



Council for Debt Collectors



**Integrated
Annual Report
2024 - 2025**

Foreword

The recovery of debts plays an integral part in the economy of South Africa. The economy is under severe strain. 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. Nearly half the population cannot meet their financial obligations as can be seen from the Credit Bureau statistics on defaults. It is therefore clear that the collection industry affects or has the potential to affect the vast majority of South Africans daily. 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 have 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.

TABLE OF CONTENTS

PART A: GENERAL INFORMATION	5
• Strategic overview	6
○ <i>Vision</i>	6
○ <i>Mission</i>	6
○ <i>Values</i>	6
○ <i>Strategic outcome orientated goals</i>	6
• Legislative Mandate	7
• Organisational Structure	8
• Chairperson’s Report	12
• Chief Executive Officer’s Report	15
• Statement of responsibility for performance information	19
PART B: FINANCIAL INFORMATION	21
• Auditor’s Report	22
• Report Audit and Risk Committee	23
• Financial Management	26
PART C: GOVERNANCE	31
• Introduction	32
• Council	32
• IT Governance	33
• Environmental Report	34
• Risk Management	35
• Internal Control Unit	35
• Code of Conduct	36
• Social Responsibility	36
PART D: REGISTRATION	37
• Registration of Debt Collectors	38
PART E: COMPLIANCE	41
• Functioning of the Legal Section	42
• Proposed Legislative Changes	48
PART F: PUBLIC RELATIONS	51
• Consumer Engagements	52
• Stakeholder Relations	52
• Corporate Social Responsibility	53
• Public Relations Events	53
FINANCIAL STATEMENTS	55

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, 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 most 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**

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.

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 February 2025	Section 3(2)(a)
Mr. EA Makda	Member	1 July 2023	30 June 2026	Section 3(2)(b)(i)
Mr. T Motloug	Member	1 July 2023	30 June 2026	Section 3(2)(b)(ii)
Ms. LA Dhorie	Member	27 November 2021	28 February 2025	Section 3(2)(b)(iii)
Ms. R Mare	Member	29 July 2021	28 February 2025	Section 3(2)(b)(iii)
Mr. M Kuljeeth	Member	29 July 2021	28 February 2025	Section 3(2)(b)(v)
Mr. N Shezi	Member	29 July 2021	28 February 2025	Section 3(2)(b)(iii)
Ms. P Ravhuhali	Member	29 July 2021	28 February 2025	Section 3(2)(b)(iv)
Mr. T Ramathikhithi	Vice Chairperson	29 July 2021	28 February 2025	Section 3(2)(b)(iv)

COUNCIL MEMBERS



Mr C Senzani



Mr T Ramathikhithi



Mr N Kuljeeth



Mr E Makda



Ms R Maré



Ms P Ravhuhali



Mr N Shezi



Ms I Dhorie



Mr M Motloug

- **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)



CFO
(Mr C Mafela)

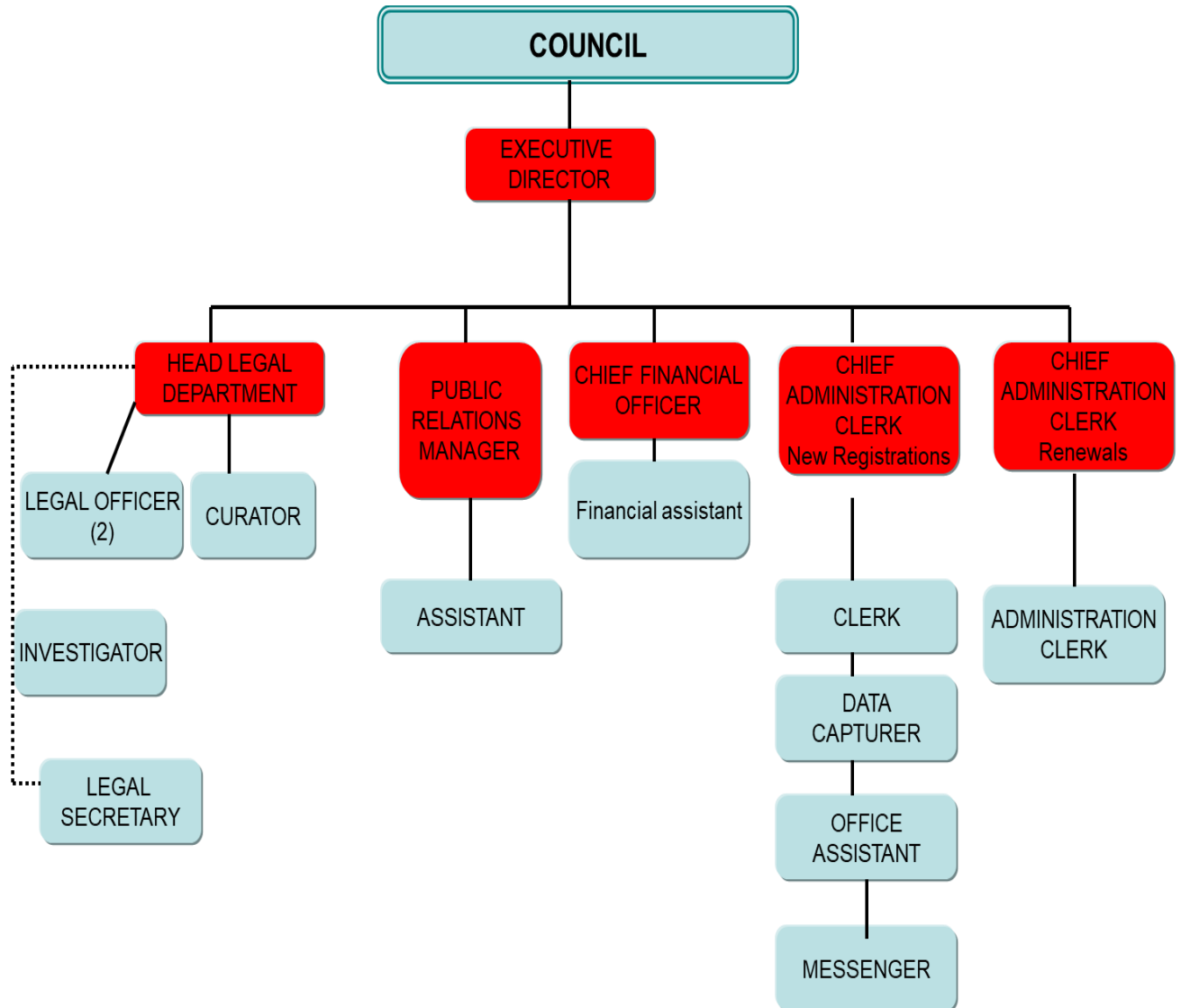


LEGAL
(Adv J Mokondo)



PR
(Ms L Mengcane)

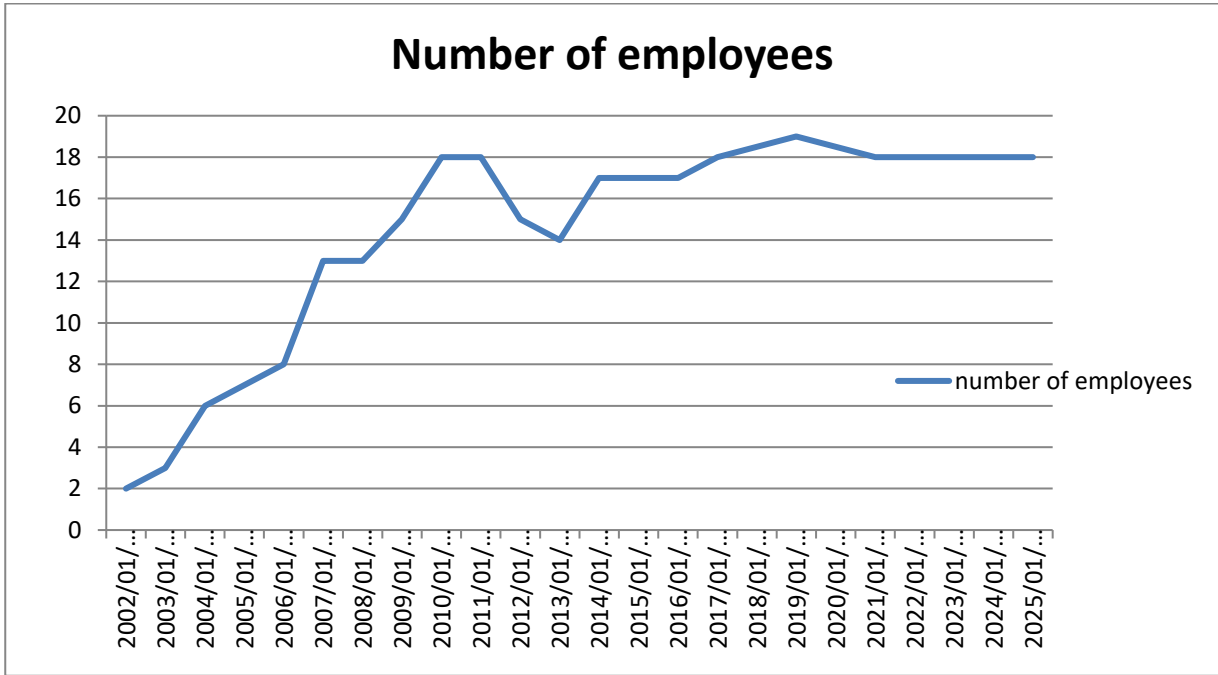
The 18 posts are represented in the organogram below:



Functionally the administrative component is divided into two departments:

- An administrative department dealing with new applications for registration and renewals of current debt collectors.
- A financial department responsible for managing the Council’s finances.

The increase in 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 2024 until 28 February 2025.

Introduction

I am pleased to report that the reporting period 2024/2025 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, reviews its policies regularly 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 out operations for several 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

Several 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 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 by 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.

A handwritten signature in black ink, appearing to read 'C Senzani', written in a cursive style.

**C SENZANI
CHAIRPERSON**



CHIEF EXECUTIVE OFFICER'S OVERVIEW

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 management have developed an excellent partnership 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 ensure service excellence. The profession of debt collecting is a volatile occupation as reflected in Part D, the additional burden on the industry resulting from 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 has been absorbed by the industry. Legislative 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 18 887 debt collectors.

To effectively exercise control over the debt collection profession it is crucial that all collectors must 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. The guidelines as prescribed by POPI for the protection of personal data are adhered to.

Human Resources

The Council is committed to growing our talent and competencies to enable better quality service. The succession plan and vision are monitored and evaluated on an ongoing basis. During 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, several staff members were rewarded in accordance with their performance, during the year under review.

The annual staff 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 2024/25 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 attended 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, to give back to the community, engaged in several 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 have not been adjusted since 2003. Considering the Council's additional income from 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 and has received unqualified audit reports since its inception in 2003. 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 complaints where disciplinary hearings have been instituted against the number of debt collectors, 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, 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 several areas where reform is required. 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 2025/2026 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 enable changes required by the industry to the automated process.

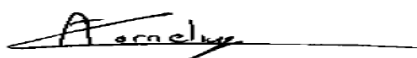
The Social Responsibility program will also be monitored and executed. A program to enlarge the Council footprint will also be undertaken, with this in mind it was decided to run the media campaigns in house which will enable the Council to expand its reach without incurring additional costs to do so.

There are several issues impacting on the debt collection industry which need to be closely monitored going forward. Those issues are:

- The authenticated debit order system
- The changes to the Prescription Act
- The Financial Services Acts
- Appointment of Council members by 29 January 2025

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 2024 to 1 March 2025. The integrated annual report has been prepared in accordance with 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:



Andries Cornelius

A CORNELIUS
CHIEF EXECUTIVE OFFICER

PART B: FINANCIAL INFORMATION

AUDITOR'S REPORT, APPROVAL AND STATEMENT OF RESPONSIBILITY

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

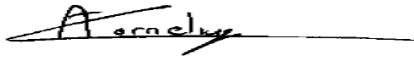
The auditor's report and the financial statements which appear in Annexure 1 to the report were approved by Council on 29 August 2025 and signed on their behalf by:



Mr T.S Mmakola

29/08/2025

Date



Adv A Cornelius: Chief Executive Officer

29/08/2025

Date



AUDIT AND RISK COMMITTEE REPORT 2024/25

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 to promote the principles of sound corporate governance recommended in the King Report on Corporate Governance.

The Audit and Risk is pleased to present its report for the financial year ended 28 February 2025.

Audit and Risk Committee (ARC) Members and Attendance

The Audit and Risk Committee consist of the members listed hereunder and is required to meet at least once a quarter as per its approved ARC Charter. During the current financial year, five (5) meetings were held. The external auditors have unrestricted access to the Audit and Risk Committee.

Summary of meetings attended by Audit and Risk Committee members:

NAME	13 May 2024	19 July 2024	19 Aug 2024	28 Oct 2024	17 Feb 2025
Portia Ravhuhali (Chairperson and Independent member)	✓	✓	✓	n/a	n/a
MR N Shezi (Independent member)	✓	✓	✓	✓	✓
Ms. L Dhorie (Independent member)	✓	✓	✓	✓	✓
MR C Senzani (Invited Member)	✓	✓	✓	✓	✓

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 and Risk Committee as an invitee for the duration of the year under review.

Audit and Risk Committee Responsibilities

The Audit and Risk Committee has adopted appropriate formal terms of reference as per its Audit and Risk Committee Charter and has regulated its affairs in compliance with this Charter as well as the recommendations of the King IV code of corporate governance and discharged all its responsibilities as contained therein.

Internal Audit

Although the Audit and Risk 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 organization. The Audit and Risk Committee was delegated by Council to closely monitor audit and risk and activities during the year.

Risk Management

The Audit and Risk Committee considered quarterly Risk Management Committee Reports highlighting the risks identified throughout the institution and management's mitigation processes thereof. 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 risks inherent to the Council and controls implemented to monitor these risks were evaluated on an ongoing basis. The Strategic Risk Register for the 2024/25 period was considered and recommended to the Council for adoption, where after the ARC monitored the implementation of mitigating action plans on a quarterly basis.

The Committee is satisfied that the Council's significant risks have received adequate attention throughout the reporting period.

In-Year Management and Quarterly Reports

The Audit and Risk Committee is satisfied with the content and quality of quarterly 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.

Effectiveness of Internal Control

The system of internal controls within the Council is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the Council policy and the protocol on corporate governance. The Audit and Risk committee, and external audit provided the Council with assurance that internal controls are appropriate and effective. This is achieved by means of the risk management process, which includes the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Audit Report on the Annual Financial Statements and the management letter issued by External Auditors, the committee concluded that the existing control environment, during the year under review, was adequate.

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 2024/2025 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 the monthly income and expenditure 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 and Risk Committee have:

- Reviewed and discussed the Audited Financial Statements to be included in the Annual Report.
- 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
- Reviewed monthly and quarterly reports submitted by management.
- Council has subsequently approved the unqualified annual financial statements.

Appreciation

The Audit and Risk Committee express sincere appreciation to the Chief Executive Officer, Management team, and External Audit, for their co-operation towards it achieving the requirements of the Charter as mandated.

The audit committee would also like to commend management for consistently maintaining an unqualified audit opinion for the past 3 years.



MS P RAVHUHALI CA (SA), RA

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. As noted earlier in this report, all annual audit reports since the establishment of the Council have been unqualified.

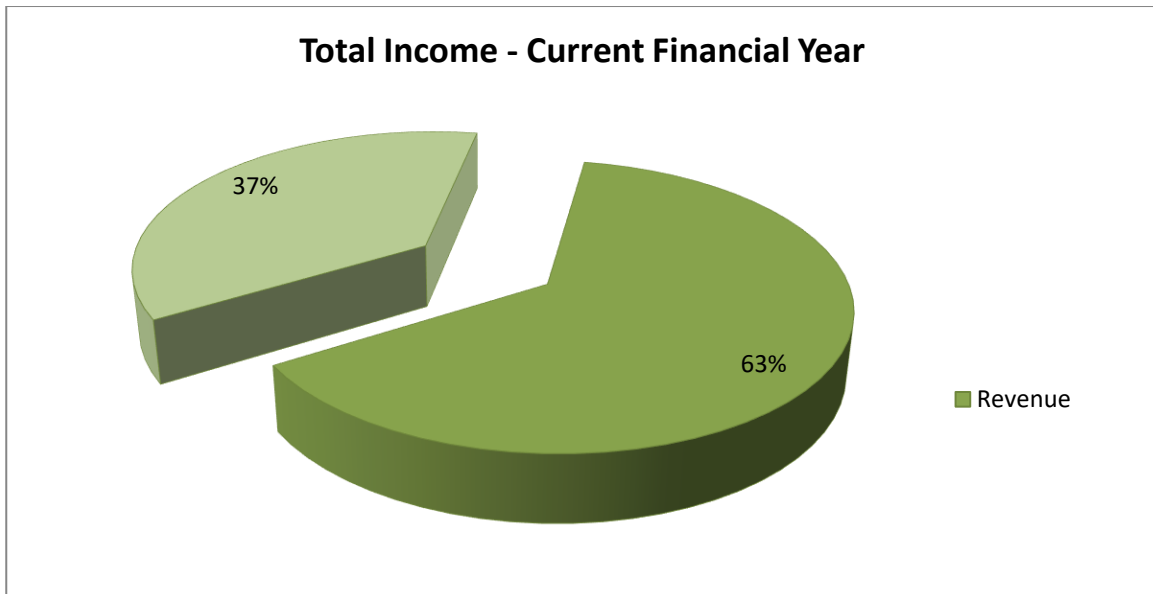
- **Income and expenditure**

- **Income**

The gross revenue for the year under review totals R 19 136 545 and is made up as follows:

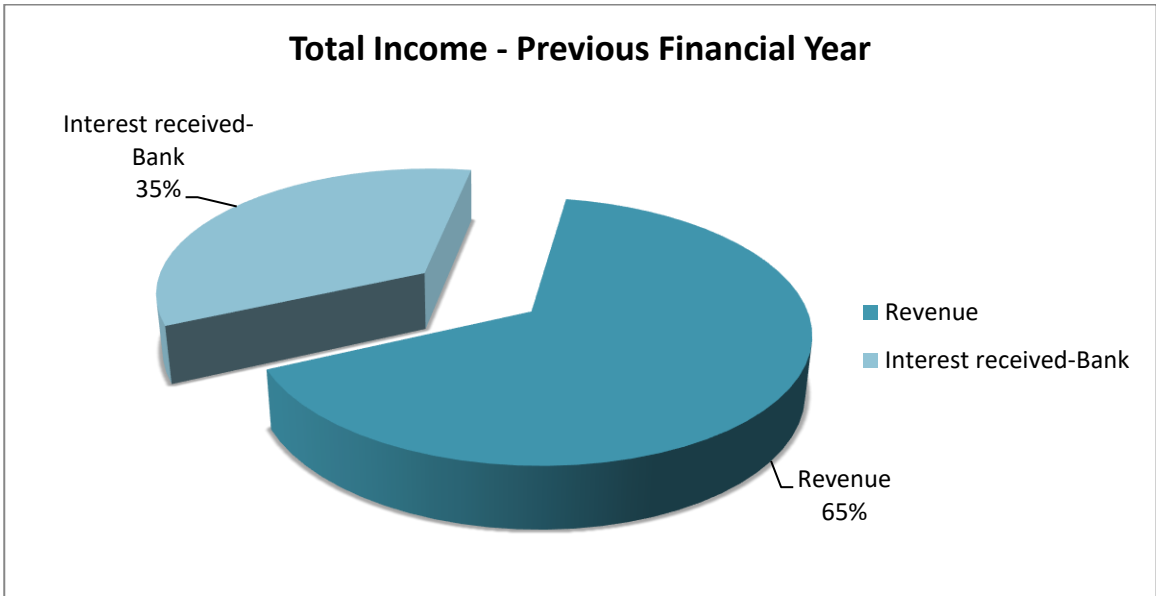
Fees received	:	R 12 146 171
Interest received	:	R 6 990 374

Total income illustrated:



Gross revenue for the previous financial year totalled R18 407 897 and was made up as follows:

Fees received	:	R 12 040 475
Interest received	:	R 6 367 422



The Council's total income in the current financial year increased by R 728 648. The increase in income is attributed to an increase in interest rates.

- ***Expenditure***

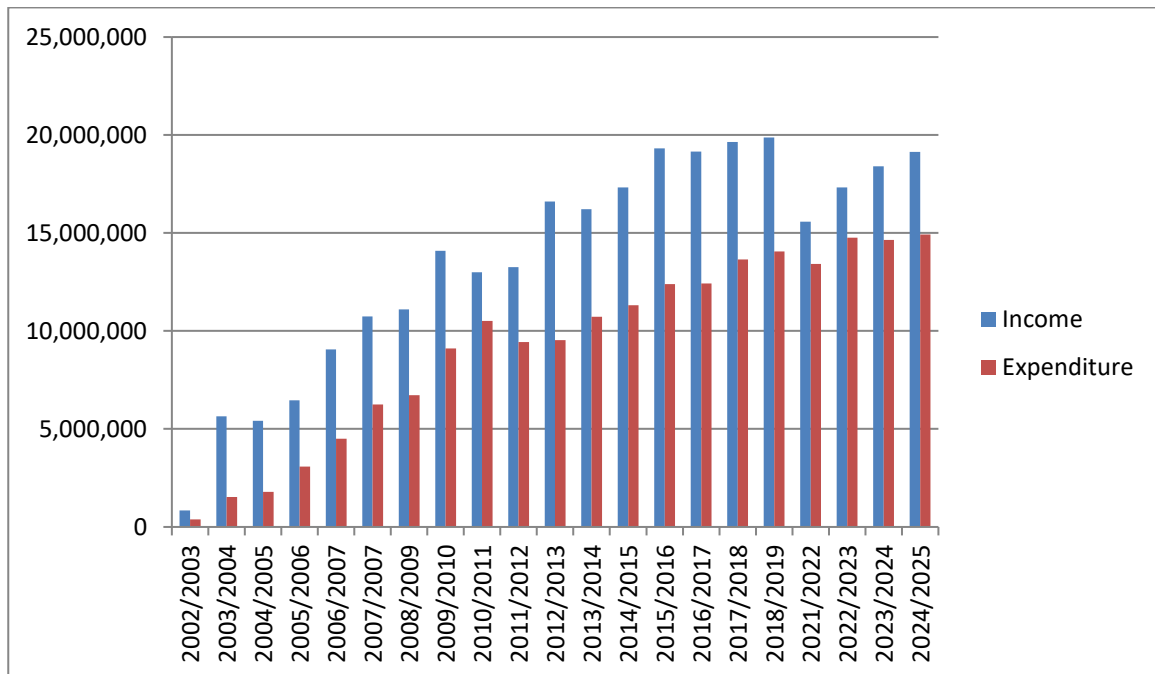
The Council's expenditure during the year under review totalled R 14 916 668 while the expenditure in respect of the previous financial year totalled R 14 646 622. This represents an increase in expenditure of R 270 046. The increase is mainly due to the inflationary salary increases.

- **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
2023/2024	18 407 897	14 646 622
2024/2025	19 136 554	14 916 668

The above information is illustrated as follows:

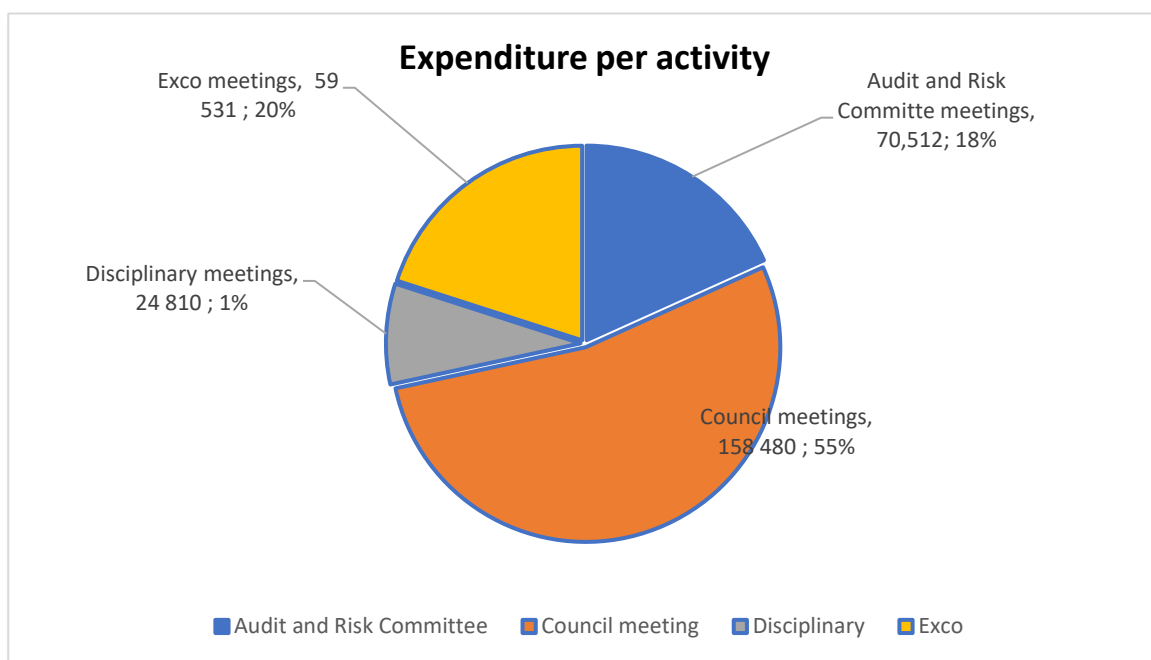


Since there has been no increase in fees since 2003, the income based on gross revenue remains dependent upon the annual fees of registered debt collectors and the number of new registrations. The gap between income and expenditure has been steadily decreasing since 2005 but appears to have stabilised.

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:

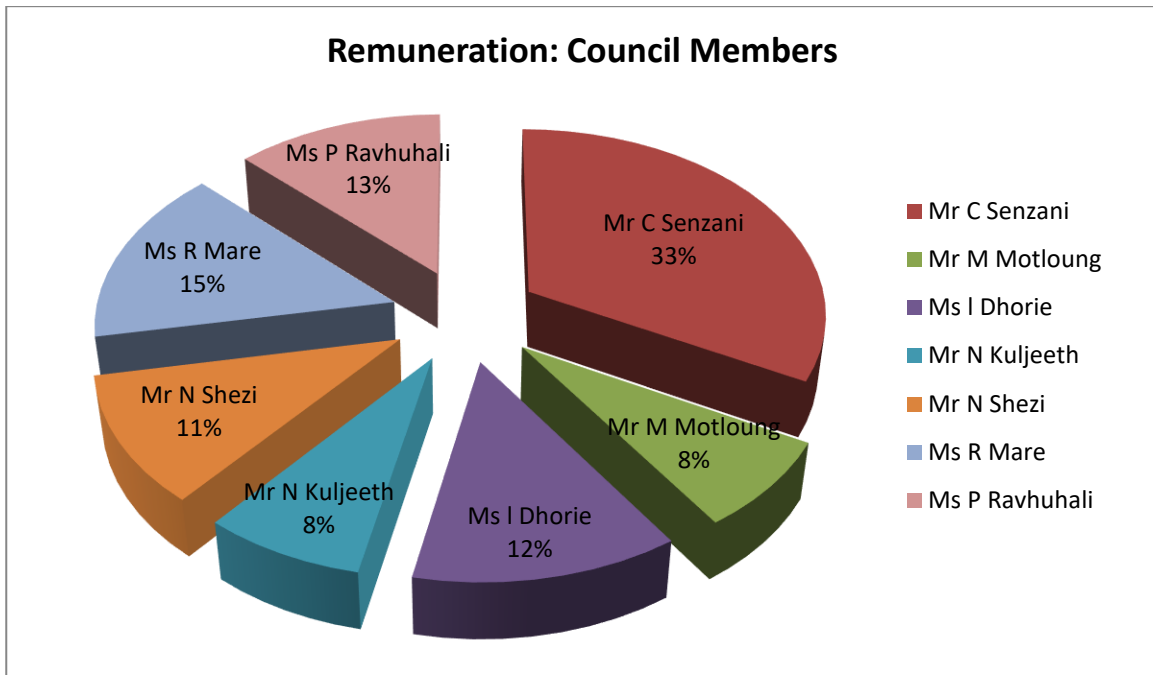
Chairperson	:	R 5 230 per day
Vice chairperson	:	R 4 445 per day
Members	:	R 3 888 per day

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

COUNCIL MEMBER	PERIOD	GROSS REMUNERATION
Mr C Senzani Chairperson	1/03/2024- 28/2/2025	R 89 376
Mr M Motloug		R 21 026
Mrs L Dhorie – Member		R 34 547
Mr M Shezi Member		R 30 040
Mr n Kuljeeth – Member		R 21 026
Ms R Mare - Member		R 41 681
Ms P Ravhuhali		R 34 547
TOTAL		R 272 243

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

The gross remuneration for 2024/2025 as a percentage of the total expenditure:

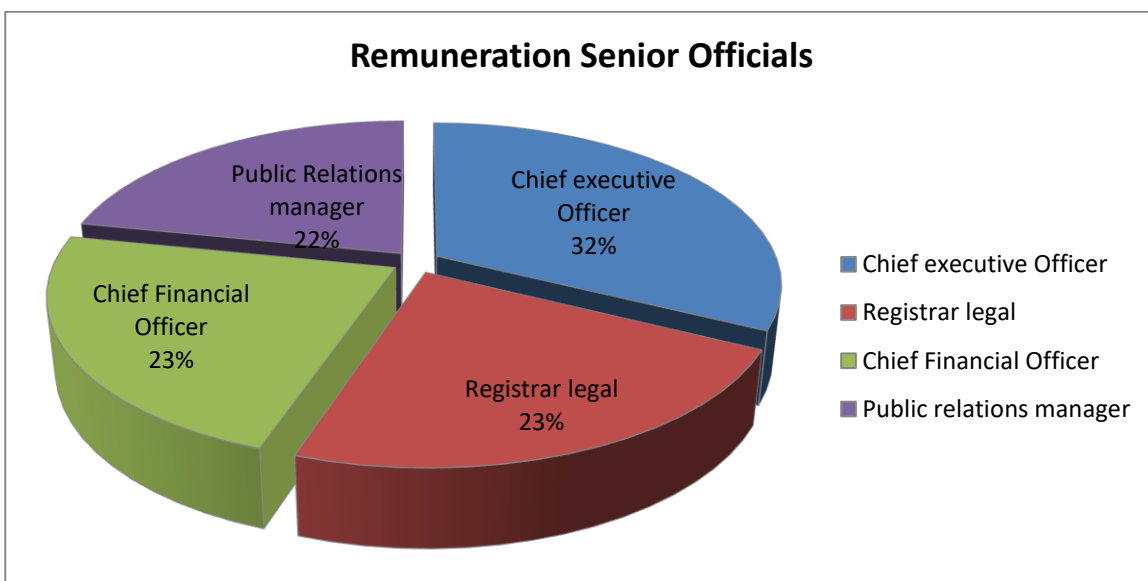


o **Management**

OFFICIAL	GROSS REMUNERATION
Chief Executive Officer	R 1 489 554
Head Legal Department	R 1 055 637
Chief Financial Officer	R 1 059 132
Public Relations Manager	R 1 006 041
TOTAL	R 4 132 305

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:

27 February 2024

28 May 2024

30 July 2024

27 August 2024

25 and 26 November 2024

25 February 2025

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 Maré

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

9 February 2024
22 March 2024
25 April 2024
20 June 2024
25 July 2024
26 September 2024
24 October 2024
30 January 2025

- **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 Ravhuhali
Members : Ms L Dhorie
Advisor : Mr N Shezi

Mr C Senzani (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, his skills are required on the Audit, Risk and Finance Committee.

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

12 February 2024
13 May 2024
19 July 2024
19 August 2024
28 October 2024
17 February 2025

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 debt collectors' details and employees in the hands of the employer.
- In addition, the system has been safeguarded 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 lodging 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 always ensure the integrity of the Council's data. 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.

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 by 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 2023.

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 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 and responsibilities.

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: THE REGISTRATION OF DEBT COLLECTORS

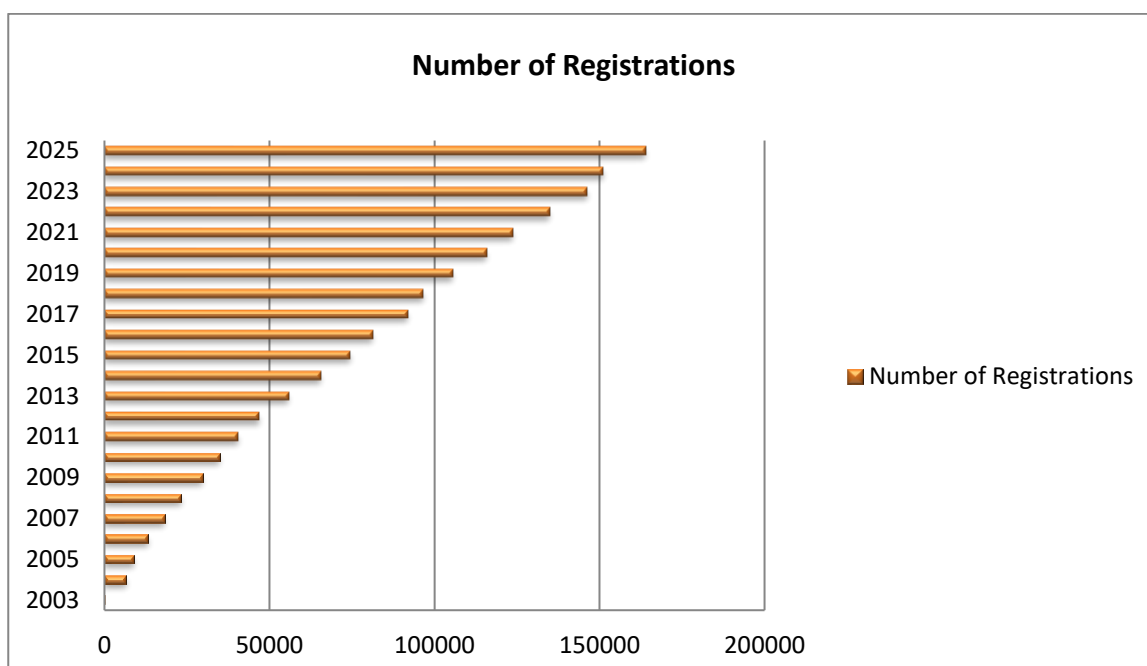
In this Chapter attention is devoted to registration trends while the procedural requirements for registration, transfers and the fee structure are also referred to.

- **Registration trends**

The total number of approved applications since the inception of the Council reached the number of 164 031 on 28 February 2025. 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
28 February 2024	157 251
28 February 2025	164 031

Graphically displayed the information can be presented as follows:

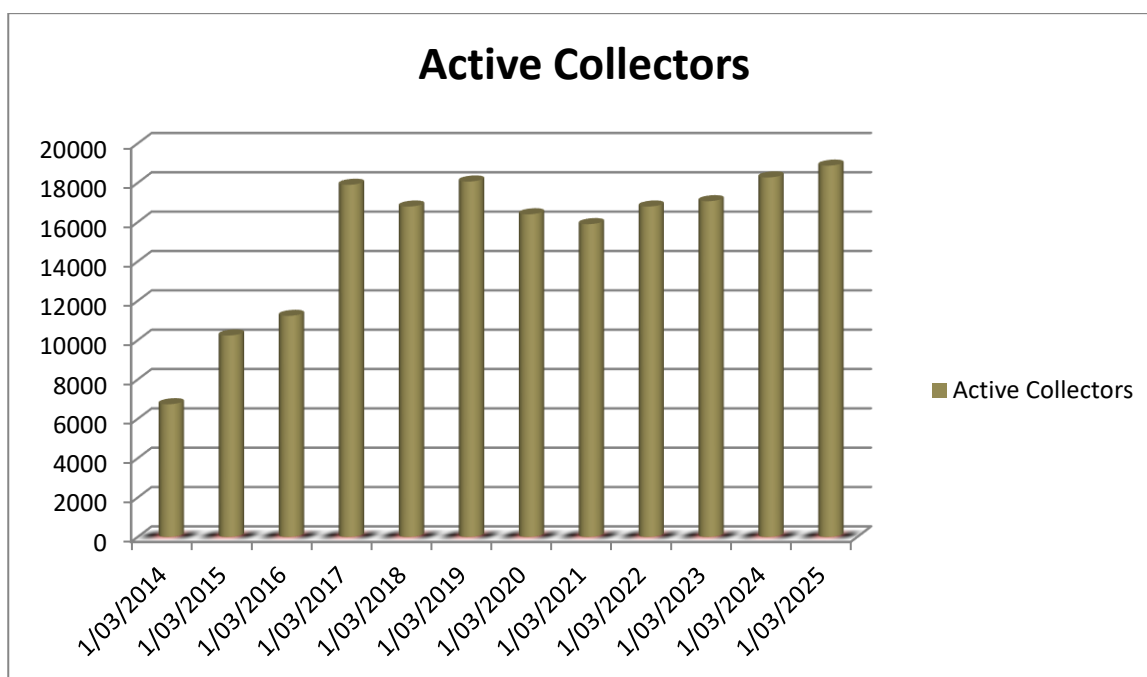


From the available information it appears that since 2005 the total number of applications received has increased to in excess of 6 000 per year.

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 18 887 active debt collectors as opposed to 18 287 in 2024 and 17 079 in 2023.

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.

Over 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 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

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.
- Appeals to the Council emanating from disciplinary hearings are also dealt with.
- Upon request of any aggrieved party a decision of a Junior Legal Officer may be reviewed by a Senior Legal Officer and of a Senior Legal Officer by the Head of the Legal Department.
- If it becomes necessary, the Chief Executive Officer (CEO) may review a decision of any of the above said personnel.

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 2024 - 28 February 2025 the statistics in respect of complaints and disciplinary hearings are as follows:

• Complaints received complying with Regulations	:	1373
• Investigations finalised (no disciplinary action taken)	:	870
• Number of disciplinary hearings	:	5
• Number of disciplinary matters finalised	:	3
• Number of partly heard disciplinary hearings	:	2
• Complaints still under investigation	:	499
• Admission of guilt fines	:	1
• Cases opened with the police	:	0
• Cases older than six months	:	0
• Telephonic complaints	:	7250
• Email enquiries complaints	:	13 800

Below are the statistics for formal complaints received in the Legal Department during this year compared with statistics for the same period last year.

	1 March 2023 – 28 February 2024	1 March 2024 – 28 February 2025	Difference
Formal complaints received and opened on the system	949	1373	(424)
Complaints finalized	633	870	(237)
Hearings finalized	13	4	(9)

Below is a breakdown of the statistics for formal complaints received in the Legal Department during these months under review.

	March 2024	April 2024	May 2024	TOTAL
Formal complaints received and opened on the system	118	115	98	331
Complaints finalized	75	59	73	207
Disciplinary hearings finalized	0	0	1	1
Admission of guilt fines	0	0	1	1
Partly heard disciplinary hearings	1	3	3	4
Number of disciplinary hearings	0	0	1	1
	June 2024	July 2024	August 2024	TOTAL
Formal complaints received and opened on the system	84	121	137	342
Complaints finalized	51	82	82	215
Disciplinary hearings finalized	1	0	0	1
Admission of guilt fines	0	0	0	0
Partly heard disciplinary hearings	1	0	1	2
Number of disciplinary hearings	1	0	1	2
	September 2024	October 2024	November 2024	TOTAL
Formal complaints received and opened on the system	113	169	68	350
Complaints finalized	78	102	44	224
Disciplinary hearings finalized	1	0	1	1
Admission of guilt fines	0	0	0	0
Partly heard disciplinary hearings	0	0	1	1
Number of disciplinary hearings	0	0	0	0

	December 2024	January 2025	February 2025	TOTAL
Formal complaints received and opened on the system	113	169	68	350
Complaints finalized	78	102	44	224
Disciplinary hearings finalized	1	0	1	2
Admission of guilt fines	0	0	0	0
Partly heard disciplinary hearings	0	0	1	1
Number of disciplinary hearings	1	0	1	2

Below are the details of the disciplinary hearing finalized in the Legal Department during these months under review.

Case No: UTH 001/2024	Unlimited Town Houses CC	Unregistered debt collector	R15 000,00 Fine suspended for one year on condition not to be found guilty of similar offence during the period of suspension
Complainant	Dianne Barwise		
Date of Plea	27 May 2024		
Conviction Date	27 May 2024		
Sentence Date	27 May 2024		

Case No: 42372/2023 and 46329/2023	Que Consolidated (Pty) Ltd/ Johan Van Der Westhuizen	Unprofessional Conduct (3 x charges) For failure to pay over money already collected on behalf of both clients and misleading them on follow-up correspondence as if there were no such monies collected.	R50 000,00 Fine of which R35 000,00 suspended for 3 years. To refund complainant 1 R4909,91 and complainant 2 R17 541,22, cost of investigations R9847,47, payable within 60 days
Complainant	1. Crime Cure CC 2. Dr NS Taylor		
Date of Plea	5 June 2024		
Conviction Date	5 June 2024		
Sentence Date	5 June 2024		

Case No: SIYA 001/2024	Siyaphambili & Associates / Corrie Van Der Merwe	Unprofessional conduct (6xcharges) For failure to pay over money already collected to the client and misleading him on follow-up correspondence as if there were no such monies collected.	Count:1-6 taken together. R150 000,00 Fine suspended for 5 years. To refund the complainant R103 525,00. R10 025,00 before 1 December 2024, eleven equal instalments of R8500,00 each from 1 January 2025 until 1 November 2025. The order is made so that the Council may recover costs of investigations incurred from the Respondents payable within 30 days. In case of breach then the matter is to be referred to the Council for possible withdrawal/cancellation of the Respondents' registration.
Complainant	Christopher Bresler trading as Abacus Projects		
Date of Plea	7 August 2024		
Conviction Date	7 August 2024		
Sentence Date	13 November 2024		

Below are the details of the Admission of Guilt Fine finalized in the Legal Department during these months under review.

Case No: 65052/2024	Rautenbach and Associates/ Jacobus Petrus Rautenbach	Failure to indicate the number of registration certificates on all correspondences	R5000 - AOG Fine payable on or before 31 May 2024
Complainant	Ahmed Aneesa		
Date imposed	14 May 2024		

Below is a breakdown of the statistics for age analysis of formal complaints received in the Legal Department during these months under review.

1 Month	2 Months	3 Months	4 Months
67	84	128	109
5 Months	6 Months	Older than 6 Months	
78	33		

In a normal month, the Legal Department attends to between 1100-1200 emails enquiries and approximately 500-600 telephones enquiries monthly.

The Department makes sure that improper conduct in terms of section 15 of the Debt Collectors Act 114 of 1998, read together with its Code of Conduct and Regulations, is fairly investigated.

The industry needs to be complimented for the high level of self-regulation which is evident from these statistics.

The number of formal complaints received during the year under review has increased from 949 to 1373. The number of disciplinary hearings finalised decreased from 13 to 4. The number of investigations finalised where no disciplinary action was taken has increased from 633 to 870 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 email enquiries complaints. Approximately 21 050 such complaints were entertained. Prescription in terms of Prescription Act 68 of 1969 and Section 126B of the National Credit Act 34 of 2005, Credit Bureau listing, debt review, debt counsellors, Annexure "B" fees queries, unprofessional conduct, harassment, paid up letters not received, statement of accounts enquiries of paying but balance not reducing significantly, debt collectors collecting money not paying over to their client or creditor, who regulates attorney's acting as debt collectors or attorneys conduct not registered with us were referred to the Legal Practice Council (LPC), 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 2012 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.

Three orders 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 are alleged criminal offences in terms of the Debt Collectors Act 114 of 1998, its Code of Conduct and Regulations instead of referring to them as civil cases.

PROPOSED LEGISLATIVE CHANGES

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.

Several 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 during 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 ENGAGEMENTS

During this period 39 consumer education workshops were conducted, 21 exhibitions and 3 road shows, 2 webinars and 3 community outreaches: reaching 10 089 consumers. Radio advertising in ten (10) community radio stations was utilized to communicate the Council's messages to consumers in different provinces with a total listenership of 1.4 million. A complementary live interview was received from SABC News Today with a viewership of 4.6 million. The credit industry has evolved and therefore affects consumer behaviour. The introduction of digital means of transacting forced change of communication with consumers. Social media became effective in reaching such consumers. The Council's social media platforms provide an interactive space for debt collectors as well as the vast public.

Collaborations with institutions of higher learning offered an opportunity to equip students with consumer information that will benefit them for a lifetime. Some of the students would enquire about registration as debt collectors whilst others would be interested in learnership and internship programmes that the Council may offer.

The public relations section continues participating in university national tours with the Financial Sector Conduct Authority and other stakeholders in consumer education. We approached the Department of Education, Gauteng North District and conducted workshops for educators in various schools in the province. We were also invited by the DoE in the Northern Cape where we shared information with educators in different regions within the province. In average, these workshops were attended by 250 educators per workshop.

The Council has also conducted consumer education workshops in faith-based organisation's, sharing consumer rights and responsibilities within the debt collection space.

STAKEHOLDER RELATIONS

The Council is a member of the National Consumer Protection Forum that comprises of provincial offices of the Consumer Protector, the National Consumer Commission and Regulators such as Motor Industry Ombud of SA, Council for Medical Schemes, National Credit Regulator, Financial Sector Conduct Authority, National Financial Ombud Scheme of SA; amongst others. The collective endeavours to empower consumers through education in private and public sector, whilst ensuring compliance with respective statutes.

OTHER

The CEO attended the annual debt collection conference that was held at the Emperors Palace. He shared a very insightful presentation about the status of the debt collection industry. The event was attended by some registered debt collectors from various provinces.

CORPORATE SOCIAL RESPONSIBILITY

The Council has since committed to assisting child-headed families in alleviating poverty in July 2022 to date. The beneficiaries continue to receive food vouchers that have been arranged with their local Shoprite stores, monthly. Participating in SALGA member municipalities assist in ensuring that those who exit the project are financially stable. Some are absorbed by municipalities whenever there are job opportunities suitable for them. Social workers are also involved in providing social and moral support. Municipalities provide the Council with regular progress reports to ensure transparency. The project will be reviewed in July 2025 for continuation, with the guidance of management.

Mandela Day 2024 – Council personnel re-visited the home for the elderly in Atteridgeville to donate fresh produce, water urn and other necessities.

PUBLIC RELATIONS EVENTS



University of Mpumalanga



Strauss Secondary School in eKangala



Machibini Shopping Centre in Pietermaritzburg





SAPS in Pietermaritzburg



Educators in Northern Cape



Tembisa Community Hall, eKurhuleni

Exhibition at Bambanani Shopping Centre, Diepsloot



Council employees at Happy Rose Elderly Home on Mandela Day 2024

FINANCIAL STATEMENTS

Council for Debt Collectors
Annual Financial Statements
for the year ended 28 February 2025

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 2025

Index

	Page
General Information	2
Chief Executive Officer's Responsibilities and Approval	3
Chief Executive Officer's Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Financial Statements	15 - 19
The supplementary information presented does not form part of the Financial Statements and is unaudited: Detailed Income Statement	20

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2025

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).
Auditors	Mrwebi Auditors and Accountants Unit 9 Leogem Business Park 44 Richards Drive Halfway House Midrand 1685

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2025

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. These annual financial statements have been prepared in accordance with the IFRS for SMEs[®] Accounting Standard as issued by the International Accounting Standards Board (IASB[®]) and it is their 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.

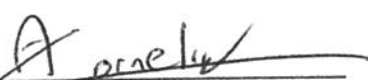
The chief executive officer acknowledges that they are ultimately responsible for the system of internal financial control established by the council and places considerable importance on maintaining a strong control environment. To enable the chief executive officer to meet these responsibilities, the 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 annual financial statements support the viability of the council.

The financial statements have been audited by the independent auditing firm, Mrwebi Auditors and Accountants, 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 financial statements set out on pages 8 to 19, and the supplementary information set out on page 20 which have been prepared on the going concern basis, were approved by the chief executive officer and were signed on 11 June 2025.


Adv A Cornelius
Chief Executive Officer


Mr TS Mmakola
Chairperson

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2025

Chief Executive Officer Report

The chief executive officer presents their report for the year ended 28 February 2025.

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.

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.

4. Chief Executive Officer

The chief executive officer of the council during the year and up to the date of this report is as follows:

Adv A Cornelius	Chief Executive Officer
Council members:	
C Senzani	Term expired 28 February 2025
P Ravhuhali	Audit and Risk Committee chairperson
R Mare	
E Makda	
T Ramathikhithi	Term expired 28 February 2025
N Shezi	
L Dhorie	Term expired 28 February 2025
MI Motloug	
N Kuljeeth	Term expired 28 February 2025
TS Mmakola	Chairperson - Appointed 30 April 2025
TR Mabuza	Deputy Chairperson - Appointed 30 April 2025
NC Pule	Appointed 30 April 2025
K Beekrum	Appointed 30 April 2025

5. Company secretary

No company secretary has been formally appointed during the current financial year.

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2025

Chief Executive Officer Report

6. Solvency and liquidity test

The chief executive officer has performed the required solvency and liquidity tests.

7. Independent Auditors

Mrwebi Auditors and Accountants were the independent auditors for the year under review.

Independent Auditor's Report

To the Council 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 2025, 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 2025, 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 company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the 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 council is 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 2025", which includes the Chief Executive Officer's Report, and the statement of Chief Executive Officer's 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. 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 Council for the Financial Statements

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

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

Mrwebi Auditors and Accountants Inc

29 August 2025



**Per: Masixole Mrwebi CA(SA), RA
Director / Partner
Registered Auditor**

**Unit9 Leogem Business Park
44 Richards Drive
Halfway house, Midrand
Gauteng
1685**

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Statement of Financial Position

Figures in R

	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	3	<u>12,782,578</u>	<u>13,675,368</u>
Current assets			
Trade and other receivables	4	73,695	29,414
Cash and cash equivalents	5	<u>84,797,425</u>	<u>79,649,513</u>
Total current assets		<u>84,871,120</u>	<u>79,678,927</u>
Total assets		<u>97,653,698</u>	<u>93,354,295</u>
Equity and liabilities			
Equity			
Retained income		<u>95,777,656</u>	<u>91,771,792</u>
Liabilities			
Current liabilities			
Trade and other payables	6	<u>1,876,042</u>	<u>1,582,503</u>
Total equity and liabilities		<u>97,653,698</u>	<u>93,354,295</u>

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Statement of Comprehensive Income

Figures in R

	Notes	2025	2024
Revenue	7	12,146,171	12,040,475
Administrative expenses		(213,776)	(267,826)
Other expenses		(14,916,668)	(14,646,622)
Profit on sale of non-current asset	8	-	52,803
Loss from operating activities	9	(2,984,273)	(2,821,170)
Finance income	10	6,990,374	6,367,422
Finance costs	11	(237)	(638)
Profit for the year		4,005,864	3,545,614

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Statement of Changes in Equity

Figures in R	Retained income	Total
Balance at 1 March 2023	88,226,178	88,226,178
Changes in equity		
Profit for the year	3,545,614	3,545,614
Total comprehensive income for the year	3,545,614	3,545,614
Balance at 29 February 2024	91,771,792	91,771,792
Balance at 1 March 2024	91,771,792	91,771,792
Changes in equity		
Profit for the year	4,005,864	4,005,864
Total comprehensive income for the year	4,005,864	4,005,864
Balance at 28 February 2025	95,777,656	95,777,656

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Statement of Cash Flows

Figures in R

	Notes	2025	2024
Cash flows from operations			
Cash receipts from customers		10,913,113	11,289,636
Cash paid to suppliers and employees		(14,077,802)	(14,020,582)
Net cash flows used in operations	12	(3,164,689)	(2,730,946)
Interest received		1,364,193	922,504
Net cash flows used in operating activities		<u>(1,800,496)</u>	<u>(1,808,442)</u>
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		-	100,000
Purchase of property, plant and equipment		(41,728)	(831,765)
Interest received		6,990,373	6,367,422
Cash flows from investing activities		<u>6,948,645</u>	<u>5,635,657</u>
Cash flows used in financing activities			
Interest paid		(237)	(638)
Cash flows used in financing activities		<u>(237)</u>	<u>(638)</u>
Net increase in cash and cash equivalents		<u>5,147,912</u>	<u>3,826,577</u>
Cash and cash equivalents at beginning of the year		79,649,513	75,822,932
Cash and cash equivalents at end of the year	5	<u>84,797,425</u>	<u>79,649,509</u>

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The preparation of financial statements in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board requires the use of certain critical accounting estimates. It also requires the chief executive officer to exercise their 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
Solar Equipment	4 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.

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

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 2025

Notes to the Financial Statements

Figures in R

2025 2024

3. Property, plant and equipment

3.1 Balances at year end and movements for the year

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Computer software	Books	Solar Equipment	Total
Reconciliation for the year ended 28 February 2025									
Balance at 1 March 2024									
At cost	12,064,611	408,180	813,272	170,688	258,130	4,641,741	169,874	509,753	19,036,249
Accumulated depreciation	(1,813,185)	(187,554)	(788,468)	(108,927)	(201,906)	(2,039,842)	(114,800)	(106,199)	(5,360,881)
Carrying amount	10,251,426	220,626	24,804	61,761	56,224	2,601,899	55,074	403,554	13,675,368
Additions from acquisitions	-	-	-	4,824	13,998	-	22,906	-	41,728
Depreciation	-	(60,482)	(18,820)	(17,522)	(41,211)	(647,996)	(21,050)	(127,438)	(934,519)
Closing balance at 28 February 2025									
At cost	12,064,611	408,180	813,272	175,512	272,127	4,641,741	192,780	509,753	19,077,976
Accumulated depreciation	(1,813,185)	(248,036)	(807,288)	(126,448)	(243,116)	(2,687,838)	(135,850)	(233,637)	(6,295,398)
Carrying amount	10,251,426	160,144	5,984	49,064	29,011	1,953,903	56,930	276,116	12,782,578

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Notes to the Financial Statements

Figures in R

2025 2024

Property, plant and equipment continued...

Reconciliation for the year ended 29 February 2024

Balance at 1 March 2023

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Computer software	Books	Solar Equipment	Total
At cost	12,064,611	364,058	813,272	155,831	235,324	4,641,741	145,219	-	18,420,056
Accumulated depreciation	(1,813,185)	(280,218)	(669,590)	(87,597)	(157,576)	(1,391,845)	(97,665)	-	(4,497,676)
Carrying amount	10,251,426	83,840	143,682	68,234	77,748	3,249,896	47,554	-	13,922,380

Additions from acquisitions

Depreciation	-	(75,708)	(118,878)	(21,330)	(44,330)	(647,996)	(17,135)	(106,199)	(1,031,576)
Disposals	-	(47,197)	-	-	-	-	-	-	(47,197)

Closing balance at 29 February 2024

At cost	12,064,611	408,180	813,272	170,688	258,130	4,641,741	169,874	509,753	19,036,249
Accumulated depreciation	(1,813,185)	(187,554)	(788,468)	(108,927)	(201,906)	(2,039,842)	(114,800)	(106,199)	(5,360,881)
Carrying amount	10,251,426	220,626	24,804	61,761	56,224	2,601,899	55,074	403,554	13,675,368

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Notes to the Financial Statements

Figures in R

2025

2024

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

73,695

29,414

5. Cash and cash equivalents

5.1 Cash and cash equivalents included in current assets:

Cash

Balances with banks

1,234,741

426,743

Other Cash and cash equivalents - Monies invested

83,562,684

79,222,770

84,797,425

79,649,513

5.2 Net cash and cash equivalents

Current assets

84,797,425

79,649,513

5.3 Detail of cash and cash equivalent balances

Other cash and cash equivalents

Other cash and cash equivalents - ABSA

2,947,106

5,136,457

Other cash and cash equivalents - Investec

80,615,578

74,086,313

Total

83,562,684

79,222,770

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

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Notes to the Financial Statements

Figures in R

2025

2024

6. Trade and other payables

Trade and other payables comprise:

Members fees received in advance	550,320	374,904
Accrued leave pay	437,257	436,110
Accrued liabilities	53,792	33,212
Accrued liabilities - Bonus	121,396	122,202
Members fees for registration and application	521,270	454,952
Other payables	(9,102)	(9,015)
Value added tax	201,109	170,138
Total trade and other payables	1,876,042	1,582,503

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	10,781,978	11,117,971
Interest received	1,364,193	922,504
Total revenue	12,146,171	12,040,475

8. Other gains and (losses)

Other gains and (losses) comprise:

Gain on disposal of assets	-	52,803
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9. Loss from operating activities

Loss from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	934,519	1,031,576
Post-employment benefits - Defined contribution plans	1,780,798	1,696,685

10. Finance income

Finance income comprises:

Interest received and accrued - Banks	6,990,374	6,367,422
Total finance income	6,990,374	6,367,422

Council for Debt Collectors

Financial Statements for the year ended 28 February 2025

Notes to the Financial Statements

Figures in R	2025	2024
11. Finance costs		
Finance costs included in profit or loss:		
Bank overdraft	237	638
12. Cash flows from operating activities		
Profit for the year	4,005,864	3,545,615
Adjustments for:		
Finance income	(8,354,567)	(7,289,926)
Finance costs	237	638
Depreciation and amortisation expense	934,519	1,031,576
Gains on disposal of non-current assets	-	(52,803)
Change in operating assets and liabilities:		
Adjustments for increase in other operating receivables	(44,281)	(17,250)
Adjustments for increase in other operating payables	293,539	51,204
Net cash flows from operations	(3,164,689)	(2,730,946)

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.

Council for Debt Collectors

Annual Financial Statements for the year ended 28 February 2025

Detailed Income Statement

Figures in R

	Notes	2025	2024
Revenue	7		
Interest received		1,364,193	922,504
Rendering of services		10,781,978	11,117,971
		<u>12,146,171</u>	<u>12,040,475</u>
Administrative expenses			
Auditors remuneration - Fees		(86,087)	(86,087)
Bank charges		(20,270)	(19,226)
Computer expenses		(20,224)	(32,995)
Telecommunication		(87,195)	(129,518)
		<u>(213,776)</u>	<u>(267,826)</u>
Other expenses			
Awareness campaigns		(275,266)	(366,390)
Bereau calls		(37,675)	(46,694)
Cleaning		(2,468)	(6,107)
Consulting fees		(196,477)	(216,540)
Depreciation and amortisation - property, plant and equipment		(934,519)	(1,031,576)
Employee costs - salaries		(11,651,369)	(10,904,556)
Hosting expenses		(118,927)	(108,374)
Insurance		(188,397)	(191,518)
License fees		(44,911)	(51,866)
Meeting fees		(426,150)	(552,658)
Motor vehicle expense		(35,624)	(22,075)
Municipal charges		(514,279)	(560,612)
Printing and stationery		(35,529)	(32,377)
Recruitment fees		-	(46,412)
Repairs and maintenance		(14,279)	(105,052)
Security		(7,246)	(7,136)
Social Responsibility		(97,201)	(130,523)
Software expenses		(175,231)	(129,662)
Teambuilding		(102,337)	(77,342)
Training		-	(9,355)
Travel and accomodation		(5,499)	(1,030)
Workmans Compensation		(53,284)	(48,767)
		<u>(14,916,668)</u>	<u>(14,646,622)</u>
Other gains and losses	8		
Gain on sale - property, plant and equip.		-	52,803
Loss from operating activities	9	<u>(2,984,273)</u>	<u>(2,821,170)</u>
Finance income	10		
Bank		6,990,374	6,367,422
Finance costs	11		
Bank overdraft		(237)	(638)
Profit for the year		<u>4,005,864</u>	<u>3,545,614</u>



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