



Growing our Profession

Our Vision

Professional financial planning for all.



Our Mission

FPI's mission is to advance and promote the pre-eminence and status of financial planning professionals, while at all times acting in the interests of the society (community, constituency) whom the profession serves, by:

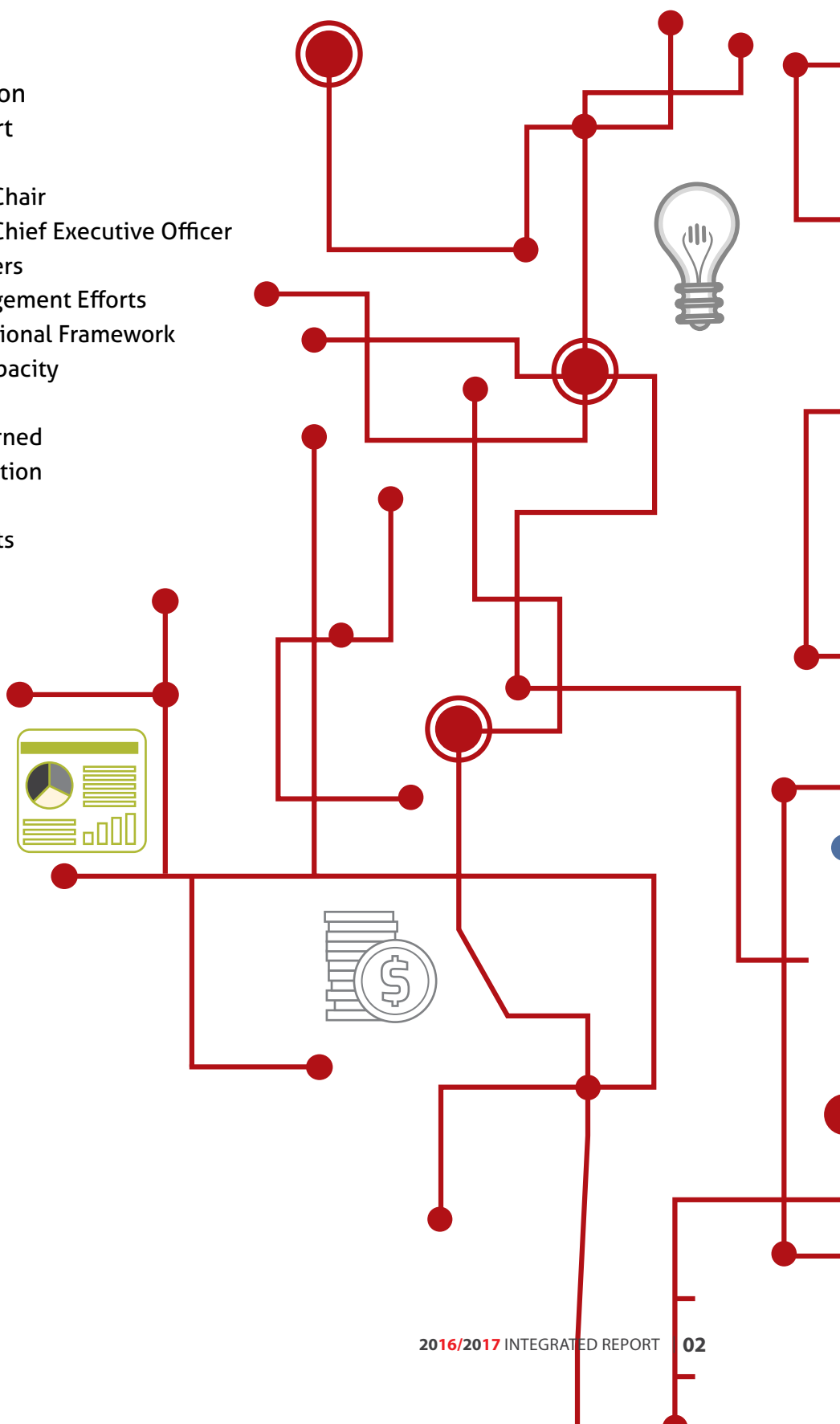
1. Improving the quality and accessibility of professional financial planning for all in Southern Africa.
2. Acting as advocate for professional financial planning, building a recognition of the importance and need for such planning by the general public.
3. Providing a framework within which members can achieve qualifications and maintain competence to create greater value for their clients, practices and employers.
4. Ensuring that members maintain the highest ethical standards in the pursuance of their profession.
5. Providing a leadership role within financial services by providing balanced, credible input and commentary to government and the public.
6. Facilitating transformation within the profession.

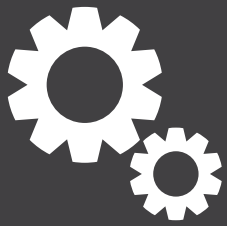


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About this Report

Our integrated report is one of the mediums we use to enlighten our members and stakeholders on developments within the Financial Planning Institute (FPI). In particular we articulate aspects about our strategic growth, key accomplishments and future perspectives.



What is Integrated Reporting?

Integrated reporting is aimed at delivering an understanding about the means and connections used by a corporation. The International Integrated Reporting Council (IIRC) in its International Integrated Reporting Framework describes the integrated report as “a concise communication about how an organisation’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term”.





FPI at a Glance



The Financial Planning Institute of Southern Africa (FPI) is a South African Qualifications Authority (SAQA) acknowledged professional body for financial planners. We serve the consumers by warranting that individuals who bear the CFP® designation are trained, skilled and professionals.



We are recognised worldwide and are an establishing and a current affiliate member of the international Financial Planning Standards Board Ltd (FPSB) based in the United States of America. Along with 26 other affiliate member countries we offer CFP® accreditation, the highest recognised professional designation globally for a financial planning expert. In 2012, we were highly extolled by FPSB and conferred Tier 1 Affiliate Status for getting 96% in the global assessment. This is the highest achievement any member has ever received.

Our Values

- ▶ Clients first
- ▶ Competence
- ▶ Confidentiality
- ▶ Diligence
- ▶ Fairness
- ▶ Integrity
- ▶ Objectivity
- ▶ Professionalism

A word from our Chair

2016/2017



Good corporate governance is at the core of FPI's operations. The composition of the board for 2016 was extremely balanced and provided a fair representation of the demographics in South Africa. We have also fared well in the representation of both genders on the board. Individual and collective competency, skills set, good character and the charisma of the directors have been crucial in terms of ensuring that we have a sound and impartial board. It is important to highlight that the directors were positioned in such a manner that they could act and think independently; thoroughly applying their minds on any given matter/issue before decision making - a factor, which I believe is a key ingredient of good governance.

Milestones in 2016

At the core of our activities, as a recognised professional body for financial planners, is making certain that CFP® professionals remain at the centre of rendering financial planning in the country. In this regard multi-faceted activities were undertaken all with a view toward consistently driving the presence of the CFP® mark and CFP® professionals at the pinnacle of the financial planning in South Africa. In light of this I can confidently say that we have made an impact and that FPI's voice was heard.

At the same time the board has been keenly aware of the accelerating pace of change around us and thus we engaged robustly and crafted a comprehensive futuristic strategy for the Institute. We trust this strategy will contribute towards FPI navigating the many complex challenges that lie ahead. The objectives of our strategy focus on the following:

- ▶ Improving the quality and accessibility of professional financial planning for all in Southern Africa.
- ▶ Acting as an advocate for professional financial planning and advice, and imparting the importance and need for financial planning as well as advice to the general public.
- ▶ Providing a framework that members can use to achieve qualifications and maintain a high level of competence, so that they can give greater value to their clients, practices and employers.
- ▶ Ensuring that members maintain the highest ethical standards while carrying out the duties of their profession.
- ▶ Taking on a leadership role within the financial services industry, giving balanced, credible input and commentary to government and the public.
- ▶ Facilitating transformation, diversity and inclusion within the financial planning profession and the industry as a whole.

Building Stakeholder Trust

We have had the benefit of experiencing positive and constructive engagements with the regulatory authorities. They have always been willing to listen and consider proposals we have tabled. This approach by the regulatory authorities is vitally important in ensuring that we are all involved in shaping a better financial planning environment in South Africa. The end goal will benefit the consumer through the establishment of trust and credibility. In all of this, we have been spurred on by the countless opportunities that arose for us to challenge and hold each other accountable for ongoing development in our respective fields.

Unfortunately, it is generally accepted that trust levels in South Africa have taken a nose dive. There is mistrust aggravated by a number of socio-economic and political factors, all of which has been exacerbated by the recent ratings downgrade.

It is at this crucial moment that we need to have our CFP® professionals playing a leading role in assisting our consumers. A considerable amount of work needs to be invested in re-cultivating the consumers' trust in, and the reputation of, the financial industry. The Institute needs to be seen as that consistent professional body that does the right thing, addresses issues of discipline and is vocal about developments in our industry.

The learning and development support, along with strategic guidance received from our international affiliates, such as Financial Planning Standards Board (FPSB), has strengthened and grown immensely. Through our relations, we have the ability to consistently develop and improve financial planning standards, while we grow and open doors of learning opportunities.

We have engaged with large international financial service providers and associations to partner with FPSB; and in doing so we ensure that financial planning reaches countries that it has never touched before.

The growth of financial planning in African territories is something I am passionate about and I believe that our efforts in realising this growth will increase the potential of the entire industry.

Engaging Consumers on Financial Planning

Under the auspices of FPSB's Emerging Markets Forum, of which I am the chairperson, we held the Global CFP® Professionals Conference to provide access to world class financial planning practices. FPSB's network has leveraged global branding and promotion of strategies to increase consumer awareness of financial planning and CFP® certification. As FPSB's Forum, we are committed to improving the consumers' position by creating high standards for financial planning. In this regard we have partnered with the International Organization of Securities Commissions (IOSCO) concerning the Global Financial Planning Day to be held in the first week of October 2017.

Growth of the Financial Planning Profession

Our members have developed and met growth targets and along with FPSB, we are playing a role in bringing new territories on board, all in pursuit of achieving 250 000 CFP® professionals in 40 territories by 2025.

FPSB network has developed a plan to prepare the global profession to embrace Fintech-enabled financial planning. FPSB remains committed to engaging with the regulators at a global level, as well as at the territory

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level in order to play a leading role in all matters that involve financial planning and the CFP® mark.

We encourage legislators and regulators to recognise and protect financial planning as a distinct, evolving profession. Moving into the future, as a professional body with a public benefit mandate, we will endeavour to educate and improve the awareness consumers have about financial planning and [to] play a leading role in educating and facilitating consumer awareness campaigns.

It is prudent to indicate that there needs to be more efforts directed towards changing the perception that CFP® professionals and financial planning as a whole is only for the elite. Therefore, we will continue to encourage the inclusion of financial planning in financial literacy strategies and programmes.

Our pro bono initiatives, the facilitation of awareness and ensuring access to professional financial planning for all, are important elements in this regard. The ongoing implementation of the FPI Diversity and Inclusion Strategy is a critical adjunct in this regard and points to the willingness of the Institute to promote transformation.

A Pleasure to Have Served

The time has come for me to hand over the leadership baton to a new chair. Reflecting on what has been achieved by this Board, I believe we have run a good race and the results speak for themselves.

I would like to take the opportunity to thank the members, the Board, staff, and all other stakeholders that have given me the opportunity to serve them with pride and passion. I have enjoyed personal and professional growth thanks to the tasks, challenges and opportunities we had to confront. It has been a tremendous pleasure to serve you and I will treasure the experience.

In the same way it takes team effort and preparation to reach the top of Kilimanjaro, (you just don't wake up and find yourself at the top). It has taken sweat, long hours, commitment, kindness, love and passion to realise our goals as a Board.

I have no doubt the new leadership will continue the journey in taking FPI to apex of financial planning in Africa. By tirelessly doing the right thing, it can be done, because ultimately, doing the right thing never goes out of fashion.

Adv. Sankie Morata, CFP®

A Word from our CEO

2016/2017



At FPI we are cognisant of the fact that both our members and the consumers they serve have in recent years been buffeted by ongoing changes in the political and economic landscape across the globe.

There is little doubt that these changes have created concern amongst many people with respect to the way they need to manage their finances. This in turn, has placed added pressure on financial planning professionals, who need to provide sound financial guidance in a world, where uncertainties appear to be growing.

Diverse Challenges

Currently financial planning professionals have to wrestle with many challenges, including the rise of robo-advisors and other technological advancements. In our view, to overcome this, they will be required to undertake a more effective use of technology, more complex financial strategies, implement different business models, endure stricter regulations, possess stronger soft skills, operate in a non-commoditised environment, grow their peer-to-peer rating and employ more effective marketing tactics. If they can achieve this, they will not only remain active market participants, but will be placing themselves at the forefront of the industry.

Growing Value of CFP® professionals

It is thus fitting that our theme for 2016 was *engagement* as it reflects our desire to better understand the challenges CFP® professionals face and ultimately places us in a position to better serve our members in the future.

CFP® professionals and FPI Approved Professional Practice™ firms as well as FPI Corporate Partner™ companies are already highly regarded by consumers. We believe this reputation has been built upon strong technical proficiency and respect for the CFP® mark. The Global Consumer Survey finding that 38% of consumers currently using a CFP® professional feel confident that they can achieve their financial goals, reaffirms the value of the CFP® professional designation.

The fact that the global Comparator Research Survey suggests that 78% of companies surveyed, expected an increase in the number of South Africans seeking professional financial planning advice in the short-term, is indicative of the potential growth this sector can undergo in the future, notwithstanding the challenges that currently exist.

Solid Foundations

We therefore view it as critical for our profession that we build upon these foundations so that it grows to parity with other professions while simultaneously becoming an aspirational and diverse profession.

In a perfect world, we would like to see every single financial planner or advisor working towards attaining a professional designation, particularly the CFP® designation. This would instantly professionalise the industry, restore much needed public trust in the industry and increase pride in the profession, ultimately resulting in better outcomes for all South Africans.

Advocacy

In order to achieve this we have not only placed heavy emphasis on advocacy activities amongst consumers but also through engagement with regulators on topics such as the Retail Distribution Review (RDR), Financial Sector Regulation Bill and Conduct of Financial Institutions Bill, which demonstrated the depth of knowledge and expertise that resides within our profession.

We remain convinced that it is important to be at the forefront by advocating for policy proposals that we believe would work for the ultimate benefit of consumers and consequently the financial planning profession.

Working Together

It has also been heartening for us to see the growth in confidence that members have shown in our activities. We owe much gratitude to the multitude of our members who continue to selflessly volunteer their time and expertise either to FPI causes or directly to the general public. Initiatives such as FPI MYMONEY123™ education programme will not enjoy ongoing success without this support. The growing number of members who are heeding the message from the FPI "It Starts with Me" programme, further underscores the value our members are seeing in the CFP® mark.

Professional Community

It is also apparent that there is a great willingness on the part of our members to build a strong community of financial planning professionals. The attendance at the 2016 FPI Professionals Convention reflects this commitment while the calibre of speakers along with the range of topics covered, reinforces this notion. It is therefore no surprise that over 90% of delegates gave the event high marks.

An active and vibrant financial planning community remains a critical component in helping our community deal with the complex challenges we face. At the Institute we are constantly looking at ways to assist our members in dealing with the growing complexities and to take a pro-active stance in guiding the growth of our financial planning.

Forging ahead in 2017

A number of geo-political factors are weighing on economies around the world. This is creating a difficult environment for investors and the likelihood of the difficulties currently experienced receding in the near future is low.

Our local economy is also facing a low growth environment, which seemingly may continue for a

“An active and vibrant professional financial planning community will be critical component in helping our community deal with the complex challenges we face.”

while. Against this background the financial planning community has an important role to play to guide investors through these difficult times.

We have several initiatives in place to address the challenges faced by consumers and financial planning professionals. These initiatives include:

- ✓ Continuous engagement with regulatory bodies as well as associations in the financial services industry, to contribute to proposed changes to legislation or regulations that may affect the industry .
- ✓ Continuing in our drive to actively promote the CERTIFIED FINANCIAL PLANNER®/ CFP® mark and drive awareness, as well as, the importance of using a CERTIFIED FINANCIAL PLANNER®/ CFP® professional and the value of financial planning amongst consumers.
- ✓ Extensive outreach and education programmes to drive consumer education. This is done with the support of the CFP® professional community across South Africa. These programmes will be stepped up this year.
- ✓ The FPI Diversity and Inclusion Strategy through which we will be encouraging greater diversity within our professional financial planning community. In this regard we will be working closely with FPI Education Providers.
- ✓ Growing our FPI Corporate Partner™ companies base which will allow us to extend the reach of our up-skilling drive for financial advisors.

We are all partners in the financial planning profession and I strongly believe that if we work together and support each other, we will be able to overcome any challenges that may come our way.

Godfrey Nti



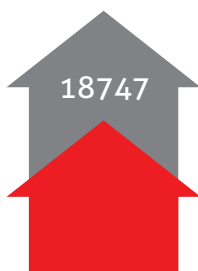
To Our Stakeholders

2016/2017

Growing the Profession

Examinations Growth

Qualified and skilled financial planning professionals are the fulcrum around which we build our success. In this light it was pleasing to see 18 747 individuals undertake the Regulatory Exams in 2016. This is a little more than a 5 000 increase in individuals sitting for exams over 2016 and reflects the success of our strategy to increase the visibility of our examinations body.



While the number of exam candidates who passed the regulatory exams slipped 2.88% to 22.12%, we are buoyed by the fact that a greater number of individuals are starting to appreciate the merits of meeting the industry standards.

Our Vital Cogs

A successful organisation is built upon its employees. It is important to attract and retain the best while at the same time encouraging a culture of continuous learning within and without FPI. Nearly 10 of our staff members are currently completing various qualifications in different fields. We have a robust Study, Training and Development Policy which makes provision for study assistance to be provided to qualifying staff.

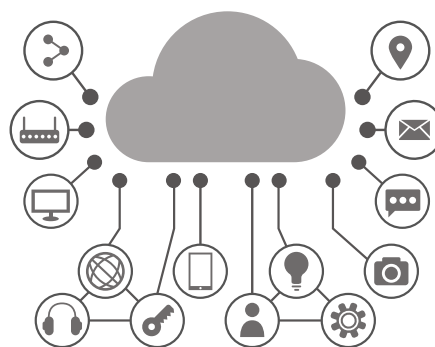
Workplace wellness will be a cornerstone in our operations going forward. Already, Wellness Days and team building sessions have been organised and held.

Towards Total Compliance

A major overhaul of the disciplinary regulations is planned for 2017 and a complete re-write of the disciplinary process is envisaged. Out of the 72 cases that were reported to legal and compliance for the incorrect use of our trademarks, 65 were resolved while seven are still outstanding. For the 50 infringement cases reported, 38 have been successfully resolved while 12 are still outstanding.

Unparalleled Standards of Excellence

The financial planning landscape is dynamic and ever evolving. Thus we ensure that we produce highly capable, skilled and qualified professionals. We collaborate with and participate in various industry forums in order to develop relevant curricula. A total



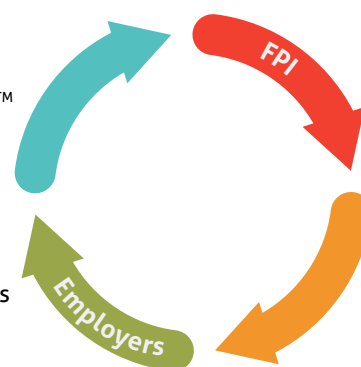
of 480 candidates registered for the Professional Competency Examination (PCE). The pass rate for the CFP® Professional Competency Examinations was 60.5%.

Expanding Our Reach

Our members are our most important stakeholders. Our reach into the community of professional financial planners is growing. We have introduced new incentives and benefits for members in good standing and are working on mechanisms to encourage continuous membership.

Employer Engagement

Equally important are our relations with the employers. Interaction with employers of financial planners /advisors occurs all year round on a weekly basis. Through these targeted efforts, the FPI Approved Professional Practice™ and FPI Corporate Partner™ brands are used to roll out these engagements with targeted and committed companies in order to grow our membership base.



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Sector Initiatives and the promotion of Financial Literacy

Evolving Landscape

We remain cognisant of the changing socio-economic environment in the country and the impact this can have on our members. In this light we closely monitor developments such as the Retail Distribution Review (RDR) and its ramifications for our industry. We are therefore happy to report that the regulators acknowledge that financial planning is a specialised field, and should a financial advisor wish to make use of the title of financial planner, they will only be permitted to do so once they have met the criteria of a professional body that has been recognised by South African Qualifications Authority (SAQA). Currently only FPI and the CFP® designation meet this requirement.

Highlighting the Value of Professional Financial Planning

In an ever challenging investment environment for consumers we once again worked hard at expanding our reach and sharing knowledge. During the countrywide Financial Planning Week, over 800 individuals attended our free financial planning workshops presented by CERTIFIED FINANCIAL PLANNER® professionals. As part of FPI MYMONEY123™



Advertising Value Equivalent
generated for the CFP® mark
and FPI brand

= R77 164 127.00

4075 individuals attended 117 workshops. We also highlighted the value of financial planning amongst the youth during the Grade 11 KwaZulu-Natal and Gauteng Speech Contests on Finance, which we participated in. We also sponsored the overall KwaZulu-Natal winner to study an undergraduate and postgraduate qualification in financial planning at one of the FPI Approved Education Providers. All of these activities enjoyed strong support from our members.

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Financial Planning Week is growing in stature and was very well supported by our members. Social media channels were effectively leveraged as part of this drive to educate the public on the benefits of financial planning. Information session focused on the following areas:

- ↳ Getting you on the right track
- ↳ Basics of planning for your future
- ↳ Understanding investments
- ↳ Understanding insurance
- ↳ Planning your retirement.

The success of these initiatives is reflected in advertising value equivalent figure that broached the R70 million mark.



Web-based Solutions

As part of our drive to ensure more effective use of technology we launched the www.letsplan.co.za consumer website. While it is an extension of our financial education programme it is also an additional promotion channel for our members as consumers are able to search for an FPI member via the website.

We are excited about launching online communities where FPI members will be able to collaborate online and share information and resources. During the past year a great deal of technical groundwork was done to ensure members can look forward to exciting innovations in 2017.



Growth and Engagement Efforts

Growth Strategy

In business, healthy relations are the life blood of success. In our context, it is our relations with our members and other corporate stakeholders that make us successful as an Institute.

In this vein we are continuing our engagement with pipeline candidates, who have completed the education requirement, to take up membership. A candidate campaign has been implemented to provide support to those candidates wanting to write the FPI Professional Competency Examination (PCE) and also to assist those who need experience by directing them to the FPI Mentorship Programme.

In the same way, we have a targeted approach to engage with students studying financial planning at the FPI Approved Education Providers. Providers assist us in encouraging their students to become affiliated to FPI so that we can play a supportive role to these students. Once they obtain the qualification, they move into the candidate category where the support and guidance is geared toward preparing them to meet other qualification criteria.

There is rising awareness in other areas of the financial services industry of the important role that financial planning plays. There is also a growing realisation of the value a CFP® professional designation can add to an existing professional's qualifications. Consequently we also engage with allied professional bodies to promote the CFP® professional designation to professionals in related fields such as tax, accounting, legal and other professions. We also have a specific growth plan for affiliate members to study further and take up any of the FPI designations.

By 2018, the RFP™ and AFP™ designations will be phased out. In conjunction with one of our service providers, Milpark Education, discounted study routes are made available to affected members to improve their qualifications and at least take up the FSA™ designation.

	2016	2015	2014
CFP® Professionals	4660	4570	4530
FSA™ Professionals	216	170	131
AFP™ Professionals	301	367	480
RFP™ Professionals	367	463	569
Affiliates	4046	58	54
Candidate	643	510	385
Students	1410	1198	678

Upward trend

We are seeing a rise in the annual membership numbers, and we believe it is testament to the fact that we are gaining a strong hold in the industry, as the foremost professional body for accredited financial planners.

We have incentivised our members and professional financial planners in an effort to retain current members while luring new ones into the FPI fold. In this regard we had to come up with new and innovative ways in order for this to become a reality. These include new member benefits and robust member engagement efforts.

Member Benefits

We continued to offer relevant benefits to our members and have entered into an agreement with select prestige motor dealerships to provide a discount to CFP® designation holders on certain of their products. Further to this, we obtained a discount on the Short-Term Insurance in South Africa book, while we expanded our book provision from profile media to also include the stock market books.

In our view one of the key benefits of being an FPI member is staying at the forefront of developments in the sector. This year, members can look forward to the Job Analysis Survey which will provide consumers,

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the financial planning profession and the Institute with insight into the level of knowledge and skill financial planners possess. In addition our Robo-Advice Survey, designed to probe and study the perceived impact that automated-advice will have on the financial planning profession in South Africa, will give members insight into one of our most talked about challenges.

Member Engagement and CPD Events

Our Continuous Professional Development (CPD) activities are vital in keeping our members at the forefront of the sector. During the year we engaged with our members at the major CPD sessions and a roadshow style type trip was undertaken in the run-up to the Annual Refresher Workshops in 2016. The opportunity was also taken at the CPD session to provide members with feedback on developments at the Institute. Tribute also needs to be paid to regional committees who were also active amongst members and hosted a wide range of engagement events from golf clinics through to customer focused events.

New Firms into the Fold

We added four new FPI Approved Professional Practice™ firms to the FPI family namely; Southwood Financial Planning, Absolut Wealth, Gradidge-Mahura Investments and Crue Investments. We also partnered with five FPI Corporate Partner™ companies; namely Liberty, FNB Advisory Services, attooh!, Alexander Forbes and GCI Wealth.

The growth in FPI Approved Professional Practice™ firms and the diversity of FPI Corporate Partner™ companies indicates to us that the strategies we have put in place to strengthen our presence in the market is starting to bear fruit.

Efficient Operations

The past year has seen the introduction of a new member information management system and membership renewal was also undertaken on the new system. We can confidently state that this is one of the major milestones that we achieved in 2016. As with many other large technological implementations the new system was a big disrupter but we are already seeing the benefits trickle through in the form of improved customer experience for members. The system holds a great deal of potential to provide more engagement points for us with our members and we look forward to exploring the impact it can have in the period ahead. Linked to this is the new and improved website that is more corporate with vibrant colours and accessibility to key information.

There is a strong focus on improving our engagement with members at all levels and members can expect more and improved engagement efforts from us in the year ahead.



Building a Professional Framework

2016/2017

Strengthening our Professional Framework

Promoting Financial Planning

In line with our Awareness, Engagement and Growth Strategies for the profession we have continued to engage with regulators to reaffirm the contribution the financial planning profession makes to the financial industry.

We have actively consulted with the Financial Services Board (FSB), National Treasury, various Ombudsman offices and similar bodies to remain aware about changes under investigation and provide beneficial input for the industry.

Committee Work

We have been nominated to represent the interest of healthcare brokers on The Council for Medical Schemes Prescribed Minimum Benefits Code of Conduct Review Committee. This presents an opportunity to not only protect member interests but also ensure better outcomes for consumers when engaging with healthcare providers and their medical aids.

The competency committee contributions by FPI members are becoming increasingly important adjunct to the work of the technical committee, as we continually seek to provide increased value in all our member engagements.

Awareness

Significant efforts were also made during the year to raise awareness of the Institute and the CFP® mark. The results of the Global Consumer Survey, conducted in conjunction with the Financial Planning Standards Board (FPSB), to determine how consumers feel about the state of their finances and their knowledge about financial matters, affirms both the need for financial advice by South Africans and the growing recognition of the contribution CFP® professionals can make to financial planning for consumers. Activities ranged from positioning CFP® certification as the aspirational designation for the providers and users of financial planning challenge. The latter is an example of innovative efforts on the part of the Institute to raise the awareness of the value of financial planning amongst different (and emerging) market segments.

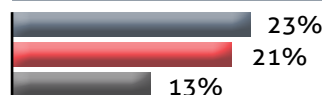
CFP® Designation Awareness and Messaging

CFP® Designation (%)

Awareness of CERTIFIED FINANCIAL PLANNER® designation	Vs. global results
42%	10

Messaging (Top 5, major reason)

		Vs. global results
Help save you money	78%	20
Come up with a personalised long-term plan	76%	20
Provide peace of mind	76%	21
Research the entire market	75%	21
Help to simplify financial matters	75%	19



CERTIFIED FINANCIAL PLANNER®
professional or CFP® professional

- Considered Using
- Currently Use
- Use as Primary Financial Professional

The Global Consumer Survey also revealed the following as the top consumer financial priorities:

- ▲ Homeownership and ability to support family financially (very important) - 82%
- ▲ Being free of major financial debt - 81%
- ▲ Retiring in the desired style - 78%
- ▲ Managing finances to achieve life goals - 78%

Quality Focus

Ensuring a high quality of training and education across the broad spectrum of the financial planning sector is very important. As such we seek to positively influence developments in this field.

The joint research conducted by ourselves and the South African Qualifications Authority (SAQA) has formed the basis of the subsequent working groups initiated at SAQA, to put in place a standard policy and guidelines, on continuous professional development (CPD) practices across all professional bodies.

The working groups will consider a number of elements identified as germane to the development of CPD practices, these include:

- ◆ Large variations in CPD practices between professions.
- ◆ No uniformity across professional bodies in terms of a points system.
- ◆ Regulators not regulating professionals in terms of CPD.
- ◆ Effective implementation of Recognition of Prior Learning for designations.
- ◆ International and national CPD models allowing for autonomy of professions.



We have, with the assistance of a working group consisting of academics and practicing financial advisors and planners, developed the:

- ▶ Financial Advisor Competency Profile;
- ▶ Curriculum Learning Outcome Statements;
- ▶ Financial Advisor Principles and
- ▶ Financial Advisor Standards.

These four policies and standards will be open for public commentary in 2017.

Contribution to Standards

The Institute is an active participant in the community of expert practitioners at the Quality Council for Trades & Occupations (QCTO). As part of our involvement we are represented on the Council's Assurance Quality Partner (AQP) forum allowing us to provide input in the development of AQP assessments and standards to be used during the development of AQP assessments. We also form part of The Technical and Vocational Education and Training (TVET) college curriculum body of knowledge working group. As a result we have assisted in providing lecturer training and provided input into the development of a student workbook relevant to the curriculum.

Trademarks

Protection and promotion of trademarks is one of our major functions. Most of our challenges are related to the following:

- ✗ Failure to disclose fees/commission
- ✗ Misleading statements
- ✗ Failure to adhere to regulatory or professional body requirements
- ✗ Integrity-related complaints such as civil judgements
- ✗ Failure to disclose and/or manage conflict of interest

We continue to be vigilant in this space in order to protect the interests of the public our members serve.

Encouraging Cooperative Relationships

The past year has also seen the development of criteria for FPI Mentorship Centres. The FPI Mentorship Programme is designed to assist candidates to comply with the experience component in the FPI Certification Standards. This much anticipated programme has enjoyed a positive reception and more than 100 mentors and mentees have signed up.

Support and Engagement

A specific candidate campaign has been implemented to provide support to candidates to either prepare for the Professional Competency Examination (PCE) or to gain the relevant experience through the mentorship programme. There is also a growing focus on engaging with students in financial planning to become affiliated to us so we can provide guidance and support.

A range of engagement and benefit offerings have been undertaken during the course of the year.

The objective of these has not only been to further develop our member base, but also to acknowledge that contribution that our members make in ensuring we are the leading financial planning professional body.

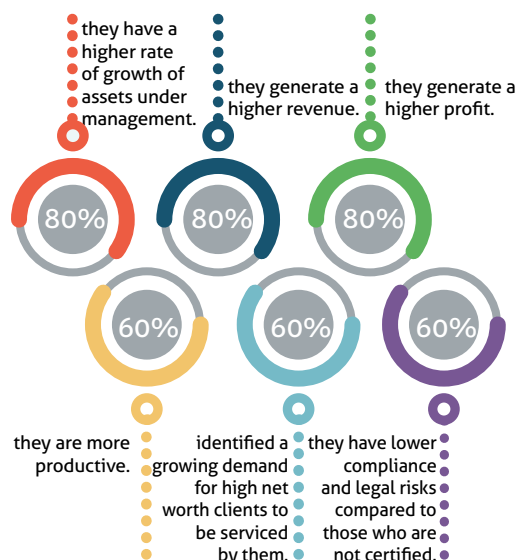
Diversity and Inclusion

Broadly speaking the South African financial services sector still has a great deal of work to do in order for it to become fully transformed. We are making steady progress in realising transformation, the number of women with a CFP® designation was above 30% of the total number of CFP® professionals in 2016, and now stands at 1 424 female CFP® professionals in South Africa. Also encouraging is the growth of 3.3% in the number of black financial planners who qualified as CFP® professionals early in 2017 compared to 2016. We acknowledge that there is still much to do in this arena and our Diversity and Inclusion Strategy is aimed at addressing these historical imbalances.

Value of CERTIFIED FINANCIAL PLANNER® professionals:

A report by Financial Planning Standards Board Ltd. (FPSB) revealed South Africa as one of the top 10 countries (ranking sixth); in terms of total number of CFP® professionals. Not only does this reflect the Institute's commitment to growing the sector, it also reveals the importance of a strategy in growing individual registrations for our exams.

Things firms, who were surveyed in the Comparator Research: The Value of CFP® Certification Study, value most about CERTIFIED FINANCIAL PLANNER® professionals:



Enhancing our Capacity

2016/2017

Empowering our People

Continuous learning and development for our staff is vital if we want to ensure that we continue providing a quality service to our members. Individual training plans are linked to staff development and integrated into our performance management systems. The development of training plans and identification of areas where skills need to be supplemented are a joint effort between managers and their staff members.

Learning Opportunity

A shift in approach by Insurance Sector Education and Training Authority (INSETA) has seen them add certain financial planning courses to their scarce skills list. They have also agreed to fund studies and seven of our staff members had their studies sponsored by INSETA.

Policy Position

Our study policy makes recommendations for preferred courses of study and offers a reward incentive for students who complete their studies. We support our students by offering a generous amount of study leave per annum, inclusive of additional time for studying before the examination dates.

Wellness Days

Our first official wellness day for staff was held in the year under review. It is important for us that our staff find a balance between delivering upon the professional commitments and aspirations, while ensuring they look after their physical wellbeing.

Values Driven

Internal organisational values and how they impact on everyday activities are often key differentiators in leading organisations. In acknowledgement of the contribution these values can make to our performance, our team building events have always been linked to the formulation of internal company values.



Our People

2016/2017

CEO's office

- ❖ Godfrey Nti,
Chief Executive Officer
- ❖ Sandra Taylor
PA to Chief Executive Officer

Membership and Corporate Relations

- ❖ Sherma Malan, CFP®
HOD: Member Services and Corporate Relations
- ❖ Lucille Wessels
PA to HOD: Member Services and Corporate Relations
- ❖ Patrick De Nation
Corporate Relations Manager
- ❖ Joy Khaole, CFP®
Corporate Relations Manager
- ❖ Monica Kissondath
Member Engagement Manager
- ❖ Zena Crowie
Team Leader (Member Support)
- ❖ Loraine De Waal
Member Services Consultant
- ❖ Leazel Myburgh
Member Services Consultant
- ❖ Carla Wingrave
New Business Consultant
- ❖ Marinda Joubert
Member Services Consultant
- ❖ Kim Charles
Member Services Consultant

Advocacy and Consumer Affairs

- ❖ David Kop, CFP®
HOD: Advocacy and Consumer Affairs
- ❖ Barbara Mundell, CFP®
Technical Specialist
- ❖ Riana Badenhorst
Consumer Awareness Co-ordinator

Certification

- ❖ Lelane Bezuidenhout, CFP®
HOD: Certification
- ❖ Fatima Fakier
Certification Manager
- ❖ Amanda Dry
Certification Consultant
- ❖ Frances Creighton
Certification Consultant

Shared Services

- ❖ Dennis Swanepoel
Manager: IT and Facilities
- ❖ Pieter Loots
Finance Manager

- ❖ Kobus Oosthuizen, CFP®
Legal and Compliance Manager
- ❖ Tsholofelo Dihutso CPRP
Communications and PR Manager
- ❖ Clayton Lautenberg
Human Resources Officer
- ❖ Nicky Wessels
Legal and Compliance Services Assistant
- ❖ Wende Davids
Customer Experience Officer
- ❖ Roweda Petersen
Marketing and Events Coordinator
- ❖ Nomampondomise Manyashe
Business Analyst
- ❖ Chrisjan Pieterse
IT Systems Engineer
- ❖ Lesego Moleah
Facilities Supervisor
- ❖ Ohna Norval
Receptionist
- ❖ Rosina Lekhelebane
Facilities Assistant
- ❖ Evodia Rasiile
Facilities Assistant

FPI Centre for Professional Development

- ❖ Adele Whyte
General Manager
- ❖ Toni Santana
Events Coordinator
- ❖ Kirsten Stevens
Events Coordinator
- ❖ Jane Scully
Events Coordinator

Examination Body

- ❖ Johan Aucamp, CFP®
HOD: Examination Body
- ❖ Hannah Brill
Examination Quality Assurer and Supervisor
- ❖ Bonnie Mincher
Project and Quality Control Consultant
- ❖ Mittah Radebe
RE Registrations Coordinator
- ❖ Anna Fick
RE Registrations Coordinator
- ❖ Lesedi Mahupela
RE Finance and Debtors Clerk
- ❖ Duduetsang Mpshane
RE Logistics Coordinator
- ❖ Angeline Mveng
RE Logistics Coordinator

How We are Governed

2016/2017

Our Board of Directors

Our Board of Directors take full responsibility for the management, direction and performance of the company by making independent decision on all issues reserved for its review and approval while taking cognisance of the needs of all of the company's stakeholders. The Board adopted the Board Charter, in line with the King III recommendations. The Charter serves as a reference to new and existing board members, in performing their duties. It was implemented to identify, define and record the roles, rights, responsibilities, functions and composition of the Board.

The Board consists of 11 non-executive directors and one executive director (chief executive officer), with the roles of the chairperson and chief executive officer clearly defined.

Board Sub-Committees

Our Board Sub-Committees assist the Board in implementing its duties and exercising its powers. The Board delegates to each sub-committee the authority required to enable it to fulfil its functions through formal Board-Approved Committee Regulations.

Advocacy Committee

The Advocacy Committee is established to assist the Board in developing and implementing a strategic approach to identifying and responding to advocacy, policy and regulatory related issues that are important to our stakeholder and the broader financial services industry.

Audit Committee

The purpose of the Audit Committee is to assist the Board in implementing its duties such as; safeguarding of assets, accounting systems and practices, the integrity of internal financial control processes as well as the preparation of accurate financial reporting and statements, in compliance with all legislative requirements, governance principles and recognised accounting practice standards. The committee's tasks is to also implement and review an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives and disclose and manage risk in a complete, timely and relevant manner.

Disciplinary Committee

The Disciplinary Committee's purpose is to protect the public, maintain public confidence in

the financial planning profession and upholding the highest standards of conduct among FPI professional members. The committee oversees the start and administration of disciplinary proceedings against FPI professional members, in terms of the Disciplinary Regulations.

Nominations and Compliance Review Committee

The Nomination and Compliance Review Committee assists the Board, on an advisory capacity, with recruitment, selection and appointment of appointed directors and sub committees in a formal transparent manner, making sure that sufficient consideration is given to board succession planning. The committee is also given the responsibility to review compliance with relevant legislation, the principles of good corporate governance and best practice codes.

Regional Co-ordinating Committee

The Regional Co-ordinating Committee is made up of elected chairpersons from each Regional Committee: Western Cape, Eastern Cape, KwaZulu-Natal, Gauteng, Central and Northern Regions as well as the Regional Director, who is the chairperson for this committee. The committee assists the Board in supervising the company's Regional Committees' mandate by taking all reasonable steps to promote the mission of the company and the financial planning profession in the six identified regions

Remuneration Committee

The Remuneration Committee is tasked to review current industry practice on remuneration and to make recommendations to the Board on remuneration packages and policies applicable to the FPI executive and staff as a whole. Mainly the committee serves as a medium to monitor and strengthen the objectivity and credibility of the remuneration as well as the bonus system for the FPI executive and staff.

Strategy Committee

The role of the Strategy Committee is to assist the Board in fulfilling its primary supervision responsibilities, this is with respect to matters relating to, or affecting, the company's strategic direction and socio-ethical responsibilities. The committee provides oversight and advice to the executive in the development and implementation of all strategic initiatives; and makes recommendations to the Board on such matters.

Board and Board Sub-Committees' attendance reports

Board of Directors

During the reporting period, the Board met six times. Four formal face-to-face meetings and two special teleconference meetings.

Meeting date	24 Feb	09 May	13 Jun	28 Jun	31 Aug	30 Nov
Board member:						
David Thomson, CFP®	✓	✓	✓	✓	✓	✓
Denver Fortuin, CFP®	○	✓	✓	✓	✓	○
Gerhardt Meyer, CFP®	✓	●	●	●	●	●
Godfrey Nti (Chief Executive Officer)	✓	✓	✓	✓	✓	✓
Kim Potgieter, CFP®	✓	○	✓	●	●	●
Kirsty Scully, CFP®	●	●	●	✓	✓	✓
Logie Govender, CFP®	✓	✓	✓	✓	○	✓
Navin Ramparsad, CFP®	○	✓	✓	✓	○	✓
Ntai Phoofolo, CFP® (Chairperson-Elect)	✓	✓	✓	✓	✓	✓
Ronald King, CFP®	○	✓	✓	✓	○	✓
Sankie Morata, CFP® (Chairperson)	✓	✓	✓	✓	✓	✓
Soré Cloete, CFP®	●	●	●	✓	✓	✓
Warren Wheatley, CFP®	✓	✓	✓	○	✓	✓
Wouter Fourie, CFP®	○	✓	✓	✓	○	✓
✓ In attendance	○ Absent with apology		● Not on the Board yet / anymore			

Board Sub-Committees

During the reporting period, all Board-Sub Committees met four times, with the exception of the Audit Committee which met five times and Remuneration Committee which met three times.

Advocacy Committee

Meeting date	05 Feb	26 May	16 Aug	15 Nov
Committee member:				
David Thomson, CFP®	✓	✓	✓	✓
Gerhardt Meyer, CFP®	✓	✓	○	✓
Godfrey Nti (Chief Executive Officer)	✓	✓	✓	✓
Kirsty Scully, CFP®	●	●	✓	✓
Navin Ramparsad, CFP® (Committee Chairperson)	○	✓	✓	✓
Ronald King, CFP®	○	✓	✓	✓
Sankie Morata, CFP®	✓	○	✓	○
✓ In attendance	○ Absent with apology		● Not on the Board yet / anymore	

Audit Committee

Meeting date	22 Feb	04 May	31 May	17 Aug	24 Nov
Committee member:					
Denver Fortuin,CFP®	○	○	✓	✓	○
Godfrey Nti (Chief Executive Director)	✓	✓	✓	✓	✓
Logie Govender,CFP®	✓	✓	✓	✓	○
Warren Wheatley,CFP®	✓	✓	✓	✓	✓
✓ In attendance	○ Absent with apology		● Not on the Board yet/anymore		

Disciplinary Committee

Meeting date	05 Feb	26 May	16 Aug	15 Nov
Committee member:				
David Thomson,CFP® (Committee Chairperson)	✓	✓	✓	✓
Navin Ramparsad,CFP®	○	✓	●	●
Soré Cloete,CFP®	●	●	✓	✓
Warren Wheatley,CFP®	✓	✓	●	●
✓ In attendance	○ Absent with apology		● Not on the Board yet/anymore	

Nomination and Compliance Review Committee

Meeting date	04 Feb	25 May	12 Aug	10 Nov
Committee member:				
Denver Fortuin,CFP®	✓	✓	✓	✓
Godfrey Nti (Chief Executive Officer)	✓	✓	✓	✓
Ntai Phoofolo,CFP® (Committee Chairperson)	✓	✓	✓	✓
Sankie Morata,CFP®	✓	○	✓	✓
✓ In attendance	○ Absent with apology		● Not on the Board yet/anymore	

Regional Co-ordinating Committee

Meeting date	02 Feb	23 May	08 Aug	25 Nov
Committee member:				
Colin Long, CFP® (KwaZulu-Natal Regional Committee Chairperson)	✓	✓	✓	✓
George Whitehead, CFP® (Eastern Cape Regional Committee Chairperson)	●	●	●	✓
Kagisho Mahura, CFP® (Gauteng Regional Committee Chairperson)	✓	✓	✓	✓
Les Strydom, CFP® (Eastern Cape Regional Committee Chairperson)	✓	✓	○	●
Lizl Budhram, CFP® (Western Cape Regional Committee Chairperson)	✓	✓	✓	✓
Shirly Hyland, CFP® (Central Regional Committee Chairperson)	✓	✓	✓	✓
Wouter Fourie, CFP® (Northern Regional Chairperson and Committee Chairperson)	✓	✓	✓	✓
✓ In attendance	○ Absent with apology		● Not on the Board yet/anymore	



Board and FPI committee meetings' attendance by all directors was satisfactory with a nearly 100% attendance rate.

Remuneration Committee

Meeting date	01 Jun	10 Aug	25 Nov
Committee member:			
Godfrey Nti (Chief Executive Officer)	○	✓	✓
Logie Govender, CFP® (Committee Chairperson)	✓	✓	✓
Navin Ramparsad, CFP®	○	●	●
Ntai Phoofolo, CFP®	✓	✓	✓
Denver Fortuin, CFP®	●	○	✓
✓ In attendance	○ Absent with apology	● Not on the Board yet/anymore	

Strategy Committee

Meeting date	12 Feb	09 Jun	19 Aug	21 Nov
Committee member:				
Godfrey Nti (Chief Executive Officer)	✓	✓	✓	✓
Kim Potgieter, CFP®	○	○	●	●
Kirsty Scully, CFP®	●	●	○	✓
Navin Ramparsad, CFP®	✓	○	✓	✓
Ntai Phoofolo, CFP®	✓	○	✓	✓
Ronald King, CFP® (Committee Chairperson)	✓	✓	✓	✓
Sankie Morata, CFP®	✓	✓	✓	✓
Soré Cloete, CFP®	●	●	✓	✓
Warren Wheatley, CFP®	○	✓	✓	○
Wouter Fourie, CFP®	✓	✓	✓	○
✓ In attendance	○ Absent with apology	● Not on the Board yet/anymore		

FPI Centre for Professional Development Board

Meeting date	15 Feb	05 May	13 Jun	22 Aug	22 Nov
Committee member:					
Wouter Fourie, CFP® (Chairperson)	✓	✓	✓	✓	✓
Logie Govender, CFP®	✓	✓	✓	✓	✓
Godfrey Nti (Chief Executive Officer)	✓	✓	✓	✓	✓
Wynand Venter, CFP®	✓	✓	✓	✓	✓
✓ In attendance	○ Absent with apology	● Not on the Board yet/anymore			

Our Financial Position

2016/2017

Word from our Audit Committee Chairperson



We are pleased to present our report for the financial year ended 31 December 2016.

Audit and Risk Committee members

The Audit and Risk Committee consists of independent non-executive directors. During 2016 five meetings were held (refer to page 19 for the attendance report).

The current committee members are:

- ▶ Warren Wheatley, CFP® (Chairperson)
- ▶ Denver Fortuin, CFP®
- ▶ Logie Govender, CFP®
- ▶ Prem Govender, CFP® (Co-opted member)

Audit and Risk Committee responsibility

We have complied with the responsibilities as set out in the Audit Committee Regulations and complied with the requirements of the Companies Act.

The committee also acts as the Audit committee for FPI subsidiaries.

Internal controls and risk management

The system of internal control for the period under review was efficient and effective.

The committee considered both the reports presented by internal auditors and external auditors and it was noted that no significant or material non-compliance with policies or procedures have been reported.

The committee also identified and suggested corrective actions to enhance current controls and processes.

External audit

In the conduct of its duties, the committee performed the following statutory duties:

- ▶ Considered the independence of Zeelie Auditors and therefore nominated, and re-appointed them as the external auditor.
- ▶ Approved in consultation with management, the audit fee and engagement terms for the external auditors for the 2016 financial year.
- ▶ Ensured that the auditors were appointed in accordance with the Companies Act and any other legislation relating to the appointment of auditors.
- ▶ Reviewed the annual financial statements prior to their approval by the board.
- ▶ Considered the appropriateness of accounting policies and any changes made.
- ▶ Reviewed the external auditor's reports and management response and considered the effect on the financial statements.
- ▶ Met with management, financial manager and external auditors and were satisfied that no material control weakness exists.

Consolidated annual financial statements

The committee had recommended the approval of the annual financial statements as set out on page 25 by the Board and the Board had subsequently approved the audited financials.

Warren Wheatley, CFP®

Auditors Report

2016/2017

Presented is the abridged version of the Audited Annual Financial Statements.

Report on the financial statements

The committee had recommended the approval of the annual financial statements as set out on page 25 by the Board and the Board had subsequently approved the audited financial statements.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA's) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Opinion

We have audited the annual financial statements of The Financial Planning Institute of Southern Africa NPC and its subsidiary, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 29.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2016, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with ISA's. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit

of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2016, we have read the Directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly, do not express an opinion in this report.

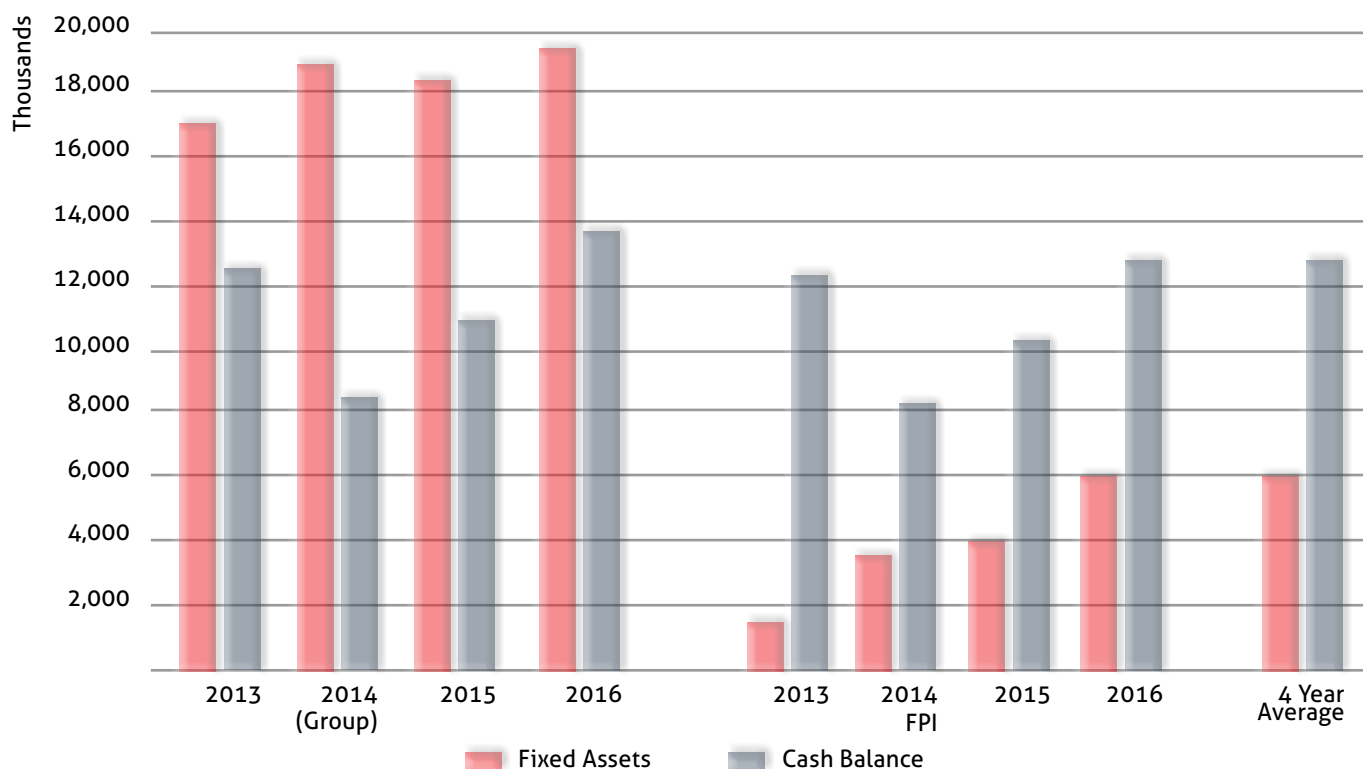
Registered Auditors – Zeelie Auditors

2013-2016 Results

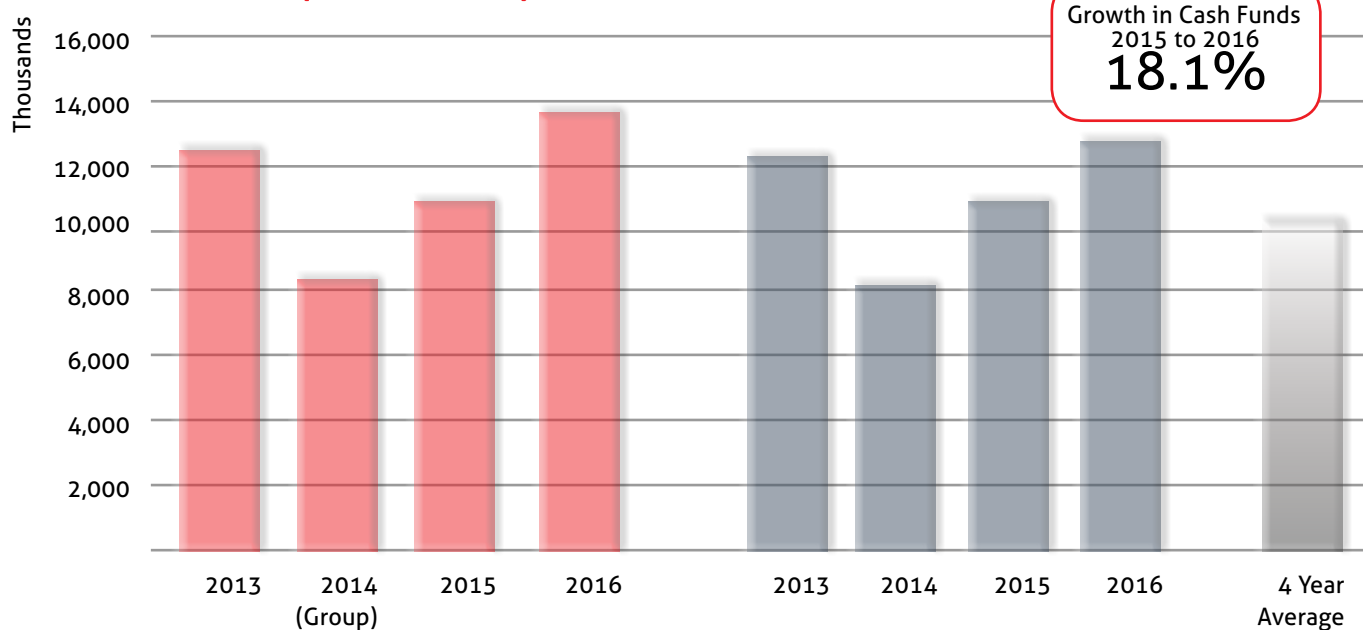
2016/2017

Our financial performance presents a picture of commitment to the company's sustainability. Below is a summary of our performance for the past four years.

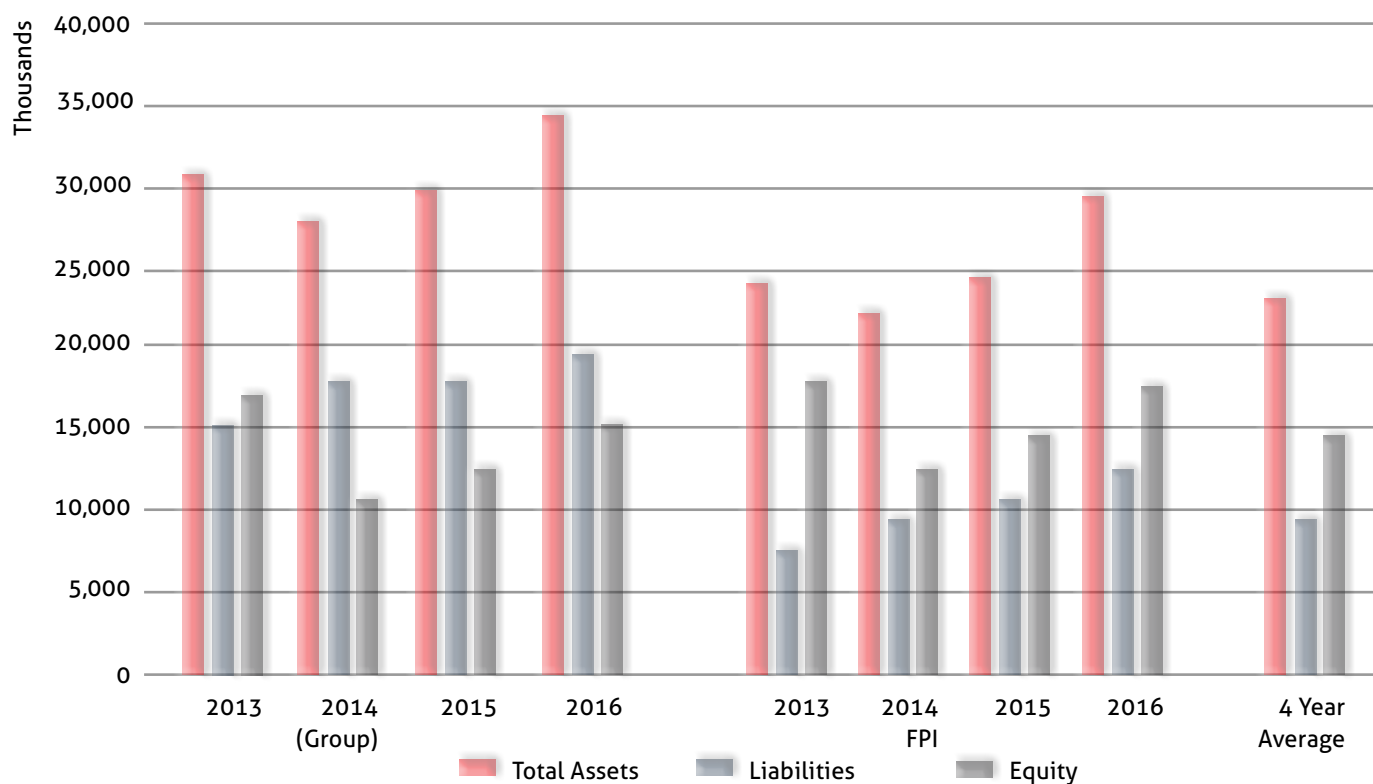
Fixed Assets and Cash Balances



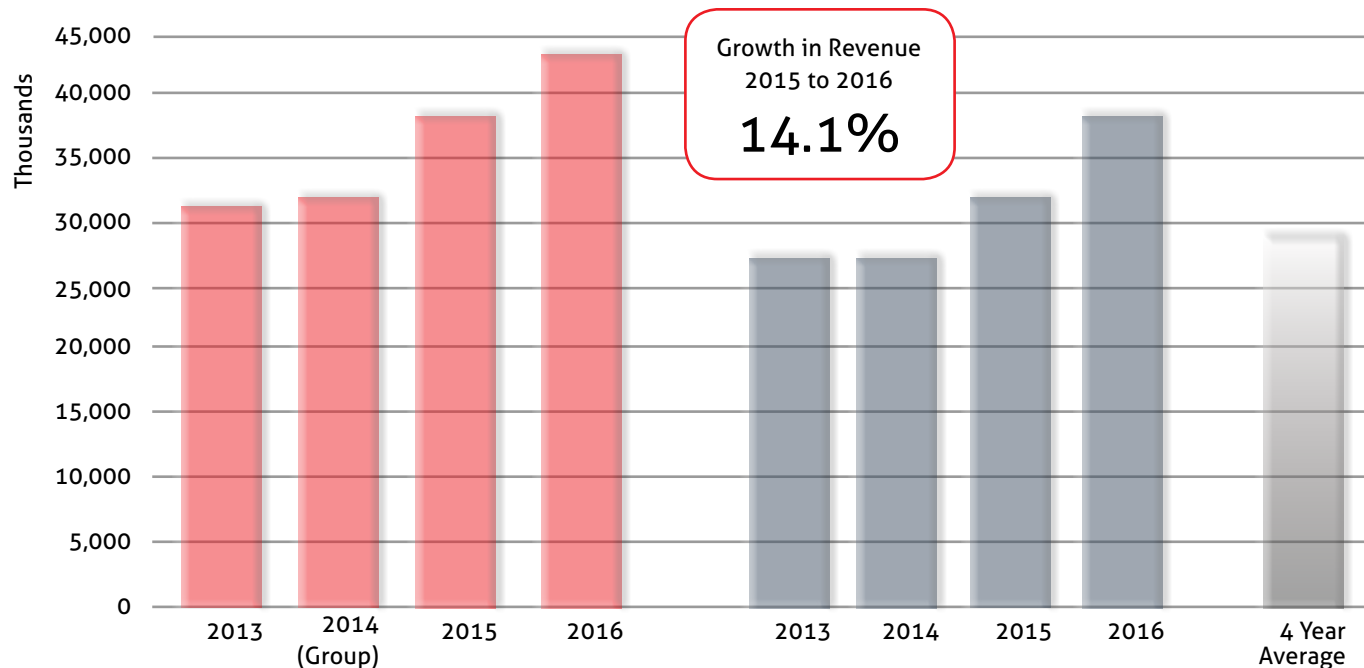
Bank and Cash Equivalents - Group



Summary of Balance Sheet



Revenue - FPI



Directors' Report

2016/2017

General Review

The Financial Planning Institute of Southern Africa NPC is a company incorporated in the Republic of South Africa. The principal activities of the company are to operate as a professional body for the financial planning industry.

	Group 2016 R	Group 2015 R	Company 2016 R	Company 2015 R
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Financial Results

The group/company accumulated surplus of: 2 204 735 1 791 170 2 635 937 1 652 320

No dividends were declared or proposed during the year under review.

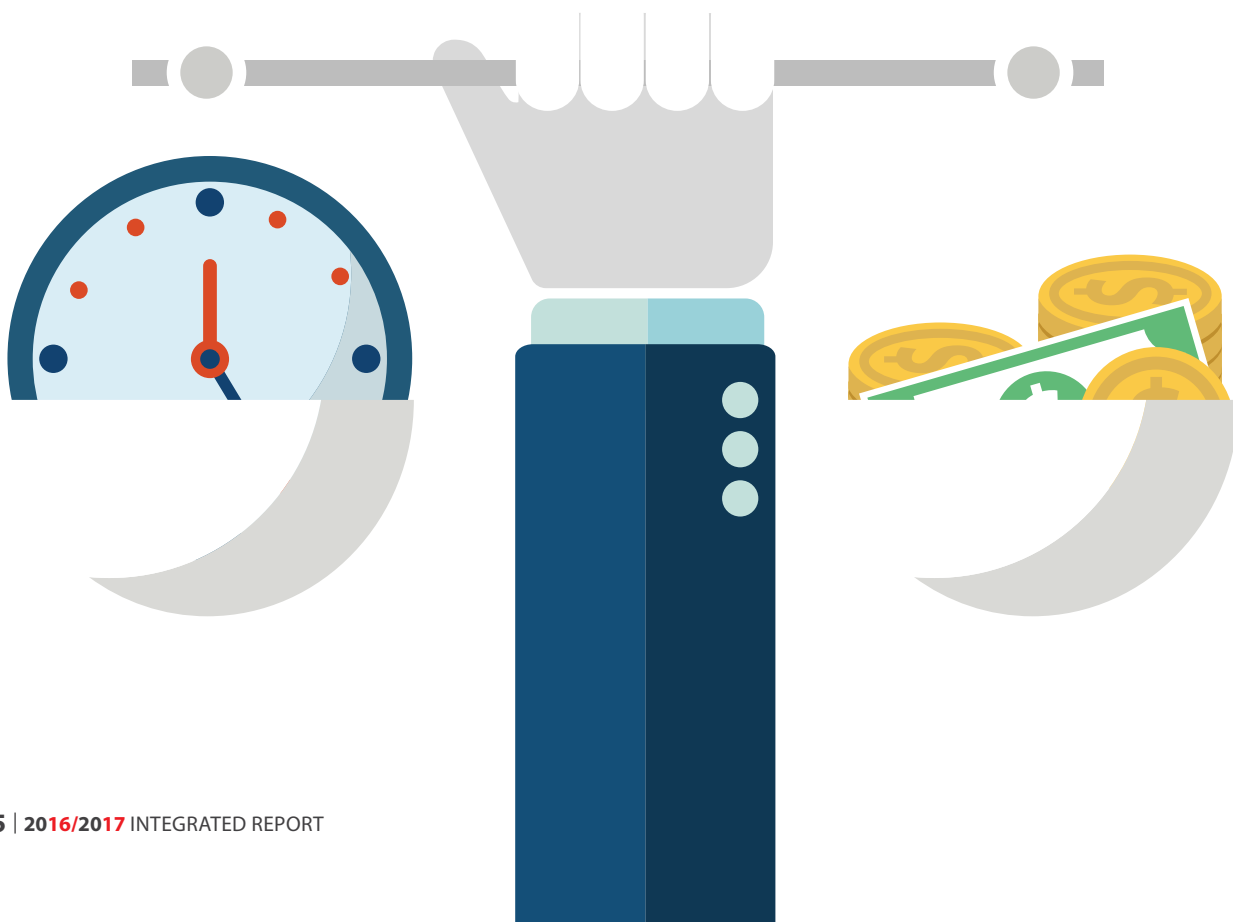
Property, plant and equipment

The group/company acquired assets to the value of: 1 922 247 893 597 1 922 247 893 597

The group/company disposed of assets to the value of: - - - -

Revaluation of land and buildings to the value of: - - - -

There were no changes in the authorised and issued share capital of the company during the year under review.



Statement of Financial Position and Consolidated Statement of Financial Position

as at 31 December 2016

2016/2017

	Group 2016 R	Group 2015 R	Company 2016 R	Company 2015 R
Assets				
Non-current assets:	18 915 732	18 241 201	15 845 654	13 617 731
Property, plant and equipment	18 915 732	18 241 201	5 187 402	3 692 446
Investment in subsidiary	-	-	300	300
Group loan receivable	-	-	10 657 952	9 924 985
Current assets:	15 443 895	11 915 647	13 709 923	11 039 277
Trade and other receivables	1 427 591	932 966	1 072 511	341 413
Taxation refundable	204 547	123 091	-	-
Bank and cash balances	13 811 757	10 859 590	12 637 412	10 697 864
Total Assets	34 359 627	30 156 848	29 555 577	24 657 008
Equity and Liability				
Equity	15 285 620	13 080 885	17 013 748	14 377 811
Share Capital	-	-	-	-
General reserve	5 000 000	5 000 000	5 000 000	5 000 000
Revaluation surplus	425 000	450 000	-	-
Accumulated surplus	9 860 620	7 630 885	12 013 748	9 377 811
Non-current liabilities	5 660 631	6 084 511	-	-
Interest bearing borrowing	5 567 391	5 991 271	-	-
Deferred tax liabilities	93 240	93 240	-	-
Current liabilities	13 413 376	10 991 452	12 541 829	10 279 197
Trade and other payables	8 779 417	8 406 351	8 412 195	8 242 894
Deferred income	-	21 811	-	-
Current portion of interest bearing borrowing	504 325	526 987	-	-
Short-term provisions	4 129 634	2 036 303	4 129 634	2 036 303
Total Equity and Liabilities	34 359 627	30 156 848	29 555 577	24 657 008

Statement of Comprehensive Income and Consolidated Statement of Comprehensive Income

2016/2017

as at 31 December 2016

	Group 2016 R	Group 2015 R	Company 2016 R	Company 2015 R
Revenue	43 560 710	38 639 687	37 670 222	33 024 354
Other income	1 306 237	1 671 770	1 304 416	1 150 265
Change in accounting estimate	628 746	608 679	628 746	608 679
Interest received	677 491	549 487	675 670	541 586
Rental Income	-	513 604	-	-
Less: Expenses	17 343 469	14 793 963	15 793 714	14 267 603
Auditors' remuneration	280 835	349 274	213 035	260 718
Depreciation	1 876 461	1 924 866	1 056 036	1 104 441
Direct costs	13 347 984	11 027 499	10 958 526	9 497 745
Director's remuneration	1 743 209	1 486 939	1 743 209	1 486 939
Operating lease- premises	94 980	5 385	1 822 908	1 917 760
Other income (not included above)	2 365 900	1 933 281	5 151 631	4 341 996
Less: Other administrative expenses	26 817 433	24 801 477	25 696 618	22 596 692
Surplus/(deficit) before finance charges	3 071 945	2 649 298	2 635 937	1 652 320
Finance charges	715 845	699 500	-	-
Surplus/(deficit) before taxation	2 356 100	1 949 798	2 635 937	1 652 320
Taxation	151 365	158 628	-	-
Net surplus/(deficit) after taxation	2 204 735	1 791 170	2 635 937	1 652 320
Other comprehensive income	-	-	-	-
Gain on revaluation properties	-	-	-	-
Total surplus/(deficit) for the year	2 204 735	1 791 170	2 635 937	1 652 320



Statements of Changes in Equity and Consolidated Statement of Changes in Equity

as at 31 December 2016
2016/2017

	General Reserve R	Revaluation Surplus R	Accumulated Surplus R	Total R
Group				
Balance at 31 December 2014	5 000 000	-	5 814 715	11 289 715
Gain on revaluation of properties	-	475 000	-	-
Transfer of revaluation surplus to retained income	-	(25 000)	25 000	-
	-	-	1 791 170	1 791 170
Total accumulated deficit for the year	-	-	-	-
Balance at 31 December 2015	5 000 000	450 000	7 630 885	13 080 885
Gain on revaluation of properties	-	-	-	-
Transfer of depreciation on revaluation surplus portion	-	(25 000)	25 000	-
Total comprehensive deficit for the year	-	-	2 204 735	2 204 735
Balance at 31 December 2016	5 000 000	425 000	9 860 620	15 285 620

	General Reserve R	Accumulated Surplus R	Total R
Company			
Balance at 31 December 2014	5 000 000	7 725 491	12 725 491
Total comprehensive surplus for the year	-	1 652 320	1 652 320
Balance at 31 December 2015	5 000 000	9 377 811	14 377 811
Total comprehensive surplus for the year	-	2 635 937	2 635 937
Balance at 31 December 2016	5 000 000	12 013 748	17 013 748



Consolidated Statement of Cash Flows

as at 31 December 2016

2016/2017

	Group 2016 R	Group 2015 R	Company 2016 R	Company 2015 R
Net cash retained in operating activities	5 320 956	3 987 716	4 594 762	3 910 023
Cash receipts from members and other customers	43 066 085	39 091 276	36 939 124	33 806 406
Cash paid to suppliers and employees	(37 473 954)	(34 765 068)	(33 020 032)	(30 437 969)
Cash (utilised by) generated from operating	5 592 131	4 326 208	3 919 092	3 368 437
Interest received	677 491	549 487	675 670	541 586
Finance charges	(715 845)	(699 500)	-	-
Taxation paid	(232 821)	(188 479)	-	-
Cash flows from investing activities	(1 922 247)	(893 597)	(1 922 247)	(1 440 251)
Purchase of property, plant and equipment to increase operating capacity	(1 922 247)	(893 597)	(1 922 247)	(893 597)
Advances of group loans receivable	-	-	(732 967)	(546 654)
Cash flows from financing activities	(446 542)	(525 740)	-	-
Proceeds from interest bearing borrowing	(446 542)	(525 740)	-	-
Net (decrease)/increase in cash and cash equivalents	2 952 167	2 568 379	1 939 547	2 469 772
Cash and cash equivalents at beginning of year	10 859 590	8 291 211	10 697 864	8 228 092
Cash and cash equivalents at end of year	13 811 757	10 859 590	12 637 411	10 697 864



Looking Ahead into 2017

Cementing the professionalism of our industry is our key driver. Our intention is to achieve this through placing leadership, awareness and recognition at the apex of our strategic plan.

Medium-term Strategic Plan 2016 -2018

Leadership

- L1. FPI leads the financial planning profession and professional advice space through articulation and implementation of a robust and well-defined strategy.
- L2. Secure organisational sustainability (governance, financial, operational excellence and BBBEE).
- L3. Lead transformation and diversity in the financial planning profession.

Awareness and Recognition

- AR1. Empower consumers by creating awareness of the benefit of professional financial planning and advice through financial education.
- AR2. FPI designations and in particular CFP® designation, the must-have designation for consumers of financial planning and financial advice.
- AR3. Achieve public/regulatory/legislative recognition and protection of financial planning as a distinct, evolving profession and FPI as the standards setting body for the profession.

Standards

- S1. Establish pre-eminent standards for practising financial planning and financial advice.
- S2. Establish, maintain and uphold world-class certification standards for FPI designations.
- S3. Establish, maintain and uphold world-class professional body standards.

Long-term Strategic Plan – (FPI Vision 2025)

Leadership

FPI is the pre-eminent financial planning and advisory standards authority for competent and ethical financial planners and advisors. CFP® certification and all of the FPI's designations represent the standard of excellence for competent financial planning and their respective disciplines in South Africa.

Awareness and Recognition

The public is widely aware of the value of the financial planning process and of CFP® certification and its financial advice related designations. Financial planning is recognised as a distinct professional practice. FPI is recognised by regulation/legislation as the standards setting body for financial planning and financial advice.

Standards

FPI has established standards of excellence for financial planning and advice. Members are in full compliance with CFP® certification programme standards as well as the respective related disciplines for which FPI awards a designation.

**Success
Aspiration**

Looking Ahead

Future Focus

Technology Drivers



To ensure our members stay abreast of technological developments research has been commissioned to get input from members of the FPI and Financial Intermediaries Association on the perception of automated (robo) advice. This will provide important guidance on how financial planners can integrate technology in their service offerings.

We are also excited about launching online communities where members will be able to collaborate online and share information and resources.

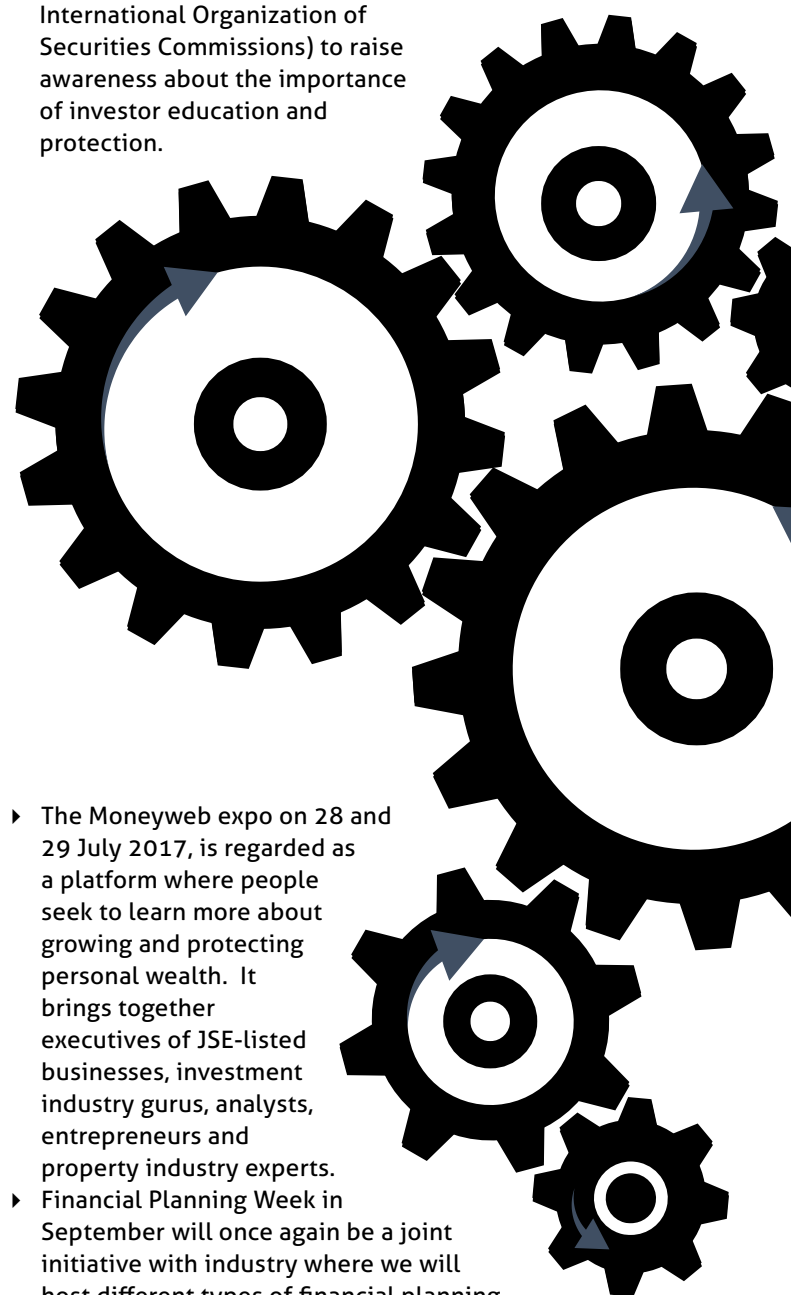
Financial Literacy

Improving financial literacy amongst the general public has been one of our key focus areas for several years. In the period ahead we are going to be ramping up efforts in this regard to drive greater awareness amongst consumers with respect to the value of financial planning.

We intend undertaking the following initiatives:

- ▶ Expansion of the FPI MYMONEY123™ programme in 2017 will include a young adult version. Establishing a healthy relationship with their finances is often a key challenge for the youth and building awareness of what FPI offers amongst young adults supports initiatives aimed at making financial planning an attractive career option for young people to consider.
- ▶ The Big Drive 4 Financial Freedom, a roadshow aimed at taking financial planning professionals on the road to educate and empower consumers on matters relating to financial planning. The roadshow will kick off from 28 September to 18 October 2017 and will move from Johannesburg to Cape Town.
- ▶ Participation in LeaderEx on 5 September 2017. This is Africa's largest gathering of business leaders, professionals and entrepreneurs. This will provide us with an opportunity to reach existing and aspiring business leaders and draw attention to the importance of developing an individual plan to achieve savings and investment success.

- ▶ Along with other global affiliates we will be participating in World Investor Week from 2 to 8 October 2017. This is a week-long, global campaign promoted by IOSCO (the International Organization of Securities Commissions) to raise awareness about the importance of investor education and protection.



- ▶ The Moneyweb expo on 28 and 29 July 2017, is regarded as a platform where people seek to learn more about growing and protecting personal wealth. It brings together executives of JSE-listed businesses, investment industry gurus, analysts, entrepreneurs and property industry experts.
- ▶ Financial Planning Week in September will once again be a joint initiative with industry where we will host different types of financial planning educational activities.

Re-affirming our Standards

The Financial Advisor Competency Profile, Curriculum, Practice Standards and Principles will be launched in the year ahead. This will set a new benchmark for education institutions to develop qualifications that meets a professional standard.

Furthermore members can also anticipate the launch of the CAPSTONE course which aims to assist candidates in understanding the practical component of financial planning.

Research

On the research front, we will conduct specific research on FPI Approved Professional Practice™ firms as well as other financial planning practices and the way they conduct their business in South Africa. This will be compared to international studies on the same topic and we are extremely excited about the potential findings coming from this research. The research results will be released during the employer workshop on 18 October 2017.

Our Job Analysis Survey, as well as the well-anticipated Robo-Advice Survey, results will be released in 2017. A significant effort was made to ensure that as many channels as possible were utilised to encourage respondents and we believe it will provide a comprehensive view of the sector.

Shifting Gears

We are acutely aware of the fact that a number of environmental factors are driving a rapid evolution of the financial services industry. In order for us to support members, so that they not only survive, but thrive in these changing times, we need to be prepared. We will therefore be working with our staff in the year ahead to sensitise them and equip them with skills to manage change and ambiguity.

Reviewing Trademark Protection

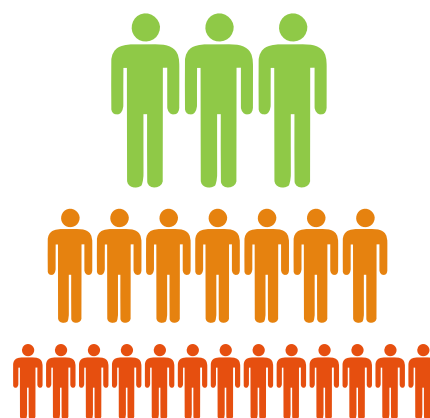
A major overhaul of the disciplinary regulations entailing a complete re-write of the disciplinary process will be undertaken. This will support the maintenance of the high standards we are setting for professional financial planners.

Anticipating Exciting Developments

As the year goes by, we intend to continue on the same trajectory while we seek to come up with new innovative ways and strategies to expand our reach. We continue to grow our member base by engaging with pipeline members on taking up the membership.

The plan is to add 350 new CFP® professionals and 240 new FSA™ professionals in 2017. We have beefed up our engagement with students and candidates in order to promote a more efficient and faster take-up of the designations. A large portion of the candidate support campaign is preparation for the Professional Competency Examination and we plan to expand our support platforms to Facebook and our new FPI online communities platform to be launched in 2017. We will continue to engage with employers of financial planners, and through this engagement, we aim to grow our professionals and thereby making a real tangible impact on how the industry is operating. The FPI Approved Professional Practice™ and FPI Corporate Partner™ brands are used to roll out these engagements with targeted and committed employers of financial planning professionals.

There will also be new projects and/or campaigns. In this regard, we plan to host an employer workshop on 18 October 2017 in Cape Town (a day before the Annual FPI Professionals Convention to held on 19-20 October) and we are compiling an exciting line-up of speakers and interesting topics.



The plan is to add **350** new CFP® professionals and **240** new FSA™ professionals in 2017.

Contributors

2016/2017



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