 1100 for the corresponding period.

The relatively high number of complaints where no disciplinary action was taken in relation to the number of complaints received can be attributed to the following:

- The Council is by statute compelled to commence an investigation even where it is evident from the facts submitted in the complaint that no transgression has been committed.
- The complaint received does not constitute a contravention of the Act, Regulations, or the Code of Conduct.
- On submission of the complaint to the debt collector involved, an acceptable explanation is received.

The Council for the year under review received and attended to high volumes of telephonic queries and complaints. Approximately 10 870 such complaints were entertained. Prescription in terms of Prescription Act 68 of 1969 and Section 126B of the National Credit Act, emolument attachment orders (EAO), administration orders, credit amnesty, debt review, who regulates attorney's debt collectors or attorneys conduct and buying of debt books made up the bulk of the queries received by the Legal Division during the period under review.

- **Outcome of disciplinary hearings**

Having regard to the number of convictions for improper conduct in relation to the number of registered debt collectors as referred elsewhere in this report, the industry needs to be complimented for the high level of self-regulation which is evident from these statistics.

During the period November 2005 (the date on which the imposition of fines was computerized) until 28 February 2022 fines totaling an amount of R 4 310 491 have been imposed of which a total amount of R 1 129 000 was suspended. Consequently, the total amount of fines payable amounted to R 3 210 891.

During this period a reprimand in terms of section 15(3)(d) of the Debt Collectors Act 114 of 1998 was considered an appropriate sentence in seven disciplinary hearings.

No orders were made in terms of section 15(3)(e) of the Debt Collectors Act 114 1998 for the repayment of the costs incurred by the Council during the year under review.

One order for re-imburement in terms of Section 15(3) (f) of the Debt Collectors Act 114 1998 to persons prejudiced by the conduct of debt collectors were made where necessary.

- **Unregistered debt collectors**

The Council is aware of some debt collectors which failed to register as prescribed by section 8 of the Act. This constitutes a criminal offence in terms of section 25(a) of the Act. The Council has where possible, facilitated the lodging of criminal steps against those unregistered collectors and where possible instituted disciplinary steps against them as well. The Council has entered into a memorandum of understanding with the Department of Justice, National Credit Regulator (NCR), Legal Practice Council (LPC) and South African Police (SAPS) with intent to deal with all criminal activities in debt collection which includes court processes and fraudulent emolument attachment orders. The Council's legal division also plays a role with the stakeholder's legal departments on complaints referrals and information sharing sessions.

The police are encouraged to accept and assist the public whenever there is an alleged criminal offence in terms of the Debt Collectors Act 114 of 1998 its Code of Conduct and Regulations instead of referring them as civil cases.

- **Pending Litigation**

In the matter *Francois Horn and Associates CC v Council for Debt Collectors* the appeal was heard and judgment reserved. The Council is still awaiting judgment.

In the matter between *Michael Lester Bolhuis and Council for Debt Collectors*, the Council has applied for matter to be set down in the High Court since the Applicant has not done so and is waiting for a court date.

ENABLING LEGISLATION

Amendments to the enabling legislation during the year under review are dealt with below. Attention is also devoted to pending and proposed amendments to the enabling legislation.

- **Amendments to the enabling legislation**

- ***Amendments to the Act***

There were no amendments to the Act during the year under review. Pending amendments are dealt with below under **Amendments under consideration** below

- ***Amendment of the Regulations***

An inflationary increase was granted on 23 December 2015 of the fees contained in Annexure B of the Regulations.

- ***Amendments to the Code of Conduct***

There were no amendments to the Code of Conduct for the year under review.

A number of amendments to the Act and Regulations have been promoted during the previous financial year but has not yet been enacted. These amendments are dealt with briefly below:

- **Amendments to the Act**

The amendments to the Act have been submitted to Parliament for consideration. Those amendments entail the following:

- ***Trainee debt collectors***

Provision is made in the proposed amendments for the registration of trainee debt collectors.

- ***Admission of guilt***

Cases of alleged misconduct by debt collectors may be dealt with quickly and cost-effectively should the Act make provision for the payment of admission of guilt fines.

- ***Inspectors***

The appointment of inspectors and their powers will enable the Council to authorise on-site visits to certain premises in the course of an investigation. Provision is also made that a debt collector who does not comply with a directive or request of an inspector may be found guilty of improper conduct.

➤ ***Trust accounts***

Provision is made to provide that the Council must take control over, administer and finalise a trust account or apply to the Master of the High Court to appoint a *curator bonis* to control, administer and finalise the trust account of a debt collector as and when required.

➤ ***Delegation of powers by Council***

The proposed amendment provides that the Council may, if it so wishes, delegate any of its powers and functions to certain persons on the conditions the Council may deem fit.

➤ ***Exemptions from the provisions of the Act***

Provision is made for the exemption from certain provisions of the Act in contrast to the current situation where an exemption has to be sought from the entire Act.

➤ ***Inclusion of attorneys***

Provision is made for the inclusion of attorneys under the Act, subject to the jurisdiction of the Council and the fees allowed by Annexure B.

○ ***Amendments to the Regulations***

The enactment of the Act above will necessitate the promulgation of Regulations dealing with the aspects as set out above.

○ ***Amendments to the Code of Conduct***

There are currently no amendments to the Code of Conduct under consideration.

PART F: PUBLIC RELATIONS

CONSUMER EDUCATION AND AWARENESS

Council took action to increase awareness of its existence and mandate by embarking on various activities during the year under review. Consumers from all walks of life were empowered to know their rights and responsibilities pertaining to debt collection. Awareness was also created that debt collectors are regulated by the Council to recover outstanding debt and therefore have a right to contact debtors to settle their debts. It is a general norm for debtors to have a negative attitude towards debt collectors and how they operate. The Council also educates and empowers the public of their rights when dealing with debt collectors. Unregistered debt collectors are also compelled to register with the Council.

PUBLIC RELATIONS AND CONSUMER EDUCATION

ACTIVITIES UNDERTAKEN SINCE MARCH 2022 TO FEBRUARY 2023

Below is a table of events that we participated in, in collaboration with the Consumer Protection Forum as well as self-initiated ones.

VENUE	EVENT	DATE	ATTENDEES
MARCH 2022			
Free State - Bethlehem, Bohlokong	Exhibition - Consumer education	08.03.2022	179
Free state - Kestell	Workshop - Consumer education	09.03.2022	143
Free State – Qwaqwa, Phuthaditjhaba	Exhibition - Consumer education	10.03.2022	223
KZN – Durban, Elangeni Southern Sun	Launch for World Consumer Rights Day	14.03.2022	63
KZN – Durban, Musgrave Hotel	Launch of KZN Consumer Tribunal (WCRD)	15.03.2022	68
KZN - Durban The Workshop Mall	Exhibition - Consumer Awareness	16.03.2022	145
KZN - Durban The Workshop Mall	Exhibition - Consumer Awareness	17.03.2022	247
Virtual	Webinar - GOCA (Consumer education)	24.03.2022	22
APRIL 2022			
Pretoria West Campus -Tshwane South TVET College)	Exhibition - Financial Wellness	04.04.2022	74
Centurion Campus Tshwane South TVET College	Exhibition - Financial Wellness	05.04.2022	90
Mabopane - ODI campus Tshwane South TVET College	Exhibition - Financial Wellness	06.04.2022	136
Atteridgeville Campus Tshwane South TVET College	Exhibition - Financial Wellness	07.04.2022	70
Pretoria - Head Office Tshwane South TVET College	Exhibition - Financial Wellness	08.04.2022	46
RADIO	Western Cape- Radio Gamkaland (10 ads)	11 ,12, 13, 14 and 19 .04. 2022	40 000 listeners
North-West - Hebron	Consumer education workshop	12 .04. 2022	39
RADIO	Live Radio interview on Radio 702	13 .04.2022	774 000 listeners
Western Cape - Nelspoort Murraysburg Thusong Centre	Workshop – Community outreach Workshop - Employee Financial wellness	20.04.2022 20.04.2022	68 56
Western Cape - Merweville Community Hall	Workshop – Community outreach	21.04.2022	60
Western Cape - Laingsburg Thusong Centre	Workshop – Employee Financial wellness	22.04.2022	35
MAY 2022			

VENUE	EVENT	DATE	ATTENDEES
Northern Cape - ZF Mgawu Municipality in Upington	Workshop – Employee Financial wellness with CMS	05.05.2022	48
Ermelo - Gert Sibande District Municipality	Workshop - Employee Financial Wellness	12.05.2022	153
Hammanskraal - Temba Municipality	Workshop - Employees Financial Wellness	13.05.2022	63
RADIO	Live Radio interview on Hope FM	17.05.2022	37 000 listeners
Pretoria - Atteridgeville Municipality	Workshop - Employee Financial Literacy	24.05.2022	60
Centurion - Lyttelton Municipality	Workshop - Employee Financial Literacy	25.05.2022	72
RADIO	Live Radio interview on King Fischer FM	27.05.2022	150 000
Cullinan - Rayton Municipality	Workshop - Employee Financial Literacy with GOCA	30.05.2022	62
JUNE 2022			
TV Ads	Squeeze back - Morning Live (SABC 2) - Yilungelo Lakho (SABC 1)	14.06.2022	492 423 780 000
TV Ads	Squeeze back – Espresso (SABC 3)	15.06.2022	177 705
TV Ads	Squeeze back - Yilungelo Lakho (SABC1) - Morning Live (SABC2)	21.06.2022	
TV Ads	Squeeze back - Espresso (SABC 3)	22.06.2022	
Sebokeng - Thabong Mall	Exhibition - Financial Wellness	20.06.2022	38
Ekurhuleni - Birch Acres Mall	Exhibition - Youth Empowerment	23.06.2022	107
Mahikeng - Barolong Community Hall	Workshop – Consumer education with NRCS & CPF	23.06.2022	297
KwaZulu-Natal - Ray Nkonyeni Municipality	Major workshop - Consumer education (community outreach)	30.06.2022	319
JULY 2022			
North-West in Vryburg 1. Dept of Public Works 2. Social Development 3. Roman Catholic Church	Workshop - Employee Financial Wellness Community outreach	12.07.2022	88 45 31
North-West in Ganyesa	Workshop - Employee Financial Wellness 1. Social Development 2. Traffic Department 3. Public Works	13.07.2022	12 15 58
North-West in Taung Dept of Public Works	Workshop - Employee Financial Wellness	14.07.2022	77
Johannesburg - Charlotte Maxeke Academic Hospital	Workshop - Consumer education	15.07.2022	17
Pretoria - Steve Biko Academic Hospital	Workshop - Employee Financial Wellness	20.07.2022	47
Springs -Dept of Infrastructure	Workshop - Employee financial wellness	25.07.2022	18
RADIO – Mafikeng FM	Live interview	26.07.2022	143 000 listeners
AUGUST 2022			
Bloemfontein - Bophelo House (DoH)	Workshop - Financial Literacy for Stokvels with FSCA	02.08.2022	100
Springs Taxi Rank	Community outreach with DoJ	12.08.2022	63
Port Shepstone, Ray Nkonyeni Municipality	Major workshop- community outreach	25.08.2022	277
Gqeberha- Central Clinic	Workshop – Consumer education	29.08.2022	23
Gqeberha-KwaDwesi, Ziyabuya Shopping complex	Exhibition- community outreach	30.08.2022	82
Polokwane- Public works, Capricon District	Workshop – employee wellness	30.08.2022	50
Polokwane – Public works, Senwabarwana centre	Workshop- employee wellness	31.08.2022	42

VENUE	EVENT	DATE	ATTENDEES
SEPTEMBER 2022			
Springs – Taxi Rank	Exhibition – community outreach	1.09.2022	75
UNISA main campus, PTA	Exhibition – Employee wellness	16.09.2022	60
Cosmo City- Shoprite	Exhibition- community outreach	26.09.2022	40
Mpumalanga, Thulamahashe	Exhibition- Rural engagement with NRCS	29.09.2022	239
Mamelodi West – Denlyn Mall	Exhibition – consumer awareness campaign with ICASA	30.09.2022	20
OCTOBER 2022			
Gauteng Premier’s Office - Virtual	Webinar- employee financial wellness workshop	13.10.2022	42
RADIO – Izwi Lomzansi (KZN)	15 Ads for 1 week (3per day)	17-21.10.2022	341 000 listeners
Aliwal North -Bridgeway mall	Exhibition – community outreach	27.10.2022	65
NOVEMBER 2022			
UNISA -Polokwane Campus	Exhibition- Employee wellness day	4.11.2022	32
FEBRUARY 2023			
Westonaria - Bekkersdal West	Exhibition - Consumer Protection Intervention	20.02.2023	55
Klerksdorp - Sports Recreation	Workshop - Financial Wellness (briefing)	23.02.2023	212
Klerksdorp - Sports Recreation	Workshop - Financial Wellness	24.02.2023	137

SUMMARY OF ACTIVITIES

- Workshops – 26
- Exhibitions – 15
- Webinars – 2
- Media engagements – 10

HIGHLIGHTS

- Council for Debt Collectors is a member of the Consumer Protection Forum that is formed by the NCC, provincial Consumer Protection offices and all other regulators nationally. Also participating as a member of the Consumer Education Committee. Quarterly reports are submitted to the CPF on activities undertaken.
- Succeeded in establishing a working relationship with the SAPS that intends to conduct employee financial wellness workshops at national level. A meeting was convened with the SAPS and fellow regulators. A draft MOU has been submitted to the SAPS for approval and signature by the Commissioner. On receipt of the signed copy, the CEO will be requested to sign on behalf of the Council to endorse the relations.
- The project on child-headed families is ongoing since July 2022. There are eight (8) families that were identified in Gauteng through SALGA and its member municipalities. We managed to partner with Shoprite to ensure that beneficiaries receive grocery vouchers monthly. Revisits to families are planned to monitor the impact of the project. ‘Thank you’ messages have been received from the beneficiaries, indicating how grateful they are to receive such support from the Council. The project is set to continue until July 2023 whereafter a decision to proceed or not will be made based on its results. The below poster has been developed to support the project.

Child/Youth Headed Household

Programme Donation Drive



- We Accept "Clothing, Food, Money and all other items are welcomed
- Your donations help those in need
- Make a donation
- Yes, we need your help
- Share your kindness
- Give a little. Help a lot.

Drop offs can be done at the following offices:

1. SALGA Gauteng offices at the Reception
2. Municipal Managers 'office in Emfuleni L.M
3. Municipal Managers 'office in Mogale City LM
4. Municipal Managers 'office in Merafong City L.M



CORPORATE SOCIAL RESPONSIBILITY

On 3 & 12 October 2022, Council donated stationery, colour printer and a laptop to an NPO in Mamelodi East. The organisation is made up of young people who assist other unemployed youth to create CVs and placing them for employment. NYDA was organised to share information with the youth, which was very relevant and informative. The following thank you letter was addressed to the CEO:

"Dear Mr Cornelious

We as the organisation Mamelodi National Movement of liberation (MANAMOLA)Npo we would love to extend our gratitude and thankfulness to your Company Council of Debt collectors for the wonderful gifts and Donations that we have be longing to have as an organisation that helps unemployed and unemployable youth for free. We are really touched by your organisation that continues to realise and identities Poor Npo's and poor Communities out there. Thank you Sir we pray that God continues to Prosper you and your Company, The Team that was present During our program to also to hand over the Donations🙏🙏🙏

Kind Regards

Martin Tlhako founder (MANAMOLA) Npo

066 439 8996

Facebook: MANAMOLA

INSTAGRAM: manamola2022

As Manamola Npo we are grateful for your organisation CFDC for taking care of us so that we can take care of the unemployed community. Thank you for the wonderful gift of the MECER laptop. Finally, we would be able to create our own office to be accessible as an organisation. God bless the work of your company Abundantly.🙏🙏🙏

Regards

Martin Tlhako founder MANAMOLA Npo"



Handing over stationery, printer, and laptop to MANAMOLA NPO in Mamelodi East

PICTURES OF PR EVENTS

COVID-19 protocols and health regulations were observed in all activities during the pandemic.



Employee financial literacy workshop in Lyttelton municipality



Employee financial literacy workshop in Cullinan – Rayton municipality



Major consumer education workshop in Port Shepstone – Rqy Nkonyeni municipality, Ezingolweni



Exhibition in Springs Taxi Rank with MIOSA, Credit Ombud and Gauteng Consumer Affairs



Joined by the Eastern Cape Office of the Consumer Protector at Bridgegate Mall exhibition in Aliwal North



Joined by the Mayor of Mogale City Local municipality in celebrating Mandela Day 2022 with child-headed families in Krugersdorp and Kagiso



Beneficiaries receiving donations on Mandela Day 2022 (pictures of minors could not be taken)

FINANCIAL STATEMENTS

Council for Debt Collectors

**Annual Financial Statements
for the year ended 28 February 2023**

Audited Financial Statements

in compliance with the Debt Collectors Act, 1998 (Act 114 of 1998).

Prepared by: SC Mafela

Professional designation: Professional Accountant (SA)

Title: Chief Financial Officer

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

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Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The council is engaged in exercising control over the occupation of the debt collectors.
Registered Office	310 Brooks Street Menlo Park Brooklyn Pretoria 0081
Business Address	310 Brooks Street Menlo Park Brooklyn Pretoria 0081
Bankers	ABSA Bank Limited Investec Bank
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Debt Collectors Act, 1998 (Act 114 of 1998).
Chartered Accountants CA (SA)	Compendium Auditors 356 Rosemary Street Lynnwood Pretoria 0081

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

Chief Executive Officer's Responsibilities and Approval

The chief executive officer is required by the Debt Collectors Act, 1998 (Act 114 of 1998), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the council, and explain the transactions and financial position of the business of the council at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the council and supported by reasonable and prudent judgements and estimates.

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

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

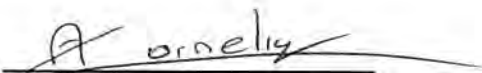
The chief executive officer is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the chief executive officer has no reason to believe that the council will not be a going concern in the foreseeable future. The financial statements support the viability of the council.

The annual financial statements have been audited by the independent auditing firm, Compendium Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the council, the chief executive officer and committees of the chief executive officer. The chief executive officer believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 19, and the supplementary information set out on pages 20 to 21 which have been prepared on the going concern basis, were approved by the chief executive officer and were signed on 23 May 2023.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their unqualified audit report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 19, and the supplementary information set out on pages 20 to 21 which have been prepared on the going concern basis, were approved by the chief executive officer and were signed on 23 May 2023.



Adv A Cornelius



Mr C Senzani

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

Chief Executive Officer Report

The chief executive officer presents his report for the year ended 28 February 2023.

1. Review of activities

Main business and operations

The council is engaged in exercising control over the occupation of the debt collectors. There were no major changes herein during the year.

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

2. Going concern

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

The chief executive officer has given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The chief executive officer believes that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the chief executive officer is of the view that the council has sufficient resources to continue as a going concern.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The chief executive officer is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the council.

Impact of COVID-19

The council is committed to contributing to the prevention of the spread of COVID-19 and will comply fully with the measures announced by the South African Government.

Management will continue to assess the financial impact of COVID-19 and its impact on the company's financial condition, liquidity, operations, suppliers, industry and workforce, while placing the health and safety of employees first.

Except for the above, the chief executive officer is not aware of any other material reportable event which occurred after the reporting date and up to the date of this report.



Registered Accountants
& Auditors
Practise No: 927277

Independent Auditor's Report

To the Officers of Council for Debt Collectors

Opinion

We have audited the financial statements of Council for Debt Collectors set out on pages 8 to 19, which comprise the statement of financial position as at 28 February 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Council for Debt Collectors as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Debt Collectors Act, 1998 (Act 114 of 1998).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The officers are responsible for the other information. The other information comprises the information included in the document titled "Council for Debt Collectors Financial Statements for the year ended 28 February 2023", which includes the Officers' Report, and the statement of Officers' Responsibilities and Approval as required by the Debt Collectors Act, 1998 (Act 114 of 1998), which we obtained prior to the date of this report, and the supplementary information set out on pages 20 to 21. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Officers for the Financial Statements

The officers are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Debt Collectors Act, 1998 (Act 114 of 1998), and for such internal control as the officers 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 officers 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 officers 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the officers.
- Conclude on the appropriateness of the officers' 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 officers 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.

Compendium Auditors

23 May 2023


Per: JF Grobler
CA (SA)
Registered Auditor

**356 Rosemary Street
Lynnwood
Pretoria
0081**

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Statement of Financial Position

Figures in R

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	3	<u>13,922,380</u>	<u>14,740,010</u>
Current assets			
Trade and other receivables	4	12,164	16,749
Cash and cash equivalents	5	<u>75,822,932</u>	<u>73,237,386</u>
Total current assets		<u>75,835,096</u>	<u>73,254,135</u>
Total assets		<u>89,757,476</u>	<u>87,994,145</u>
Equity and liabilities			
Equity			
Retained income		<u>88,226,177</u>	<u>86,257,741</u>
Liabilities			
Current liabilities			
Trade and other payables	6	<u>1,531,299</u>	<u>1,736,404</u>
Total equity and liabilities		<u>89,757,476</u>	<u>87,994,145</u>

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in R	Notes	2023	2022
Revenue	7	12,518,598	11,866,980
Other income	8	25,413	608,648
Administrative expenses		(243,756)	(332,299)
Other expenses		(14,763,929)	(13,423,533)
Loss from operating activities	9	(2,463,674)	(1,280,204)
Finance income	10	4,432,178	3,110,274
Finance costs	11	(68)	-
Profit for the year		1,968,436	1,830,070

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Statement of Changes in Equity

Figures in R	Retained income	Total
Balance at 1 March 2021	84,633,382	84,633,382
Changes in equity		
Profit for the year	1,830,070	1,830,070
Total comprehensive income for the year	1,830,070	1,830,070
Balance at 28 February 2022	86,257,741	86,257,741
Balance at 1 March 2022	86,257,741	86,257,741
Changes in equity		
Profit for the year	1,968,436	1,968,436
Total comprehensive income for the year	1,968,436	1,968,436
Balance at 28 February 2023	88,226,177	88,226,177

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in R

	Notes	2023	2022
Cash flows from operations			
Cash receipts from customers		11,912,950	11,281,334
Cash paid to suppliers and employees		(14,008,304)	(13,034,754)
Net cash flows used in operations	12	(2,095,354)	(1,753,418)
Interest received		348,075	469,332
Interest and penalties - Value Added Tax paid		(342)	-
Net cash flows used in operating activities		(1,747,621)	(1,284,086)
Cash flows from investing activities			
Purchase of property, plant and equipment		(98,944)	(1,173,352)
Interest received		4,432,178	3,110,274
Cash flows from investing activities		4,333,234	1,936,922
Cash flows used in financing activities			
Interest paid		(68)	-
Cash flows used in financing activities		(68)	-
Net increase in cash and cash equivalents		2,585,545	652,836
Cash and cash equivalents at beginning of the year		73,237,386	72,584,550
Cash and cash equivalents at end of the year	5	75,822,931	73,237,386

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires the chief executive officer to exercise his judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the chief executive officer.

The council adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the council. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Buildings	20 Years
Motor vehicles	5 Years
Fixtures and fittings	6 Years
Office equipment	6 Years
Computer equipment	3 Years
Computer software	7 years
Books	5 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

1.2 Financial instruments

Loan to (from) chief executive officer or employee

The loan to chief executive officer or employee is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the council will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of six months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue mainly comprises of annual and registration fees received from registered debt collectors. Annual and registration fees are recognised only when it is probable that the economic benefits associated with the transaction will flow to the Council. Based on past experience, the Council does not consider economic benefits associated with annual and registration fee to be probable until the consideration is received, and therefore does not accrue for revenue on annual and registration fees received. Annual and registration fees received are therefore recognised as revenue on a cash basis, net of Value-Added Tax, as and when received.

Other revenue is measured at the fair value of the consideration received and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and Value-Added Tax.

Interest income is recognised using the effective interest method.

1.4 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Basis of preparation and summary of significant accounting policies continued...

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

1.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Notes to the Financial Statements

Figures in R

3. Property, plant and equipment

3.1 Balances at year end and movements for the year

Reconciliation for the year ended 28 February 2023

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Computer software	Books	Total
Balance at 1 March 2022	12,064,611	364,058	807,352	130,879	193,328	4,637,541	123,343	18,321,112
At cost	(1,813,185)	(244,936)	(534,700)	(64,138)	(98,457)	(744,299)	(81,387)	(3,581,102)
Accumulated depreciation	10,251,426	119,122	272,652	66,741	94,871	3,893,242	41,956	14,740,010
Carrying amount								
Additions from acquisitions	-	-	5,920	24,952	41,996	4,200	21,876	98,944
Depreciation	-	(35,282)	(134,890)	(23,459)	(59,118)	(647,546)	(16,278)	(916,573)
Closing balance at 28 February 2023	12,064,611	364,058	813,272	155,831	235,324	4,641,741	145,219	18,420,056
At cost	(1,813,185)	(280,218)	(669,590)	(87,597)	(157,576)	(1,391,845)	(97,665)	(4,497,676)
Accumulated depreciation	10,251,426	83,840	143,682	68,234	77,748	3,249,896	47,554	13,922,380
Carrying amount								

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Notes to the Financial Statements

Figures in R

Property, plant and equipment continued...

Reconciliation for the year ended 28 February 2022	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Computer software	Books	Total
Balance at 1 March 2021								
At cost	12,064,611	364,058	805,266	92,560	126,616	3,593,407	101,243	17,147,761
Accumulated depreciation and impairment	(1,813,185)	(183,410)	(400,499)	(45,178)	(57,054)	(148,629)	(65,574)	(2,713,529)
Carrying amount	10,251,426	180,648	404,767	47,382	69,562	3,444,778	35,669	14,434,232
Additions from acquisitions	-	-	2,086	38,319	66,713	1,044,134	22,100	1,173,352
Depreciation	-	(18,960)	(134,201)	(61,526)	(41,404)	(595,670)	(15,813)	(867,574)
Closing balance at 28 February 2022								
At cost	12,064,611	364,058	807,352	130,879	193,328	4,637,541	123,343	18,321,112
Accumulated depreciation	(1,813,185)	(244,936)	(534,700)	(64,138)	(98,457)	(744,299)	(81,387)	(3,581,102)
Carrying amount	10,251,426	119,122	272,652	66,741	94,871	3,893,242	41,956	14,740,010

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Notes to the Financial Statements

Figures in R

2023

2022

Property, plant and equipment continued...

3.2 Property details

3.2.1 Property 1

310 Brooks Street, Menlo Park, Brooklyn, 0081

Purchase price

12,064,611

12,064,611

4. Trade and other receivables

Trade and other receivables comprise:

Sundry debtors

12,164

16,749

5. Cash and cash equivalents

5.1 Cash and cash equivalents included in current assets:

Cash

Cash on hand

2,924

3,779

Balances with banks

723,762

544,984

726,686

548,763

Other Cash and cash equivalents - Monies invested

75,096,246

72,688,623

75,822,932

73,237,386

5.2 Net cash and cash equivalents

Current assets

75,822,932

73,237,386

5.3 Detail of cash and cash equivalent balances

Other cash and cash equivalents

Other cash and cash equivalents - ABSA

6,826,708

8,327,986

Other cash and cash equivalents - Investec

68,269,538

64,360,637

Total

75,096,246

72,688,623

Investments held with Investec Bank and ABSA Bank are fixed deposit accounts over fixed periods at interest rates linked to lending rates.

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Notes to the Financial Statements

Figures in R

2023

2022

6. Trade and other payables

Trade and other payables comprise:

Members fees received in advance	185,989	473,560
Accrued leave pay	662,177	568,508
Accrued liabilities	73,871	920
Accrued liabilities - Bonus	125,013	-
Accruals	-	109,250
Members for registration and application	389,717	349,390
Other payables	(9,015)	28,499
Value added tax	103,547	206,277
Total trade and other payables	1,531,299	1,736,404

Members received in advance	(407,119)
Members debit balances	221,130
Net members fees	(185,989)

Members for registration and application

Relate to fees received for registration and annual fees which have not yet been processed because of insufficient information supplied by the depositor, and or overpayments.

7. Revenue

Revenue comprises:

Rendering of services	12,170,523	11,397,648
Interest received	348,075	469,332
Total revenue	12,518,598	11,866,980

8. Other income

Other income comprises:

Sundry income	25,413	-
Other income - Electricity consumption correction	-	608,648
Total other income	25,413	608,648

Council for Debt Collectors

Financial Statements for the year ended 28 February 2023

Notes to the Financial Statements

Figures in R

2023

2022

9. Loss from operating activities

Loss from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment

- depreciation

916,573

867,574

Post-employment benefits

- Defined contribution plans

1,523,792

1,530,795

10. Finance income

Finance income comprises:

Interest received and accrued - Banks

4,432,178

3,110,274

Total finance income

4,432,178

3,110,274

11. Finance costs

Finance costs included in profit or loss:

Bank overdraft

68

-

12. Cash flows from operating activities

Profit for the year

1,968,436

1,830,073

Adjustments for:

Finance income

(4,780,253)

(3,579,606)

Finance costs

68

-

Depreciation and amortisation expense

916,573

867,574

Penalties and interest - Value Added Tax

342

-

Change in operating assets and liabilities:

Adjustments for decrease / (increase) in other operating receivables

4,585

(18,601)

Adjustments for decrease in other operating payables

(205,105)

(852,858)

Net cash flows from operations

(2,095,354)

(1,753,418)

Taxation

No provision has been made for income tax as the Council is exempt from Income tax in terms of the provisions of Section 10(1)(cA) (10) of the Income Tax Act.

Income Tax paid

Interest and penalties - Value Added Tax

(342)

-

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in R

	Notes	2023	2022
Revenue	7		
Interest received		348,075	469,332
Rendering of services		12,170,523	11,397,648
		12,518,598	11,866,980
Other income	8		
Other income		-	608,648
Sundry income		25,413	-
		25,413	608,648
Administrative expenses			
Auditors remuneration - Fees		(110,000)	(95,000)
Bank charges		(21,232)	(23,008)
Computer expenses		(14,818)	(7,289)
Subscriptions		(555)	(8,744)
Telecommunication		(97,151)	(198,255)
		(243,756)	(332,296)
Other expenses			
Awareness campaigns		(460,652)	(342,217)
Bureau calls		(60,423)	(21,153)
Cleaning		(20,977)	(8,414)
Consulting fees		(20,847)	(75,784)
Depreciation and amortisation - property, plant and equipment		(916,573)	(867,574)
Employee costs - salaries		(10,955,009)	(10,019,180)
Entertainment		(2,817)	(330)
Fines and penalties		(342)	-
General expenses		-	(19,353)
Hosting expenses		(119,880)	(39,960)
Insurance		(150,085)	(129,154)
License fees		(83,178)	(69,397)
Meeting fees		(667,867)	(364,159)
Motor vehicle expense		(36,337)	(22,402)
Municipal charges		(479,565)	(803,508)
Office expenses		(1,677)	(870)
Postage		-	(1,704)
Printing and stationery		(45,254)	(73,044)
Recruitment fees		(91,000)	-
Repairs and maintenance		(63,205)	(70,120)
Security		(14,052)	(18,315)
Social Responsibility		(89,788)	(24,314)
Software expenses		(335,651)	(344,340)
Staff and member refreshments		(39,492)	(40,295)
Teambuilding		(39,759)	(16,654)
Training		(1,461)	(6,495)
Travel and accommodation		(32,405)	(10,060)
Workmans Compensation		(35,633)	(34,737)
		(14,763,929)	(13,423,533)

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in R

	Notes	2023	2022
Loss from operating activities	9	<u>(2,463,674)</u>	<u>(1,280,201)</u>
Finance income	10		
Other		4,432,178	3,110,274
Profit for the year		<u>1,968,436</u>	<u>1,830,073</u>



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310 Brooks Street, Menlo Park 0102

PO Box 35629 Menlo Park 0102

Tel: 012 804 9808 | Fax: 012 804 0744

Email: info@cfdc.org.za | Web: www.cfdc.org.za