



FINANCIAL SERVICES
CONSUMER EDUCATION FOUNDATION
plan your financial future

2022/23 ANNUAL REPORT

FINANCIAL SERVICES CONSUMER EDUCATION FOUNDATION

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OVERVIEW

FINANCIAL SERVICES CONSUMER EDUCATION FOUNDATION

BACKGROUND

The Financial Services Consumer Education Foundation (Foundation) was established by the Financial Sector Conduct Authority (FSCA) in 2004 as Non-Profit Organisation in terms of section 13(5) of the Non-Profit Organisations Act, no. 71 of 1997, an Independent Trust and a Public Benefit Organisation.

The sole objective of the Foundation is to carry on one or more public benefit activities contemplated by section 30 of the Income Tax Act no 58 of 1962, and/or similar legislation promulgated in future.

The Foundation's mandate is to promote and fund financial education programmes that are managed and implemented by the FSCA's Consumer Education Department (CED) either independently or in partnership with other stakeholders. The Foundation serves as a vehicle to assist the FSCA to achieve its mandate by providing and promoting consumer financial education (CFE) to both current and future consumers of financial products and services.



VISION

Our vision is to fund initiatives that will increase the level of financial literacy amongst South African citizens through the promotion of consumer financial education initiatives.

OBJECTIVES

The Foundation's objectives are to fund initiatives that will:

- 1** Increase awareness of the importance of financial literacy.
- 2** Provide the public with the required information, tools, and knowledge to make smarter financial decisions.
- 3** Lead to an increase in consumers' knowledge and confidence about their rights and obligations.

BOARD OF TRUSTEES

The Foundation is governed by an independent Board of Trustees and adopts principles of sound corporate governance. The Trustees of the Foundation are responsible for approving the strategic direction of the Foundation and are governed by a Deed of Trust that sets out the framework of their accountability, responsibilities, and duties.

The Trustees are responsible to:

- 1** Monitor that the Foundation complies with all relevant laws, regulations, ethical principles and that it communicates with all relevant stakeholders (internal and external) openly and promptly.
- 2** Define levels of materiality pertaining to matters raised for the Board's consideration, reserving specific powers to Trustees, and delegating other matters by written authority to management.
- 3** Give direction in all matters and approve project proposals compiled by the CED of the FSCA in the context of the Deed of Trust and monitors implementation of approved projects.
- 4** Determine policy and processes to ensure the integrity of:
 - ✓ Risk management and internal controls; and
 - ✓ Trustee selection and orientation.

Trustees adhere to ethical principles which incorporates agreed upon standards of accepted behaviour and guidance in decision making, promote integration and co-ordination and reaffirm the Trustees' commitment to the Foundation.

Financial Services Consumer Education Foundation's Board of Trustees



Ms Freda Evans
Chairperson



Mr Bruce Banda
Vice Chairperson



Ms Jeanine Poggiolini
Chairperson: Audit & Risk Sub-Committee



Ms Caroline da Silva



Ms Yvonne Lechaba



Mr Khotso Mothobi



Ms Gail Walters



Ms Katherine Gibson

The Foundation has established and mandated two sub-committees to perform specific responsibilities in key areas.

AUDIT AND RISK SUB-COMMITTEE



Ms Jeanine Poggiolini
Chairperson



Mr Khotso Mothobi



Ms Katherine Gibson

The Audit and Risk (A & R) sub-committee is responsible for assisting the Foundation to fulfil its corporate governance supervision responsibilities relating to accurate financial reporting and adequate financial systems and controls.

The committee's responsibilities include:

1 Monitoring the Foundation's accounting policies and financial information issued to stakeholders

2 Recommending actions by the Foundation to ensure compliance with International Financial Reporting Standards for Small and Medium-sized Entities

3 Considering and agreeing the scope, nature, and priority of the external audit.

PROJECT PROPOSAL SUB-COMMITTEE



Ms Freda Evans
Chairperson



Mr Bruce Banda



Ms Caroline da Silva



Ms Yvonne Lechaba



Ms Gail Walters



Ms Katherine Gibson

The Project Proposal sub-committee is responsible for assisting the Foundation to fulfil its corporate governance supervision responsibilities, which relate to approving project proposals submitted by the FSCA's CED and allocating funds for the implementation of approved projects.

THE COMMITTEE'S RESPONSIBILITIES INCLUDE:

- 1** Assessing proposals to determine whether they meet the requirements of the Foundation and are eligible for funding subject to:
 - ✓ projects less than R2 million may be approved by the Projects Proposal Committee.
 - ✓ projects of R2 million and more are recommended for approval to the Trustees.
- 2** Ensuring that approved projects contain frameworks for management.
- 3** Monitoring milestones against which progress can be measured and payments made.
- 4** Monitoring implementation of approved projects and making recommendations when necessary.
- 5** Monitoring that assistance provided by the Foundation is consistent with the initial proposal.
- 6** Monitoring expenditure against budgets.
- 7** Monitoring on-going availability of funds to sustain approved projects.

REPORTS

REPORTS, OVERVIEW OF PROGRAMMES AND GEOGRAPHICAL FOOTPRINT

MESSAGE FROM OUR CHAIRPERSON

Having largely recovered from the impacts of the pandemic, we now face fresh challenges stemming from the ongoing weakening of the economy and the deterioration of power supply and water quality. These issues have a profound impact on the mental and physical well-being of our nation, creating a domino effect on various aspects of life.

Nevertheless, South Africans are renowned worldwide for their resilience and ability to adapt in the face of adversity. With this tenacity, we are confident that we will overcome these challenges too.

Regrettably, our education system has been found lacking in the most fundamental area. A recent global assessment ranked us at the bottom of the Global Literacy Table, occupying the 134th position. Disturbingly, it has been found that more than 80% of our children in Grade 4 (approximately 8 years old) are unable to read and comprehend meaningfully.



While the Foundation cannot directly influence that metric, we are eager and capable of making contributions to the financial literacy of the more senior learners through various initiatives. These include the Financial Literacy Speech Competition (Speech Competition), Financial Literacy for Students in Tertiary Institutions, Financial Literacy for the Blind and Partially Sighted, and several other initiatives that are funded by the Foundation, and carried out by the CED of the FSCA.

We are exploring the possibility of expanding the Speech Competition to reach a broader audience of learners. Currently, the competition targets schools in Quintiles 1, 2 and 3, specifically focusing on learners studying business-related subjects. However, our goal is to include Quintile 4 schools and learners studying various subjects beyond business studies. In doing so, we aim to expose a larger and diverse group of people to financial literacy, both directly and indirectly.

Presently, we are involved in establishing the lasting impact of past winners from our Speech Competition programme. This will provide insights into areas that require further refinement and improvement, and shed light on other initiatives, such as the Financial Literacy for Students in Tertiary Institutions Initiative.

While the impact of the recently signed Levies Bill on the Foundation remains uncertain, we will persist in our core drive: securing funding for relevant and meaningful financial education programmes for present and future consumers of financial products and services. Our commitment to providing valuable financial education remains steadfast, regardless of the changing legislative landscape.

Our funders have demonstrated immense generosity through their financial contributions and active participation in our initiatives, witnessing first-hand the positive impact of their funding. The significance of this is not only relevant to them, it also extends to the beneficiaries who participate with great commitment and pride. This relationship fosters the upward spiral of success which is vital for uplifting not only the recipients themselves but also their families and communities.

To ensure the success of our endeavours, we rely on the generosity of our donors. We maintain regular communication with them through meetings, calls and our Annual Report, which provides accurate and audited financial information, along with other useful updates.

My heartfelt gratitude goes out to our donors for their incredibly generous support, both in terms of time and funding. Your enthusiasm is truly appreciated!

I would also like to extend thanks to my fellow Trustees for their unwavering commitment to the Foundation. Your attendance and active participation in our meetings and beyond are invaluable!

A special acknowledgement to Roy Bingham, our Manager: Donor Relations, who persevered with his plan, navigating the adversity of the past few years. We are delighted with your success, Roy!



Ms Freda Evans
Foundation Chairperson





FROM THE DESK OF THE FSCA'S COMMISSIONER

The context of a challenging macroeconomic backdrop characterised by high unemployment, rising inflation, and an unparalleled energy crisis is exerting immense financial pressure on many households in South Africa. As such, it is hardly surprising that over two-thirds (or 69%) of adult consumers are not confident that their household's financial situation would improve in the medium term.

In the midst of such challenging times, the important role of the financial sector in building resilience amongst consumers cannot be overstated. A trusted and stable financial sector can support customers in managing their money effectively, regardless of their employment status, income stream, or dependence on government grants. Through habits such as saving a little every month, or having insurance in place, consumers can create a vital safety net to safeguard themselves against economic hardship. Such precautions can be remarkably beneficial, helping cover unforeseen expenses, allowing for savings towards essential goals like school fees and uniforms, or ensuring there is food on the table.

"The FSCA's financial education programmes have proven valuable in equipping South Africans with the necessary information to make good financial decisions."

Unathi Kamlana - Commissioner

The FSCA's recent "South African Retail Financial Customer Behaviour and Sentiment Report" shows that while most consumers have access to formal financial products or services, i.e., having some form of a financial product – usually a bank account or funeral policy, much more needs to be done to improve the extent to which people are empowered to use their financial services to meet their needs. The report shows a prevalent sense of overwhelm amongst customers when purchasing financial products or services. This often leads to sub-optimal choices or decisions based on the 'first best' product they come across, or the one they are most familiar with, rather than a careful consideration of whether the product and/or service truly matches their need.

The FSCA's financial education programmes have proven valuable in equipping ordinary South Africans with the necessary information to make good financial decisions, and the Foundation's partnership has been invaluable in increasing the reach and effectiveness of these programmes. The success of initiatives like the "Youth Not in Education, Employment or Training" (NEET Youth) project and the "Financial Literacy Workshops for the Blind and Partially Sighted" are a testament to this partnership. We remain committed to initiatives such as these, which deliver much-needed financial literacy tools to the communities that need them most.

Looking ahead, the FSCA will prioritise financial education campaigns focusing on "Spending Wisely", aiming to empower South Africans to make more conscious and deliberate spending decisions, and better leverage the financial sector to manage their money more effectively.

Our partnership with the Foundation continues to strengthen and provide a model for future public and private sector collaborations.

The FSCA remains steadfast in its efforts to ensure that the financial sector operates efficiently and fairly for the ordinary man on the street. Treating Customers Fairly principles continue to inform and guide our regulatory and supervisory approaches. We have recently appointed a Consumer Advisory Panel to provide insights on developments and challenges facing consumers in the financial sector, allowing us to respond more effectively. Furthermore, we regularly issue public warnings to keep consumers informed about potential risks or fraudulent activities they might encounter in the financial sector.

The work we do at the FSCA, supported by the Foundation, is vital in enhancing consumer confidence and trust in the financial sector, enabling customers to leverage financial services to support their financial well-being. The continued support and funding from entities such as the Foundation are essential in promoting financial education, thus fostering broader financial inclusion, and rebooting of our economy.

I extend my heartfelt thanks to the Trustees and staff of the Foundation for their commitment and invaluable support in securing and managing donor funding for our financial education projects during these trying times. We look forward to witnessing the positive impacts of these initiatives in the coming year and beyond.



Unathi Kamlana
Commissioner Financial Sector Conduct Authority



REPORT BY THE FSCA'S HEAD OF DEPARTMENT: CONSUMER EDUCATION

Being financially literate prepares people to deal with financial emergencies, reach their financial goals and increase confidence to make good financial decisions. Increasing financial resilience, financial capability and financial well-being, resonates well with the FSCA's strategic objective to "Empower households and small businesses to be financially resilient". This objective aims to leverage financial education so that financial customers make better and more informed financial decisions.

During the past financial year, we took steps to integrate financial education into our Financial Inclusion strategy by reaching people with disabilities and other vulnerable groups. As one participant at the Foundation-funded Financial Literacy Workshops for the Blind and Partially Sighted remarked, "I feel I will be more able in my family and village, maybe I will need less help now". The Foundation also assisted the FSCA to reach Youth Not in Education, Employment or Training (NEET Youth), where the financial resilience tools provided to these youth were particularly well received as they battle to find employment.

Digital delivery, despite its specific challenges, can materially extend financial education reach and improve access to financial information and advice.

Lyndwill Clarke

Our flagship project, the National Financial Speech Competition, continues to grow with a 250% increase in participation, from the virtual (only digital) implementation in 2021 to the hybrid 2022 format (digital and in-person). This could largely be ascribed to the continuous encouragement from FSCA staff and provincial education officials, as well as the lucrative investment and bursary prizes, funded through the Foundation.

In total the FSCA developed and rolled out over 200 in-person financial education activities, reaching over 55 872 consumers, while reaching approximately 27 million consumers with our various digital and media campaigns. These activities are supported by the FSCA's dedicated financial education website, which can be visited at www.fs-camymoney.co.za, while our digital resources, such as byte sized videos and infographics used on social media, assisted us to reach a broader target audience. The evolving hybrid approach to financial education, providing education through both digital and in-person channels, intends to educate more South African's with greater impact, experimenting with different formats for better engagement and retention.

Digital delivery, despite its specific challenges, can materially extend financial education reach and improve access to financial information and advice. This can in turn contribute to positive behavioural change among South Africans, to feel more comfortable with digital financial services, be more alert to online risks and scams, actively budget, and prioritise savings. To embrace digital delivery, however, requires considerable investment into user-friendly digital delivery platforms, such as mobile apps and gamification. As thought leaders in financial education, the FSCA will be researching the effectiveness of alternative platforms to optimise financial education opportunities, that all stakeholders can learn from. Funding from the Foundation's current and potential donors will be crucial in supporting South Africa as a global leader in digital financial education; the initial costs associated with digital delivery might be high, but will, over time, substantially reduce the cost per consumer compared to traditional and in-person delivery channels.

My gratitude to the Foundation's Board of Trustees and Manager, Donor Relations, for their continued support to the FSCA in implementing our financial education mandate.

LYNDWILL CLARKE
HEAD: CONSUMER EDUCATION

OUR CONSUMER FINANCIAL EDUCATION PROGRAMMES

Consumer Financial Education (CFE) has been recognised as a key factor in driving the development of a financially inclusive economy. The primary goal of the Foundation-funded programmes is to increase consumers' financial literacy levels.

This objective is achieved through four measurement pillars of financial capability, which are as follows:



Financial Control



Financial Planning



Product Choice



Financial Knowledge.

In the 2022/23 financial year, the Foundation provided funding to support the following programmes:

1

Financial Literacy
Speech Competition
for Schools

2

Financial Literacy for
the Blind and Partially
Sighted

3

Financial Literacy for
Students in Tertiary
Institutions

4

Financial Literacy for
Youth not in Education,
Employment or Training.



1

FINANCIAL LITERACY SPEECH COMPETITION FOR SCHOOLS

Programme Background

The Financial Literacy Speech Competition for Schools (Speech Competition) is the Foundation's flagship programme, initially piloted in Gauteng in 2016. The success of the pilot led to its expansion to two more provinces in 2017, and an additional three provinces in 2018. By 2019, the Speech Competition was fully scaled up to become a national programme, targeting Grade 11 learners from quintiles 1, 2 and 3 schools (non-fee-paying schools) across South Africa.

In 2020, the programme faced an unfortunate setback due to the Covid-19 pandemic and its restrictions. To adapt to the circumstances, the team devised a plan to design a digitalised programme. As a result, in 2021, the Speech Competition resumed using a virtual approach. Then 2022, a hybrid implementation was adopted, with the programme retaining its virtual aspects for the school, district and provincial rounds, while the national final took place in-person in Cape Town.

Programme Aim and Objectives

The overarching aim of the Speech Competition is to equip participating learners with essential financial literacy skills, empowering them to make informed and sound financial decisions.

The programme's objectives are to:

- Promote financial literacy in schools focusing on budgeting, savings, investments, and consumer rights and responsibilities.
- Create awareness of the need for financial planning and management.
- Promote careers in the financial services industry and encourage entrepreneurship.

Target Audience and Geographical Reach

The Speech Competition is aimed at Grade 11 learners attending non-fee-paying schools and studying subjects like Business Studies, Economics and Accounting. The secondary target audience includes teachers, Grade 10 learners, parents, and community members in the areas where the target schools are located.

Over 60% of the participating schools are situated in rural or semi-rural areas, while the remaining schools are from previously disadvantaged townships across South Africa.

In 2022, the programme reached a total of 3,603 beneficiaries. Below is the breakdown of the numbers per province:

Provinces	Attendance
Limpopo	901
KwaZulu-Natal	687
Gauteng	623
Western Cape	518
Eastern Cape	235
North West	221
Free State	172
Mpumalanga	140
Northern Cape	106
Grand total	3,603

Table 1

Programme Implementation and Execution

The 2022 iteration of the Speech Competition comprised of four rounds, with each round requiring learners to deliver a five-minute prepared speech on one of the prescribed financial literacy topics listed below. To ensure safety during the Covid-19 pandemic, the first three rounds were conducted digitally. Learners prepared their speeches based on three topics that had an accompanying rubric to guide the preparation, delivery of the presentations and the adjudication processes.

The topics included:

1

My money, my responsibility
(Spend and it will end, but save
and you will never be a slave)

2

Ask me how! - Did you know, only 6 out of 100 people
in South Africa can retire comfortably? Certified
Financial Planners can change the status quo.

3

"Double, double toil and trouble; fire burn
and cauldron bubble," Starting my own
business is it worth the hustle?

Schools Round

Learners selected their chosen topics and prepared a five-minute speech, which they presented to their class for adjudication by teachers. The winning speech from each school was video recorded and uploaded to the dedicated Speech Competition repository platform, specifically designed for this purpose. The winners' videos were then prepared on the system for adjudication at the district round.

District Round

The speeches of the school round winners were adjudicated by District Officials and FSCA employees. The videos of the district winners were then curated for adjudication at the next round.

Provincial Round

The speeches of the school round winners were adjudicated by District Officials and FSCA employees. The videos of the district winners were then curated for adjudication at the next round.

National Round

The final round took place in person at the President Hotel in Sea Point, Cape Town. Provincial winners along with their teachers and officials were provided transportation and accommodation at the final venue. Additionally, Grade 10 learners from selected qualifying schools in Cape Town were invited to attend the national final, giving them a chance to experience the programme and potentially participate in the following year.

The nine provincial winners were then adjudicated by a panel consisting of a Senior National Education Official, an industry association Chairperson, a stakeholder regulatory Executive, the Chairperson of the Foundation and an Executive of the FSCA.

The top three winning learners were awarded investment prizes as follows:



1ST PRIZE:
R30,000



2ND PRIZE:
R15,000



3RD PRIZE:
R7,500

The winners were also awarded a fully paid bursary worth approximately R500,000.00 per learner, enabling them to study at tertiary institutions of their choice anywhere in South Africa. The bursary covers all essential aspects including:

- ✓ Tuition fees
- ✓ Textbooks
- ✓ Accommodation and meals
- ✓ Stipend
- ✓ Logistics

Successes of the Programme

After a two-year hiatus, the national final was successfully held in-person. It showcased exceptional speeches, given that the initial rounds were conducted digitally.

The programme surpassed its target of 3,500 participants, with 103 more learners taking part. External evaluators found the competition highly relevant to the needs of the learners, seamlessly aligning with substantial parts of the CAPS curriculum outcomes for commercial subjects. The Speech Competition has proven to be a valuable addition to various interventions by regulatory and industry bodies, such as the JSE and SARB competitions, which also target the same learners and schools.

Conclusion

The 2022 iteration of the programme marked a controlled hybrid return to an in-person format. Remarkably, the digital part of the programme achieved all its objectives, and the physical aspect exceeded expectations, even though learners appeared before an audience and adjudicators for the first time since the start of the Speech Competition.

However, to enhance the competition's impact, continuous engagement with all stakeholders, including teachers, district officials and provincial coordinators, is essential throughout the year. Moreover, the digital divide must be considered when implementing digital methodologies. Identifying districts with the highest burden on subject advisors in terms of the number of schools per advisor and providing human resource support, where budget permits, to assist District Officials with advocacy for the programme can be beneficial.

Finally, the distribution of prizes to participants at various levels should be re-evaluated, and more incentives should be provided at the school level to encourage even greater participation.

Areas of Improvement

The absence of a dedicated service provider for the competition proved to be a barrier for certain districts, as these providers had previously assisted significantly in coordinating schools in the districts, where departmental resource limitations existed. In some districts, there were misalignments with the respective schools' programmes due to communication lags. Additionally, some officials and teachers expressed concerns about the rigidity of the prize structure and the conditions set for them.



2

FINANCIAL LITERACY FOR THE BLIND AND PARTIALLY SIGHTED

Programme Background

In 2018 and 2019, research was conducted to understand the financial literacy needs of groups of individuals who are blind, partially sighted, deaf, and hard of hearing. The research highlighted the importance of including people with disabilities in consumer financial education initiatives as an integral part of aligning to the Foundation's objectives effectively.

Based on the research outcomes, a decision was made to pilot a programme that will empower the blind and partially sighted individuals with the knowledge and skills to manage their finances effectively. This programme operates in partnership with established networks, such as the South African National Council for the Blind (SANCb)/Optima College.

Programme Aim and Objectives

The programme's aim was to create awareness about the importance of financial literacy and to provide the blind and partially sighted individuals with essential knowledge and skills to manage their finances more effectively.

The programme aimed to achieve the following objectives:

- Conduct four workshops on money management to increase knowledge about the responsible use of money.
- Empower a minimum of 48 participants from the targeted group to improve how they manage their finances.

Target Audience and Geographical Reach

The Financial Literacy for the Blind and Partially Sighted programme targeted two specific cohorts, comprising of 48 blind and partially sighted individuals in Gauteng only.

The table below presents the number of beneficiaries reached per topic:

How to budget	Saving for unexpected expenses	Being in control of your finances	Interest
19	44	41	50

Table 2

Programme Implementation and Execution

An in-person train-the-trainer session was conducted on 9 September 2022 involving six visually impaired facilitators. The selection of these facilitators was done by the SANBC, considering their expertise and experience in training individuals who are blind and partially sighted.

The training was conducted at Optima College, one of the SANBC colleges in Pretoria. The FSCA MyMoney Learning Series content was used for this programme, specifically focused on the Financially Smart Theme.

The four topics drawn from the series included:

- ✓ How to budget
- ✓ Saving for unexpected expenses
- ✓ Being in control of your finances
- ✓ Interest.

The programme activities were as follows:

- 1 The six appointed facilitators conducted 24 two-hour workshops.
- 2 The first set of workshops took place on 7 October 2022, covering the topic: 'How to budget'.
- 3 The second set of workshops was held on 14 October 2022, covering the topic: 'Save for unexpected expenses'.
- 4 On 10 February 2023, the third set of workshops centred on the topic: 'Be in control of your finances'.
- 5 The fourth set of workshops was conducted on 17 February 2023, covering the topic: 'Interest'.

Successes of the Programme

- 1 The programme has demonstrated improvement in the knowledge and application of financial literacy concepts among the target audience of blind and partially sighted people.
- 2 Both the financial literacy literature and feedback from the programme facilitators indicate that interventions like this pilot programme can lead to long-term embedded prudent financial behaviour among participants.
- 3 The publication of the resources in Braille was an innovative aspect of the programme, making financial education accessible in a suitable format for blind and partially sighted people.

Areas of Improvement

OBSERVATIONS	RECOMMENDATIONS
Attendance: on days when social grants were paid out, attendance was low.	Training sessions should be scheduled on days that do not coincide with the payment of social grants.
Provider engagement: poor communication between Optima College and attendees contributed to the issues with workshop attendance.	<p>The benefits of the course must be well-promoted with the objective of explicitly highlighting the advantages to appeal effectively to the target audience.</p> <p>The marketing process does not have to be complex or costly. For this programme, a simple and compelling speech delivered to each class in the weeks leading to the workshops would have been sufficient.</p> <p>MoAs must be in place before promoting the programme and commencing workshops.</p>
Facilitator variability: while all the facilitators met the minimum requirements to conduct the workshops, some performed better than others.	Given the significant impact of a facilitator on the success of an intervention, it is essential to develop a process for vetting and accrediting facilitators to ensure their effectiveness.
Dropout rate: some participants did not complete the course and dropped out for various reasons.	Run fewer, longer workshop sessions over two days, instead of many shorter workshops over four.
Measuring sustainability: challenges in measuring long-term impact in a short-term programme cycle.	Conducting a longitudinal study, running over a few years, will enable us to definitively prove behaviour change. This could be a condition of take up on the course.
On-time payment: facilitators were not paid on time, and this issue particularly affected low-income earners who rely on additional income.	Ensure a streamlined process with improved upfront preparation, ensuring facilitators receive their payments on time.

Table 3

Conclusion

This programme was conceptualised and implemented to foster a fair, efficient and resilient financial system that supports inclusive and sustainable economic growth in South Africa. It aligns with the Foundation and FSCA's mandate to provide financial education and literacy to empower customers with knowledge, particularly focusing on vulnerable groups such as blind and partially sighted people.

Based on the assessment from the Monitoring and Evaluation service provider, this pilot programme has been successful and has provided significant learnings for the broader-scale roll-out of financial literacy programmes within the broader blind and partially sighted community in South Africa

3

FINANCIAL LITERACY FOR STUDENTS IN TERTIARY INSTITUTIONS

Programme Background

Financial literacy for students in tertiary institutions is critical. This period marks the time when students are required to independently manage their finances. For most students, it is also when they are exposed to credit for the first time. Educating students about managing their personal finances becomes crucial to responsibly handling their bursary funds, student loans and other forms of income at their disposal.

The Financial Literacy for Students in Tertiary Institutions programme was initially launched in 2022 to engage with students from various universities on responsible financial management. The programme's pilot phase used virtual channels, conducting webinars on Zoom and Microsoft (MS) Teams with students from Rhodes University (RU) and North-West University (NWU), respectively. The webinars reached a total of 270 participants, providing valuable insights to enhance the programme.

During the 2022/23 financial year, the programme expanded to include four additional universities and was conducted in-person. The universities covered were RU, NWU, University of Limpopo and University of Johannesburg. Subsequently, the programme was also conducted at the University of Stellenbosch and University of the Free State, but these sessions took place after the financial year that ended on 31 March 2023, and were conducted between April and May 2023.

Programme Aim and Objectives

The primary aim was to equip tertiary students with essential financial skills, enabling them to manage their finances effectively and make competent decisions regarding daily financial matters, savings, investments, and future planning. Additionally, the project sought to create awareness about financial literacy and the potential pitfalls that lead to poor financial decisions.

The programme objectives were as follows:

- Conduct ten seminars on money management, covering topics such as the importance of financial literacy or wellness, debt management (credit score, how to handle money as a student) and wealth creation (savings and investments, scams, tips on starting a business) to increase knowledge about the responsible use of money.
- Empower 2,500 tertiary students with the knowledge and tools to make better and informed financial decisions.

Target Audience and Geographical Reach

The target audience included tertiary students in the Eastern Cape, North West, Gauteng, Limpopo, Western Cape, and Free State provinces, studying at the following universities:

- ✓ Rhodes University
- ✓ University of Johannesburg
- ✓ North West University
- ✓ University of Limpopo

The table below illustrates a breakdown of the number of students reached per institution in the respective provinces:

Name of Institution	Province	Students Reached
Rhodes University	Eastern Cape	212
North-West University	North West	530
University of Johannesburg	Gauteng	166
University of Limpopo	Limpopo	292
Total		1,200

Table 4

Programme Implementation and Execution

The programme was implemented in collaboration with the Department of Higher Education and Training (DHET) through in-person sessions. Key stakeholders with expertise in their respective fields were identified to participate in this programme, including:

- ✓ Financial Sector Conduct Authority (FSCA)
- ✓ Financial Services Consumer Education Foundation
- ✓ The National Credit Regulator (NCR)
- ✓ Credit Bureau Association (CBA)
- ✓ Small Enterprise Development Agency (SEDA)

The format of the programme consisted of two seminars per university. One seminar focused on Money Management, and the other on Wealth Creation. Each seminar featured a panel comprising of members from the FSCA, NCW, CBA and SEDA. The FSCA moderator posed specific questions to each panel member based on their specific fields of expertise, fostering a conversational atmosphere to encourage attendee participation through asking questions on the various topics discussed.

Each seminar lasted two hours, inclusive of the question-and-answer session. Additionally, students had the opportunity to win one of 10 (1GB) data bundles by correctly answering specific questions asked by the moderator. This incentive was well-received, as most students actively participated in this activity.

Successes of the Programme

Students understood the importance of financial literacy:

Students were asked to rate the session in a short post-event evaluation. This comprised of two parts: perceptions of the event, and a knowledge retention test. **Out of 590 respondents, the results were as follows:**

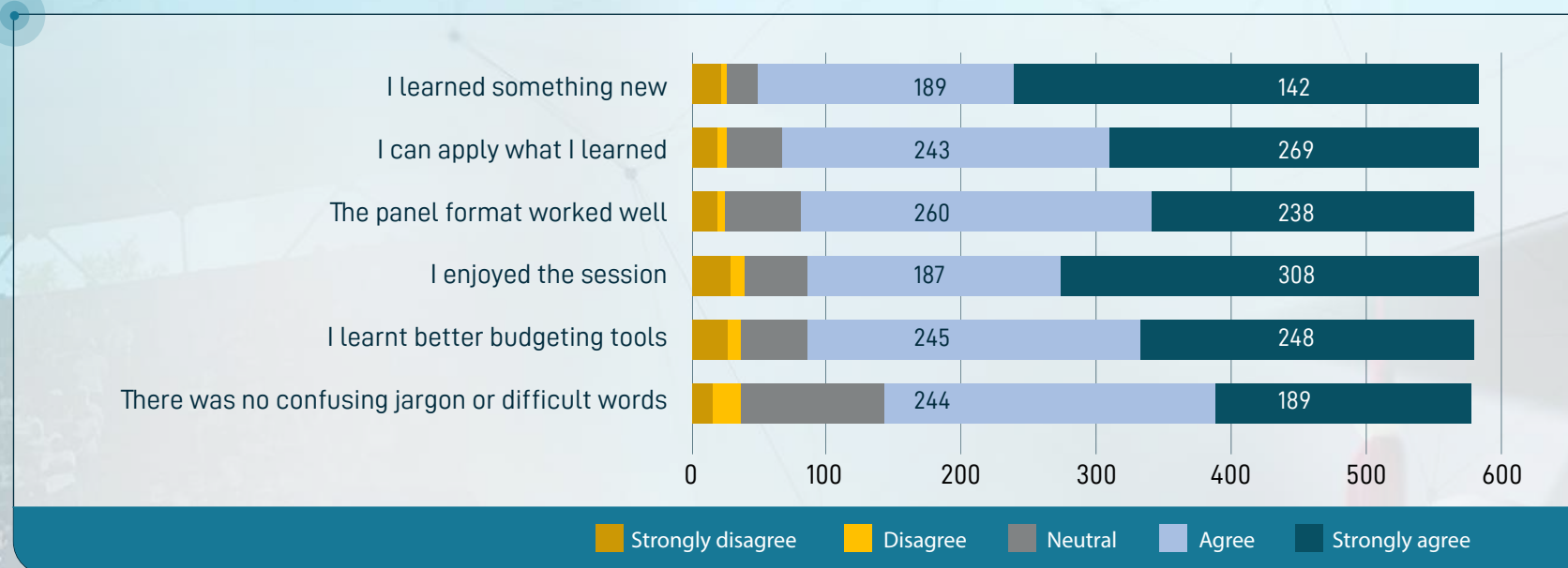


Table 5

The development of strong partnerships to scale the intervention:

Most of the universities recognised the value of the programme and expressed openness to exploring a scalable roll-out plan, aiming to reach students throughout their academic career.

The material delivered integrates with students' university experience:

Students do not only need financial literacy but also want it, not only in their first year, but throughout their entire university journey.

Efficient use of resources in the ecosystem through partnerships:

The efficiency of this project depended on effective use of resources within the ecosystem. Universities played a crucial role by providing venues, streaming services, and ensuring students' timely arrival at the venue.

The right learning material was delivered in the right way:

The intervention successfully delivered the appropriate learning material in a way that effectively supported students on their path to financial independence. Both panel discussion and presentations proved to be effective formats, allowing for a variety of interventions at key moments in the student experience.

Areas of Improvement

The initial implementation marked a successful start, paving the way for more possibilities. It is evident that this intervention is of vital importance, with several universities showing their willingness and capacity to provide their support to further its advancement.

The following recommendations are worth considering for the next iteration:

- 1 Involve universities in holistic planning for 2024:**
 Collaborating with universities in the planning process can unlock more opportunities to engage other support departments, leading to a broader reach across universities.
- 2 Establish an advisory project steering committee to inspire and guide:**
 Forming an advisory committee comprising committed individuals who participated in the first roll-out can provide valuable insights and guidance. This committee could include both support staff, academics, and students, allowing for experimentation with different formats at various institutions.
- 3 Explore a wider range of delivery formats:**
 While the panel discussions and presentations were successful, additional formats such as small group discussions led by trained peer mentors, faculty specific days and interfaculty and intervarsity competitions may cater for diverse learning preferences.
- 4 Customise plans for each university:**
 Universities will be engaged to develop a plan to reach their students using the resources and structures that they have available. This will likely differ across all universities, since they each have varying structures, resources, and levels of commitment.
- 5 Extended focus on under-resourced institutions:**
 Prioritise under-resourced universities with greater financial literacy needs, particularly those serving students typically from a historically disadvantaged background, like University of Limpopo.
- 6 Provide lunch packs for those in need:**
 For institutions with are a high proportion of NSFAS students, providing lunch packs may be beneficial to support their participation.

Conclusion

The evaluation outcomes indicate that the Programme is effectively addressing the specific financial literacy needs of university students. Participants acknowledged the relevance of the seminars to their financial literacy requirements, and collaborating stakeholders such as the NCR, CBA and SEDA as well as the collaborating universities expressed optimism about their contribution to improving participants' financial knowledge.

To ensure the programme's continued success and to reach more beneficiaries, effort should be made to address the challenges encountered in the initial implementation. By adopting the recommended improvements, the initiative can have a greater impact on vulnerable populations and institutions, making it a valuable intervention for promoting financial literacy among tertiary students.



4

FINANCIAL LITERACY FOR YOUTH NOT IN EDUCATION, EMPLOYMENT OR TRAINING

Background of the Programme

The Financial Literacy Workshops for Youth Not in Education, Employment or Training (NEET) was implemented in the Western Cape (WC) from 13 to 24 March 2023.

The programme sought to empower both urban and rural NEET youth through objective financial literacy education. The approach used participatory workshop methodology to increase the likelihood of positively changing attitudes and behaviour related to finances. This was driven by findings of the FSCA Financial Literacy Survey of 2020 that showed a high materialistic orientation among South African youth, yet also an encouraging clamour for CFE.

The NEET programme was implemented in partnership with the Western Cape Department of Social Development (WCDSO) through their "The Youth Café" hubs. These cafes were established by the WCDSO as spaces where the NEET youth could develop social, economic, and personal skills.

Programme Aims and Objectives

The aims of the programme were to:

- Promote financial literacy amongst the youth.
- Build financial resilience by empowering youth with financial tools to make informed decisions.
- Engender meaningful transformation in the financial sector by developing the skills needed in the industry at youth level.
- Encourage entrepreneurship as a viable alternative to traditional job seeking.

The specific objectives of the project were to:

- Reach a minimum of 1,300 direct beneficiaries.
- Demonstrate retention of financial knowledge through post-assessment outcomes.
- Engender a positive change in attitude towards finances after completing the workshops.



Target Audience and Geographical Reach

The project targeted 1,300 NEET youth attending the WCDS D programmes hosted at their Youth Cafes across the Western Cape province. The project reached a total of 1,107 participants.

The attendance at these sessions is shown in the table below:

Venue	Urban/Rural	Actual Attendance
Uniondale	Rural	94
Oudtshoorn	Rural	100
George	Rural	118
Mossel Bay	Rural	47
Groot Brak	Rural	55
Riversdale	Rural	113
Swellendam	Rural	82
Bredasdorp	Rural	93
Strand	Urban	39
Kleinmond	Rural	83
Gugulethu	Urban	30
Nyanga	Urban	37
Villiersdorp	Rural	38
Mitchells Plain	Urban	83
Retreat	Urban	53
Vredenburg	Rural	42

Table 6

Programme Implementation and Execution

The project was implemented between 13 and 24 March 2023 in 13 rural and urban locations. The implementation partners who run Youth Cafés on behalf of the WCDS D provided the venues and local catering and transport logistics.

The sessions were conducted as four-hour participative workshops, divided into two parts with a ten-minute break in-between. Each workshop focused on specific topics:

Session 1: Understanding Money and Financial Planning

Session 2: Being in Control of My Finances

Session 3: Scams.

The workshops comprised between 38 and 118 participants in each session, seated around tables with four to eight learners forming discussion groups. The instruction method involved a combination of content dissemination through facilitator presentation, and application through group discussion. Participants deliberated on various issues in their discussion groups and presented their conclusions to the workshop.

The FSCA MyMoney Learning Series is the core for many successful financial literacy projects. The full series, designed to be customised to meet the needs of the audience, includes 30 booklets categorised into five themes: Financially Smart, Financial Safeguard, Financial Protection, Financial Knowledge, and Business Finance. For this pilot project, a customised workbook was used that incorporated icebreakers, instructor-led material and exercises from three booklets: 'Be in control of your finances' and 'How to budget' from the Financially Smart theme, and 'Scams', from the Financial Protection theme.

The workbook was designed to serve as both a textbook and an exercise book, providing space for taking notes and completing exercises in the classroom. Each participant received a copy of the workbook, a pen, as well as copies of booklets one and two, along with a template to create and monitor a budget.

Successes of the Programme

Relevance:

Most participants found the instructional material and delivery to be specifically customised to their needs.

Effectiveness:

More than 90% of participants found the sessions useful and shareable.

The 80% knowledge retention rate confirmed the effectiveness of the sessions.

Impact:

Immediately after the workshop

- 88% of participants felt more confident about making financial decisions
- 92% believed they acquired better budgeting tools
- 89% thought that they can apply the material.

Areas of Improvement

Planning:

The implementing partner at local level must be involved in planning the content that will be covered to ensure greater effectiveness.

Target marketing:

Closer cooperation with local partners to identify the relevant audiences is important.

Conclusion

This pilot tested the appetite for the training with NEET youth in the WCDS Youth Café programme, and the feasibility of partnering with the DSD and their implementing partners. The stakeholders in the programme recognise the need for financial literacy education and the benefits from the workshops, strengthening the case for a partnership between the stakeholders to roll-out a financial literacy intervention.

Adjusting the implementation method from an instructor-led to a train-the-trainer approach, with implementing partner staff delivering training within their community, will ensure timely and relevant content delivery.

Coherence:

The workshops were integrated into the target groups' actual journeys.

Efficiency:

The combined resources of the Youth Cafés and FSCA demonstrated efficient use of resources in the ecosystem. Both parties saw clear benefits and fulfilled their commitments to ensure successful outcomes.

Sustainability:

A strong partnership with the WCDS was developed which can be used as a stepping stone to roll out more of these interventions at scale and with improved methodology for enhanced efficiency.

Train the trainer:

Local groups with an understanding of the communities and their needs are best suited to deliver our content effectively.

Implementing a training programme that identifies two or three community volunteers to be trained to deliver the FSCA content, with regular quality assurance and support visits will create a more sustainable impact.

Staff at implementing partners should be trained, supported, and mentored by the FSCA to facilitate the FSCA MyMoney Learning Series. A design-thinking session with the stakeholders will be essential for programme conceptualisation, design, and planning.

To ensure meaningful results and sustainability, embedded monitoring and evaluation, including pre- and post-formative and summative assessments, should be incorporated to determine which elements of the FSCA MyMoney Learning Series work, and what needs refinement. A tracking study covering self-reported and actual behaviour changes over a period will provide valuable insights.



REAL IMPACT THROUGH REAL-LIFE EXPERIENCES

In 2019, I had the remarkable opportunity to participate in the Financial Literacy Speech Competition for Schools programme. This experience has left an indelible mark on my life. The programme not only enriched my knowledge of financial literacy but also allowed me to explore new places and experience the thrill of air travel for the first time. However, the most significant reward was winning a fully paid bursary, which has played a crucial role in shaping my future.

Initially, when I decided to participate in the programme, I saw it as a fun activity, unaware of the immense learning ahead. My presentation topic on entrepreneurship opened my eyes to the world of business and the potential it holds for personal growth and societal impact. The Speech Competition was a catalyst for my passion for entrepreneurship, setting me on a path of continuous learning and self-improvement.

Presently, I am in my 3rd year, pursuing a Bachelor of Law Degree at the University of Free State (UFS). I am driven by the desire to combine my business acumen with legal expertise. My ultimate goal is to become a financial lawyer and establish my own law firm. This is where I can provide comprehensive guidance to entrepreneurs and individuals seeking financial security.

In line with my beliefs, I recently opened a shop within a campus residence at UFS. This endeavour allowed me to practice what I advocated for during my participation in the 2019 Financial Literacy Speech Competition for Schools. Through this shop, I not only gain valuable real-world experience, but also serve as a living testament to the power of entrepreneurship and financial literacy.

I cannot overlook the Foundation and FSCA's role in providing me with this opportunity. It is through their support and dedication to promoting financial literacy that I could embark on this transformative journey.

In conclusion, the Financial Literacy Speech Competition for Schools of 2019 was a life-changing experience that taught me the value of financial literacy, ignited my passion for entrepreneurship, and propelled me to open doors I never knew existed. As I pursue my degree in law and run my own shop, I am reminded of the incredible power of knowledge and how it can shape our destinies. I will forever cherish the memories of that competition and the profound impact it had on my life. I am deeply thankful to the Foundation and FSCA for making it all possible.

Mr. Katleho Mokubung

MONITORING AND EVALUATION

The Covid-19 pandemic and the related lockdown measures emphasised the need to prioritise the financial resilience of individuals, households, and small businesses. At the same time, the pandemic accelerated the shift towards digitisation in the financial, education and communication sectors. Monitoring and evaluation (M&E) of financial education activities had to adapt to this digital shift by adequately collecting the appropriate data and reporting on these digitised programmes highlighting successes, lessons learned and recommendations for upscaling.

Post-pandemic, the FSCA has adopted a blended approach in disseminating consumer CFE content to South Africans, particularly to vulnerable groups. Within the South African landscape, ensuring inclusivity, accessibility, relevance, and utility of financial literacy initiatives became crucial.

Given the changing economic landscape and the growing need to measure the outcomes and impacts of CFE initiatives to generate knowledge, support decision-making, and improve programme and project implementation and delivery, a panel of M&E providers was appointed for a period of three years to monitor and evaluate all Foundation-funded programmes.

M&E frameworks were implemented within each project from conceptualisation, design, feasibility, to proposal phase. Thereafter, M&E activity phases included inception, data collection (quantitative and qualitative), analysis and synthesis. The projects were concluded with a final close-out report and case study.

The M&E framework followed the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria to appraise programme performance to determine success and assess if goals and objectives were achieved. The core questions of the programme were addressed by answering these criteria, supplemented by additional sub-questions developed by the service provider and project team.

During the past financial year, four Foundation-funded projects were monitored and evaluated, and the table below provides brief extracts from the analysis of each project in the relation to the DAC criteria.

Criterion Monitoring and Evaluation Analysis for Foundation funded projects

	Financial Literacy Speech Competition for School	Financial Literacy for the Blind and Partially Sighted	Financial Literacy for Youth Not in Education, Employment or Training in the Western Cape	Financial Literacy for Students in Tertiary Institutions
Coherence How well does the campaign fit into the financial literacy landscape in South Africa?	The competition partially combines CAPS-related topics and financial literacy topics. Given the partial misalignment, there is an opportunity to include financial literacy content that falls outside of the CAPS curriculum. The competition is like other competitions in its aim to promote financial literacy, promote better financial knowledge and promote careers in the financial sector.	The project fitted well into the overall consumer education approach and strategy, and focuses on the financial education of vulnerable target audiences. The project is also based on the MyMoney learning series that added to the overall cohesiveness.	The material from the MyMoney Learning series was both necessary and relevant to the audience in their personal development journeys and added to the overall cohesiveness.	Coherence was established by evaluating the audience attitude and their context. Students journey through different stages and in each stage, financial literacy interventions would be beneficial for students.
Efficiency Whether the activities were carried out in a cost-efficient and timely manner.	More funders joined the project. The project is logistical, operationally and resource intensive and it's difficult to assess the level of operational and administrative productivity of staff. Given the multiple stakeholders model the efficiency of implementation of the project is also difficult to measure and did not adequately cater for all the needs of the various stakeholders.	The target groups are distributed across South Africa but partnering with a central stakeholder and single site made it possible to reach the group efficiently.	The project is clearly a logical and mutually beneficial collaboration between organisations with aligned needs. The project design is based on efficiently using resources (content, skills, venues etc.) holistically through partnerships and trained facilitators.	The available resources were optimally and efficiently used within the ecosystem. For example, the Universities provided venues, streaming services, ensured student arrival and participation. The universities either over-delivered or under-delivered. Most universities with the necessary available capacity over-delivered.

Table 7



Criterion	Monitoring and Evaluation Analysis for Foundation funded projects			
	Financial Literacy Speech Competition for School	Financial Literacy for the Blind and Partially Sighted	Financial Literacy for Youth Not in Education, Employment or Training in the Western Cape	Financial Literacy for Students in Tertiary Institutions
Impact What difference does the campaign make? Higher order and longer-term effects	The competition contributed to changing attitudes of learners towards career choices and the option of becoming an entrepreneur. Concerns were raised around the number of learners that participate compared to the benefits that only a select few profit from.	The indicator includes a time dimension and looks towards the longer term. More interventions and tracker studies are required to measure the impact of this project. The pilot project impact can be derived from the participants' positive qualitative responses.	Learners understood the importance of financial literacy and are committed to applying the newly acquired tools. The learners conveyed confidence in their ability to use their learned financial knowledge and tools.	The students commented on the implementation of the intervention and participated in a short knowledge test. There was clear evidence that the students understood the importance of financial literacy, showed interest in financial concepts and were confident that their financial questions were addressed in the sessions.
Sustainability Whether the programme benefits have the potential to continue long after the campaign has taken place.	It's imperative for the competition to be sustainable to convert annual funding to funding in perpetuity. There is unfortunately no data to confirm if the knowledge learned during the competition leads to longer term behaviour change or knowledge retention. To increase sustainability, financial literacy should be included in the CAPS curriculum and competition timeframe included in the school calendar.	The increased interest in financial literacy by the learners and the project facilitators' feedback provide evidence that interventions like this pilot can result in long-term embedded financial awareness, knowledge, and behaviour. Tracker studies will form the cornerstone for further roll-out and expansion of the project.	Even though it is not possible to measure impact without a tracking study, the four-hour workshops provided a solid start towards the development of financially resilient and responsible youth. The strong partnerships and shared resources provide a sustainable environment for future iterations and expansion.	The development of strong partnerships is important to scale the intervention and reach more students. There is clear evidence that the universities are committed to the project and supportive to embed financial literacy as part of the student's journey.

Table 7

All four projects made use of the FSCA MyMoney learning series content, covering various topics such as savings, interest, budgeting, control over finances, financial planning and scams. The Speech Competition focused on financial concepts that included topics for learners to research and present, and the Financial Literacy for Students in Tertiary Institution programme that facilitated workshops with industry expert panellists and Q&A sessions around various financial topics. The programme made it possible for students to ask any financial education related question that interested them – a method of engagement that students enjoyed.

To maximise their reach and capacity, all projects involved partnerships, multi-stakeholder engagement, training facilitators, and resource sharing. Three of the four programmes were newly introduced, making tracker studies a useful tool for monitoring future iterations and expansions of the programme reach. For instance, a longitudinal study for the Speech Competition will be conducted and future iterations of the programme will include an element of tracer data to inform the study's long-term evaluation. Implementing tracking studies will also allow for a baseline for evaluating project impact and sustainability more accurately across various initiatives. Lessons learned will be considered and where practically possible, incorporated into project proposals, M&E evaluation plans and project implementation.

TARGET AUDIENCE AND GEOGRAPHICAL FOOTPRINT

The beneficiaries of the Foundation-funded programmes consist of both current and potential users of financial services and products. The target audience for all our programmes is aligned with the Financial Sector Code for Broad-Based Black Economic Empowerment (FSC), specifically Section 7.5, the Socio-Economic Development and Sector Specific Contributions Element. This measures the extent to which the financial institution carries out general and financial sector-specific initiatives that contribute towards the socio-economic development of Black People, including CFE.

The Foundation in partnership with the FSCA's CED is always seeking opportunities to expand Foundation funded programmes that will ensure an increase in the number of beneficiaries we reach. A whopping 5 975 beneficiaries were reached through the successful implementation of Foundation funded consumer education programmes.

The map below is an illustration of the number of beneficiaries reached, per provinces, through the Foundation funded programmes.



Total number of
beneficiaries reached
5,975

Western Cape

1,625

Northern Cape

106

North-West

751

Free State

172

Eastern Cape

447

Gauteng

854

Limpopo

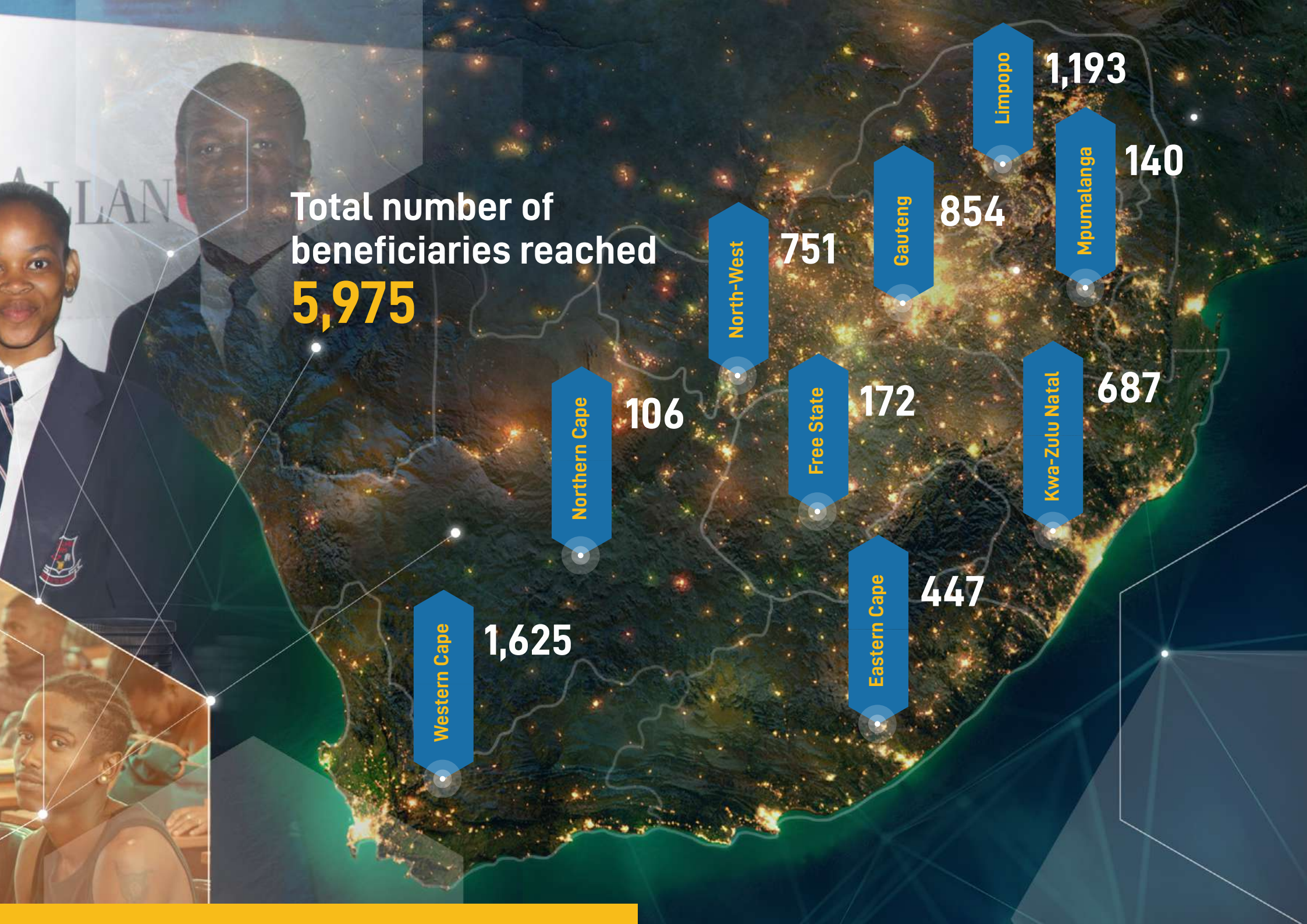
1,193

Mpumalanga

140

Kwa-Zulu Natal

687



AUDIT, RISK AND ANNUAL FINANCIAL STATEMENTS

INSIGHT FROM THE AUDIT COMMITTEE CHAIRPERSON

Responsibilities

The Audit and Risk Committee is a critical part of the oversight and governance functions of the Foundation. It supports the Trustees in fulfilling their mandate by ensuring sound financial controls are implemented, that there is a robust process to identify and manage risk, and providing the necessary level of assurance. By fulfilling these responsibilities, the Committee enhances donor and stakeholder confidence in the Foundation.

Committee members are appointed by the Trustees. Three Trustees, who have the necessary skill and expertise in finance and audit, are members of the Committee. To ensure there is an appropriate link between the management of the Foundation, FSCA and the Committee, meetings are attended by the Foundation's Manager: Donor Relations, the FSCA's Divisional Executive: Regulatory Policy, Head of Department: Consumer Education, Managers in the Consumer Education Department, Head of Department of Finance, Project Accountant in the Finance Department, Head of Risk Representatives of the FSCA and its Head of Department. Additionally, external and internal auditors attend meetings by invitation.

The Control Environment

The Audit and Risk Committee ensures that the control environment is appropriate for the Foundation's activities. In terms of a Service Level Agreement (SLA) with the FSCA, the FSCA executes the finance, supply chain, internal audit, and human resource functions for the FSCA. The FSCA, through the Consumer Education Department (CED) of the FSCA, executes the programmes that the Foundation funds. The FSCA is responsible for ensuring the controls are appropriately designed, implemented, and their effectiveness monitored.

Risk Management

The Audit and Risk Committee oversees the identification and management of risk by the Foundation with the assistance of the FSCA. Risks arising from the SLA, as well as risks unique to the Foundation are identified and managed. The FSCA has their own risk management processes for the functions they perform.

There are two keys risks that affect the Foundation's activities.

- 1** For the year under review, the intense fundraising activities of the Foundation saw a substantial increase in resources available for the year. Several donors indicated preferences for funding similar programmes, resulting in some programmes being oversubscribed in terms of potential funding opportunities. To mitigate this risk, the Foundation and the CED are working closely to better match the needs of the FSCA's consumer education initiatives and donors.
- 2** Secondly, the unchanged status of the Levies Bill continues to provide uncertainty for the Foundation's operations. Should the Levies Bill be promulgated, it is uncertain whether donors will be willing to fund consumer education programmes of the CED as well as provide levies to the FSCA for consumer education. While no mitigating actions can be taken on the status of the Levies Bill, the Foundation continues to monitor this risk in both the short- and medium-term.

The Committee believes that the key risks of the Foundation are appropriately managed.

Responsibilities

A key part of the Committee's responsibilities is to provide assurance to the Board of Trustees that the internal controls, risk management and governance of the Foundation are effective. The internal auditors and external auditors assist in this process.

Internal audit

The Internal Audit function is planned and performed by the FSCA's Internal Audit team. The Committee has no responsibility for the appointment, compensation, retention, or oversight of the internal auditors. Those internal audits are performed under the terms of reference approved by the Board of the FSCA. Internal audit reports are the function of the Audit Committee Chairperson of the FSCA and operationally overseen by the Executive Officer of the FSCA. The FSCA has outsourced the Internal Audit function to Nkubane Inc.

A high-level review of the design, implementation and effectiveness of the Foundation's internal financial controls was performed in accordance with the Internal Audit Plan of the FSCA. The review is aimed at providing comfort on financial reporting controls that are relied upon in preparing the Annual Financial Statements for the FSCA. Based on the information and explanations provided by the management of the FSCA, the results of their audit were found to be favourable. The Committee believes that the system of internal controls for the period under review was adequate, efficient, and effective, and forms a reliable basis for the preparation of the Financial Statements.

The Committee believes that Internal Audit is functioning effectively and that material risk to the Foundation has been addressed in their audit by reviewing the Internal Audit Plan and by its discussions with the internal auditors.

External audit

The external auditors, SNG Grant Thornton, are appointed by the Board of Trustees. They provide an independent opinion on the financial affairs of the Foundation. To ensure independence and objectivity of the auditors are maintained, the audit partner was rotated by the firm.

The Audit Committee is satisfied that the auditors are independent and provide an objective opinion on the financial statements of the Foundation.

The Foundation received an unqualified report for the year under review.

Fraud, Corruption, and Conflicts of Interest

There were no instances of non-compliance with laws and regulations noted during the year. The Foundation continues to experience delays in updating Trust Deed, and Trustee information with the Master of the High Court.

Compliance with Laws and Regulations

There were no instances of non-compliance with laws and regulations noted during the year. The Foundation continues to experience delays in updating Trust Deed, and Trustee information with the Master of the High Court.

Financial Statements

The basis of preparation set out in the accounting policies in note 1 of the Financial Statements has been consistently applied. Although sustainable funding is a key risk for the Foundation, the Committee believes that the application of the going concern basis is appropriate in preparing the financial statements.

The financial statements for 31 March 2023, and accompanying information in the annual report, were reviewed by the Audit and Risk Committee, and recommended to the Board of Trustees at its meeting on 26 July 2023.

In particular, the Committee reviewed:

- ✓ **The external auditors' report;**
- ✓ **The Foundation's compliance with applicable laws and regulations; and**
- ✓ **Any significant findings arising from the audit. None were noted.**

Based on the information provided by management and internal/external audits, the Committee considers these Financial Statements as accurate and compliant in all material respects with the requirements of the applicable legislation.

Appreciation

I would like to express my appreciation for the Foundation's Trustees, staff of the Foundation and the FSCA for their hard work, dedication, and cooperation throughout the year. Thank you to my fellow Committee members for the diligence and robust nature in which they discharge their responsibilities.



Ms Jeanine Poggiolini
Chairperson: Audit and Risk



FINANCIAL SERVICES CONSUMER EDUCATION FOUNDATION

GENERAL INFORMATION

General Information

Country of registration and domicile	South Africa
Nature of operations	Operates as a public benefit organisation on a non-profit basis with its main objective being to promote the education of potential users of financial products and services provided by financial institutions and bodies.
Trustees	<p>Ms P.G. Walters BA (Hons) (English Language and Literature)</p> <p>Ms F. Evans B.Compt</p> <p>Ms N.Y. Lechaba BA, B.Socsc (Hons), MBA</p> <p>Mr K.M. Mothobi Bsc(Med), Bsc(Hons), PDM-BA, MBA</p> <p>Ms C.D. Da Silva BA, PGD Executive Leadership</p> <p>Mr B Banda MDP, PGD, Master of Law</p> <p>Ms K.L. Gibson B. Commerce (Hons) (Economics) cum laude, Master of Commerce (Economics) cum laude</p> <p>Ms J. Poggiolini B. Compt (Hons), CA (SA)</p>
Registered office	<p>c/o Financial Sector Conduct Authority</p> <p>Riverwalk Office Park, Block B</p> <p>41 Matroosberg Road</p> <p>Ashlea Gardens, Extension 6</p> <p>Menlo Park, Pretoria</p>
Business address	<p>c/o Financial Sector Conduct Authority</p> <p>Riverwalk Office Park, Block B</p> <p>41 Matroosberg Road</p> <p>Ashlea Gardens, Extension 6</p> <p>Menlo Park, Pretoria</p>

General Information

Postal address	c/o Financial Sector Conduct Authority PO Box 35655 Menlo Park Pretoria 0102
Bankers	Standard Bank Limited
Auditors	SizweNtsalubaGobodo Grant Thornton Incorporated Registered Auditors
Trust registration number	IT 40/200

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FINANCIAL SERVICES CONSUMER EDUCATION FOUNDATION

(Registration number: IT 40/2005)

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CORPORATE GOVERNANCE REPORT

Statement of Compliance

The Financial Services Consumer Education Foundation (The Foundation) complies broadly with the principles contained in the King IV Report on Corporate Governance for South Africa 2016. In supporting the code, the Foundation recognises the need to conduct the business of the Foundation with openness, integrity and accountability. A corporate governance framework is in operation and is reviewed from time to time and updated where appropriate.

The Trustees of the Foundation are responsible for approving the strategic direction of the Foundation and are governed by a Deed of Trust that sets out the framework of their accountability, responsibilities and duties.

In order to address its responsibility, the Trustees:

- 1** Monitor that the Foundation complies with all relevant laws, regulations and code of ethics and that it communicates with all relevant stakeholders (internal and external) openly and promptly.
- 2** Define levels of materiality pertaining to matters raised for its consideration, reserving specific powers to itself and delegating other matters by written authority to management.
- 3** (CED) of the Financial Sector Conduct Authority (FSCA) in the context of the Deed of Trust and monitors implementation of approved projects.
- 4** Determine policy and processes to ensure the integrity of:
 - ✓ **Risk management and internal controls; and**
 - ✓ **Trustee selection and orientation.**

Trustees adhere to a code of ethics which incorporates agreed upon standards of accepted behavior and guidance in decision making, promote integration and co-ordination and reaffirm the Trustees' commitment to the Foundation.

Foundation committees

The Foundation has established and mandated committees to perform work on its behalf in key areas affecting the business of the Foundation, as follows:

- ✓ **Audit and Risk; and**
- ✓ **Project Proposals**

Audit and Risk committee

Members	Date of appointment
Mr K.M. Mothobi 02 June 2016	02 June 2016
Ms J. Poggiolini 27 July 2020 (Chairperson)	27 July 2020 (Chairperson)
Ms K.L. Gibson 27 July 2020	27 July 2020

Table 8

The audit committee consists of three Trustees.

The committee operates under an approved Terms of Reference in accordance with the code, assisting the Foundation to fulfil its corporate governance supervision responsibilities relating to accurate financial reporting and adequate financial systems and controls.

Terms of reference:

The committee's responsibilities include:

- 1** Monitoring the Foundation's accounting policies and financial information issued to stakeholders;
- 2** Recommending actions by the Foundation to ensure compliance with International Financial Reporting Standards for Small and Medium-sized Entities;
- 3** Discussing and agreeing the scope, nature and priority of the external audit.

**The Chairperson of the committee reports to the Foundation on the committee's deliberations and decisions.
The external auditors have unrestricted access to the committee.**

The committee:

- 1** Is satisfied that the external auditors were independent for the period under review;
- 2** Has reviewed the appropriateness of the expertise, adequacy and resources of the finance function and experience of the financial manager provided by the FSCA and is satisfied with the results of the reviews;
- 3** Has considered and recommended the financial statements to the Trustees of the Foundation.

**The committee has satisfied its responsibilities under its terms of reference and has complied with its legal regulatory responsibilities.
The Foundation has appraised the performance of the committee and considers that it has adequately discharged its duties.**

Project Proposal Sub-committee

Members	Date of appointment
Ms. F. Evans	02 June 2016 (Chairperson)
Ms N.Y. Lechaba	02 June 2016
Ms C.D. Da Silva	02 June 2016
Mr. B. Banda	27 July 2020
Ms K.L. Gibson	27 July 2020
Ms P.G. Walters	27 July 2020

Table 9

The Projects Proposal Sub-committee consists of six Trustees.

The Sub-committee operates under approved Terms of Reference to assist the Foundation to fulfil its corporate governance supervision responsibilities, which relate to approving project proposals submitted by the FSCA CED through the Donor Relations Manager and allocating funds for the implementation of approved projects.

Terms of reference

- Assessing proposals to determine whether they meet the requirements of the Foundation and are eligible for funding subject to:
 - ✓ projects less than R2 million may be approved by the Projects Proposal Committee.
 - ✓ projects of R2 million and more are recommended for approval to the Trustees.
- Ensuring that approved projects contain frameworks for management.
- Monitoring milestones against which progress can be measured and payments made.
- Monitoring implementation of approved projects and making recommendations when necessary.
- Monitoring that assistance provided by the Foundation is consistent with the initial proposal.
- Monitoring expenditure against budgets.
- Monitoring on-going availability of funds to sustain approved projects.

The Chairman of the Sub-committee reports to the Trustees of the Foundation on the Sub-committee's deliberations and decisions.

The Trustees have appraised the performance of the Sub-committee and consider that it has adequately discharged its duties.



TRUSTEES' RESPONSIBILITY AND APPROVAL

The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Foundation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Foundation and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Board of Trustees 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 Foundation and all employees are required to maintain the highest ethical standards in ensuring the Foundation business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Foundation is on identifying, assessing, managing and monitoring all known forms of risk across the Foundation. While operating risk cannot be fully eliminated, the Foundation endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

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

In assessing going concern, the Trustees have reviewed the Foundation's cashflow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently reviewing and reporting on the Foundation's annual financial statements. The annual financial statements have been examined by the Foundation's external auditors and their report is presented on page 6 - 8.

The annual financial statements set out on page 11 - 19, which have been prepared on the going concern basis, were approved by the board of trustees on 26 July 2023 and were signed on its behalf by:

Ms F.M. Evans

Ms J. Poggiolini



TRUSTEES' REPORT

The Trustees submit their report for the year ended 31 March 2023.

1

The Financial Services Consumer Education Foundation (The Foundation)

The Foundation was formed as a Trust in terms of a fund settlement by the Financial Sector Conduct Authority (FSCA) dated 29 October 2004 and registered with the Master of the Supreme Court under registration number IT 40/2005 on 13 January 2005. The Foundation is also registered with the Department of Social Welfare as a non-profit organisation under registration number 041-226-NPO.

2

Review of activities

Main business and operations

The Foundation operates as a public benefit organisation on a non-profit basis with its main objectives being to promote the education of potential users of financial products and services provided by financial institutions and bodies.

Net surplus of the Foundation was R 5,455,997 (2022: net surplus R 888,693).

Donations received

The Foundation received donations totaling R 10,441,077 (2023: R 4,973,425). The donors were as follows :

Mercedes Benz Financial Services R642,940	Finglobal Migration R77,000	Seesa Employee Benefits R12,300;
Alusi Asset Management R485,000;	QED South Africa R55,000	Actuarial Society of SA R26,000;
Bidvest Bank R280,000	Navigare Securities R25,000	GIVI IT R27,214;
Riscura Holdings R65,000	Sesfikile Capital R244,000	ASI Financial Services R175,000;
Trafalgar Financial Services R50,000	Gael Fund Services R67,724	Matrix Fund Managers R100,000;
Intasure R43,500	Debt Source R20,000	CDA Solutions R50,000;
Envirosure Underwriting Managers R22,234	Allan Gray R950,000	Twoline Trading R8,000;
TSA Administrators R34,000	Discovery Central Services R1,568,375	Balondolozzi Investments R17,500;
Customer Loyalty Consultants R41,100	ABSA Bank R1,000,000	Foord Asset Management R210,000;
Edge Capital R15,000	VISA International Service Association R3,466,240	Maitlands's Fund Services Business R576,500;
Merchant Capital R1,000	Intellidex R1, 000	Stonehage Fleming Corporate Services R13,500;
Convergence Partners R62,000	Futura SA R8,000	AFCL RSA R950.

Interest received

The increase in interest received from R743 027 in 2022 to R 1 318 235 in 2023 is as a result of the increase in funds invested and the increase in the repo rate with the Corporation For Public Deposit, a subsidiary of the South African Reserve Bank.

Projects and activities initiated and implemented

Project / Activity details	Approved Budget R	Spent prior years	Spent this year	Unspent
Consumer Financial Education Exhibitions	243 500	214 958	1 304	27 238
Trustee Workshop & Toolkit Reprint	1 000 000	625 944	-	374 056
Speech Competition 2021 Bursary Funding	1 669 782	-	41 000	1 628 782
Financial Literacy Speech competition 2022	4 859 630	-	2 094 539	2 765 091
Financial Literacy for the Blind & Partially	249 458	-	165 054	84 404
Sighted Project				
Bursary funding	5 000 000	1 484 900	1 070 926	2 444 17
Speech Competition 2020/2021	5 000 000	2 327 367	1 237 525	1 435 1084
Financial Literacy workshop for Youth not in education	670 000	-	254 990	415 010
Financial Literacy for Tertiary Student 2022	772 500	-	427 474	345 025
	19 464 870	4 653 169	5 292 812	9 518 888

Table 10

The total amount spent on projects for the year is R 5 292 812 . All unspent funds on completed projects remain invested and will be utilised on future projects.

Projects/Activity details

Projects/Activity details	Approved Budget R
Financial Literacy Speech Competition 2023	5 563 140
Expanded Public Works Programme	3 067 000
	8 630 140

Table 11



3 Events after the reporting period

The Trustees are not aware of any matter or circumstance arising since the end of the financial year and the date of this report that has a material impact on the annual financial statements. Refer to note 13.

4 Management agreement

In terms of section 13 of the Trust Deed, the FSCA shall perform the secretarial, administrative and financial activities of the Foundation at no cost to the Foundation, until the Board of Trustees or the FSCA decides to terminate the agreement. In performing the activities referred to in paragraph 13.1 the FSCA must implement the decision of the Trustees in accordance with their directions.

5 Trustees

The Trustees serving during the year ending 31 March 2023 were as follows:

Trustees	Date of appointment
Ms P.G Walters	Awaiting Masters approval
Ms F.M Evans	
Ms N.Y Lechaba	
Mr K.M Mothobi	
Ms C.D Da Silva	
Ms K.L Gibson	Awaiting Masters approval
Ms J Poggiolini	Awaiting Masters approval
Mr B Banda	Awaiting Masters approval
All Trustees listed above are South Africans.	

Table 12

6 Auditors

SizweNtsalubaGobodo Grant Thornton Incorporated were appointed as auditors for year ended 31 March 2023.

7 Trustees' benefits

The Foundation has made no payments to the Trustees. The FSCA has however made the following payments to the Trustees for services rendered as Trustees and/or subcommittee members to the Foundation. None of these payments are recoverable from the Foundation.

Trustees	2023	2022
Ms R.G Govender	-	58 495
Dr L.T Kaseke	-	58 495
Ms N.Y Lechaba	47 481	48 495
Mr. K.M. Mothobi	67 687	61 728
Ms F Evans	68 495	61 728
Ms C.D Da Silva	68 495	58 495
Mr B Banda	68 495	58 495
Ms J Poggiolini	67 687	51 728
Ms P.G Walters	68 495	58 495
	456 835	516 154

Table 13



INDEPENDENT AUDITORS' REPORT

To the Trustees of Financial Services Consumer Education Foundation



Opinion

We have audited the annual financial statements of Financial Services Consumer Education Foundation set out on pages 11 to 19, which comprise the statement of financial position as at 31 March 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Financial Services Consumer Education Foundation as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

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 Auditors' Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust 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 annual 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 trustees are responsible for the other information. The other information comprises the information included in the document titled "Financial Services Consumer Education Foundation annual financial statements for the year ended 31 March 2023", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditors' report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

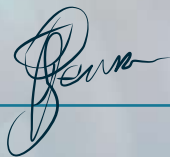
Auditors' responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing 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 annual financial statements.

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

- 1** Identify and assess the risks of material misstatement of the annual 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.
- 2** 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 trust's internal control.
- 3** Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 4** Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 trust to cease to continue as a going concern.
- 5** Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.



Jonathan Richard Jansen
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor
26 July 2023

Building 4, Summit Place Office Park
221 Garstfontein Road
Menlyn
0181

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2023	2022
Assets - Current Assets			
Cash and cash equivalents	2	29 858 507	23 055 879
Total Assets		29 858 507	23 055 879
Equity - Equity and Liabilities			
Trust capital	3	1 000 000	1 000 000
Accumulated surplus		25 723 634	20 267 637
		26 723 634	21 267 637
Liabilities - Current Liabilities			
Payables	4	3 134 873	1 788 242
Total Equity and Liabilities		29 858 507	23 055 879

Table 14

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2023	2022
Revenue			
Donation income	6	10 441 077	4 973 425
Investment revenue	6	1 318 235	743 027
		11 759 312	5 716 452
Operating expenses			
Audit fees		(61 087)	(56 397)
Bank charges		(9 452)	(7 532)
Employee costs	7	(830 523)	(837 867)
Other operational expenses		(109 441)	(77 964)
Project expenses	8	(5 292 812)	(3 847 999)
		(6 303 315)	(4 827 759)
Surplus for the year		5 455 997	888 693
Other comprehensive income		-	-
Total comprehensive income for the year		5 455 997	888 693

Table 15

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 April 2021	1 000 000	19 378 944	20 378 944
Surplus for the year	-	888 693	888 693
Other comprehensive income	-	-	-
Total comprehensive income for the year		888 693	888 693
Balance at 01 April 2022	1 000 000	20 267 637	21 267 637
Surplus for the year	-	5 455 997	5 455 997
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5 455 997	5 455 997
Balance at 31 March 2023	1 000 000	25 723 634	26 723 634
Note	3		

Table 16

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from operations	10	5 484 393	1 646 594
Investment revenue		1 318 235	743 027
Total Assets		6 802 628	2 389 621
Equity - Equity and Liabilities		6 802 628	2 389 621
Trust capital		23 055 879	20 666 258
Total cash at end of the year	2	29 858 507	23 055 879

Table 17



ACCOUNTING POLICIES

1

Presentation of annual financial statements

The Foundation is a South African registered Trust, whose nature of operations are to operate as a public benefit organisation on a non-profit basis with its main objective being to promote the education of potential users of financial products and services provided by financial institutions and bodies. The operations and administration of the Foundation are conducted from our registered offices within the FSCA building as per the Service Level Agreement with the FSCA.

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands. All amounts are rounded to the nearest Rand.

- These accounting policies are consistent with the previous period.

1.1

Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS of SME's requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The judgements made by management in applying the accounting policies, apart from those involving estimation, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Going concern

Following due consideration of the Foundation's cash flow forecast of the year 31 March 2024 as presented by management, the Trustees have recorded that they have reasonable expectation that the Foundation has adequate resources and the ability to continue in operation for the foreseeable future. For these reasons, the annual financial statements have been prepared on the going concern basis.

1.2

Trust capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities. There have been no changes in to the issued Trust capital during the year under review.

1.3

Financial instruments

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

Classification

The Foundation classifies financial instruments into the following categories:

- ✓ Financial assets at fair value
- ✓ Financial assets at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Initial recognition and measurement**Financial instruments**

When a financial asset or liability is recognised initially, it is measured at the transaction price (including transaction costs except in the initial measurement of financial asset and liabilities that are subsequently measured at fair value through profit and loss) unless the arrangement constitutes, in effect, a financing transaction for either the entity (for a financial liability) or the counterparty (for a financial asset) to the arrangement.

Subsequent measurement**Financial assets**

Financial assets at fair value are subsequently still measured at fair value.

Financial instruments at amortised cost.**Payables**

Payable are subsequently measured at amortised cost using the effective interest rate.

Cash and cash equivalents

Cash and cash equivalents includes deposits held at bank and other short-term highly liquid investment. Cash and cash equivalents are subsequently measured at amortised cost.

Derecognition**Financial instruments**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition whereas financial liabilities are derecognised when and only when, the Foundation obligations are discharged or expire.

Financial instruments at amortised cost

These include cash and payables. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

1.4 Revenue

Revenue comprises:

- ✓ Donations
- ✓ Investment revenue

Donations

Donations are recognised as revenue when received or receivable by the Foundation.

Investment revenue

Investment comprises of interest income on funds invested. Interest is recognised for the period, in surplus or deficit, on a time proportion basis using the effective interest rate method.

1.5 Related parties

Related parties are considered to be related to the Foundation if they have the ability, directly or indirectly, to control, jointly control or exercise significant influence in making financial and operating decisions, or vice versa.

All payments to Trustees of the Foundation are disclosed as related party transactions.

1.6 Related parties

Employee benefits are all forms of consideration given by an entity in exchange for service 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Figures in Rand	2023	2022
2	Cash and cash equivalents - Cash and cash equivalents consist of:		
	Bank balances	6 455 499	2 971 107
	Short-term deposits	23 403 008	20 084 772
		29 858 507	23 055 879
3	Trust capital - Founder's donation		
	Founder's donation on formation of Foundation in terms of paragraph 7,1 of the Trust Deed.		
		1 000 000	1 000 000
4	Payables		
	Accounts payables - FSCA	2 951 797	1 648 262
	Accruals	126 148	93 840
	Accrued leave pay	56 928	46 140
		3 134 873	1 788 242
	Accounts payable is an obligation to reimburse the FSCA for payments made on behalf of the Foundation as per the Service Level Agreement. The payable has no stipulated repayment terms and does not incur interest on the overdue amounts.		
5	Categories of financial instruments - Financial assets at amortised cost		
	Cash and cash equivalents	29 858 507	23 055 879
	Financial liabilities at amortised cost		
		3 134 871	1 788 242
6	Revenue		
	Donations - Donation income	10 441 077	4 973 425
	Investment revenue - Short term deposits	1 318 235	743 027
		11 759 312	5 716 452
7	Employee costs		
	Basic salary	819 735	826 114
	Leave accrual expense	10 788	11 753
		830 523	837 867

7	Figures in Rand	2023	2022
	Project expenses		
9	Projects and activities initiated and implemented	3 847 999	3 847 999
	Taxation		
10	The Foundation has been approved by the South African Revenue Services as a public benefit organisation in terms of section 30 of the Income Tax Act No 58 (The Act), it has also been approved for purposes of section 18A (1) (a) of the Act and the receipts and accruals are exempt from income tax in terms of section 10(1)(Cn) of the Act.		
	Cash generated from operations		
	Surplus before taxation	5 455 997	888 693
	Adjustments for: Investment revenue	(1 318 235)	(743 027)
	Changes in working capital: Trade and other payables	1 346 631	1 500 928
11	Related parties	5 484 393	1 646 594
	Related party transactions		
	Relationship		
	Trustees		
	Key management personnel		
	Benefits granted to (Received from) related parties		
	Fees for services as Trustees - Paid directly by the FSCA	456 835	516 154
12	Payments by the FSCA to the Trustees are not recoverable from the Foundation.		
	Going concern		
	As at 31 March 2023, the Trustees have reviewed the Foundation's cashflow forecast for the year to 31 March 2024. For the year under review, management will focus in improving project initiatives and donations in alignment with the Foundation's objectives.		
	Accordingly, 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.		
13	Events after the reporting period		
	The Trustees are not aware of any material event or circumstance arising since the end of the financial year to date of this report, not otherwise disclosed in the annual financial statements, which significantly affects the financial position, results or cashflows of the Foundation.		
	The annual financial statements were authorised for issue on 26 July 2023 and approved by the Board of Trustees Chairperson, Ms F M Evans and the Audit Committee Chairperson, Ms J Poggiolini.		

Table 18



FUNDING THE FOUNDATION

DONOR ACKNOWLEDGMENT FOR THE 2022/23 FINANCIAL YEAR

The Foundation's ability to promote and fund consumer financial education programmes relies entirely on the funding raised from donors in the financial sector. Through the generosity of our donors, we have not only managed to secure sufficient funding to sustain our current consumer financial education programmes but also to explore and pilot additional programmes to reach a wider audience.

On behalf of the Board of Trustees, employee, key stakeholders, and our beneficiaries, we extend massive thanks and appreciation to all our donors for investing in our organisation and making it possible for us to provide relevant and meaningful financial literacy programmes.

We are grateful to the following donors who supported the Foundation during the 2022/23 period:





VISA



IDC
Industrial Development Corporation



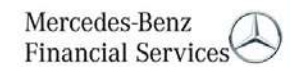
Discovery



absa



ALLAN GRAY



Mercedes-Benz
Financial Services



APEX



ALUSI



SESEKILE CAPITAL
Listed Property Investments



Bidvest Bank



FOORD



ASI



MATRIX
FUND MANAGERS



FinGlobal



GAELGROUP



RISCURA



CONVERGENCE
PARTNERS



OED



trafalgar



cda
SOLUTIONS



INTASURE



Customer
Loyalty
Consultants



tsa.
administration



ACTUARIAL SOCIETY
OF SOUTH AFRICA



NAVIGARE
NEVER GUESS



ENVIROSURE
UNDERWRITING MANAGERS



BALONDOLOZI
— INVESTMENT LEADERSHIP —



DEBTSOURCE
CREDIT MANAGEMENT SPECIALISTS



EDGE
INVESTMENTS



futura



Dignity
LIFE
ADMINISTRATORS | FSP 2602



SEESA



STONEHAGE
FLEMING



MERCHANT
CAPITAL



intellidex
Researching Capital Markets and Financial Services



AFCL

FUNDING OPPORTUNITIES AND BENEFITS

The Foundation welcomes all donors interested in supporting financial education and financial literacy initiatives. The funding will assist the Foundation to achieve its mandate of promoting consumer financial education programmes aimed at increasing the level of financial literacy of both current and future consumers of financial products and services.

There are several benefits of directing funding towards the Foundation, these include:

1

Section 18A Tax Certificate:

The Foundation has been granted a tax benefit status by the South African Revenue Services (SARS) under Section 18A of the Income Tax Act 58 of 1962, which allows it to issue Section 18A Tax Receipts to investors for a tax benefit.

2

B-BBEE Scorecard Points:

Investors will earn Broad-Based Black Economic Empowerment (B-BBEE) scorecard points for Consumer Education spend. A spend of 0.4% of a company's net-profit after tax will earn them 2 points, whereas a spend of 0.5% net-profit after tax will earn them 3 points.

3

Development Programmes:

There are development programme codes for socio-economic development and consumer financial education programmes for youth (Series FS700, Para 3.2.2.2 – 3.2.2.3, page 109). Foundation-funded programmes comply with these; thus, donors may claim B-BBEE points.



PARTNERING WITH THE FOUNDATION

At the Foundation, we continuously seek opportunities to create value for our donors through the programmes we develop, implement, and manage in partnership with the FSCA. The funding we receive from donors enable us to promote consumer financial education.

We hereby appeal to all donors to become a part of our efforts, by simply directing funding towards our Foundation in 4-simple-step:

- 1** Request, complete and return the 'Donation invoice request form' to the Foundation's Manager: Donor Relations
- 2** On receipt of the completed form, the Foundation will generate and issue an invoice for the donation
- 3** The invoice includes banking details for the deposit.
- 4** Proof of payment should be sent to the Foundation's Manager: Donor Relations

Alternatively, you are welcome to contact the Foundation:

Mr Roy Bingham

Telephone: +27 12 422 2998

Email: Roy.Bingham@fsca.co.za

BANKING DETAILS:

Account holder:	Financial Services Consumer Education Foundation
Bank:	Standard Bank
Branch:	Menlyn
Branch Code:	01 23 45
Account No.:	411340417

Once the donation reflects in the bank account, the Foundation will issue:

Acknowledgment letter confirming your donation

Section 18A Tax Receipt for tax benefits

B-BBEE Sworn Affidavit confirming the Foundation's Contributor level

"Inequality in South Africa is our biggest challenge and I believe we can never eradicate poverty and all the hardship that it brings without education and financial literacy."

Ms Caroline da Silva



**FINANCIAL SERVICES
CONSUMER EDUCATION FOUNDATION**
plan your financial future

PHYSICAL ADDRESS

Riverwalk Office Park, Block B
41 Matroosberg Road, Ashlea Gardens
Menlo Park, Pretoria, 0081

POSTAL ADDRESS

PO Box 35655
Menlo Park, 0102

CONTACT DETAILS

Tel: +27 12 428 8000
Fax: +27 12 346 6941
Email: Roy.Bingham@fsca.co.za