

Annual Report

2016/2017
FINANCIAL YEAR



**Boxing
South
Africa**



***Boxing
South
Africa***



***Boxing
South
Africa***

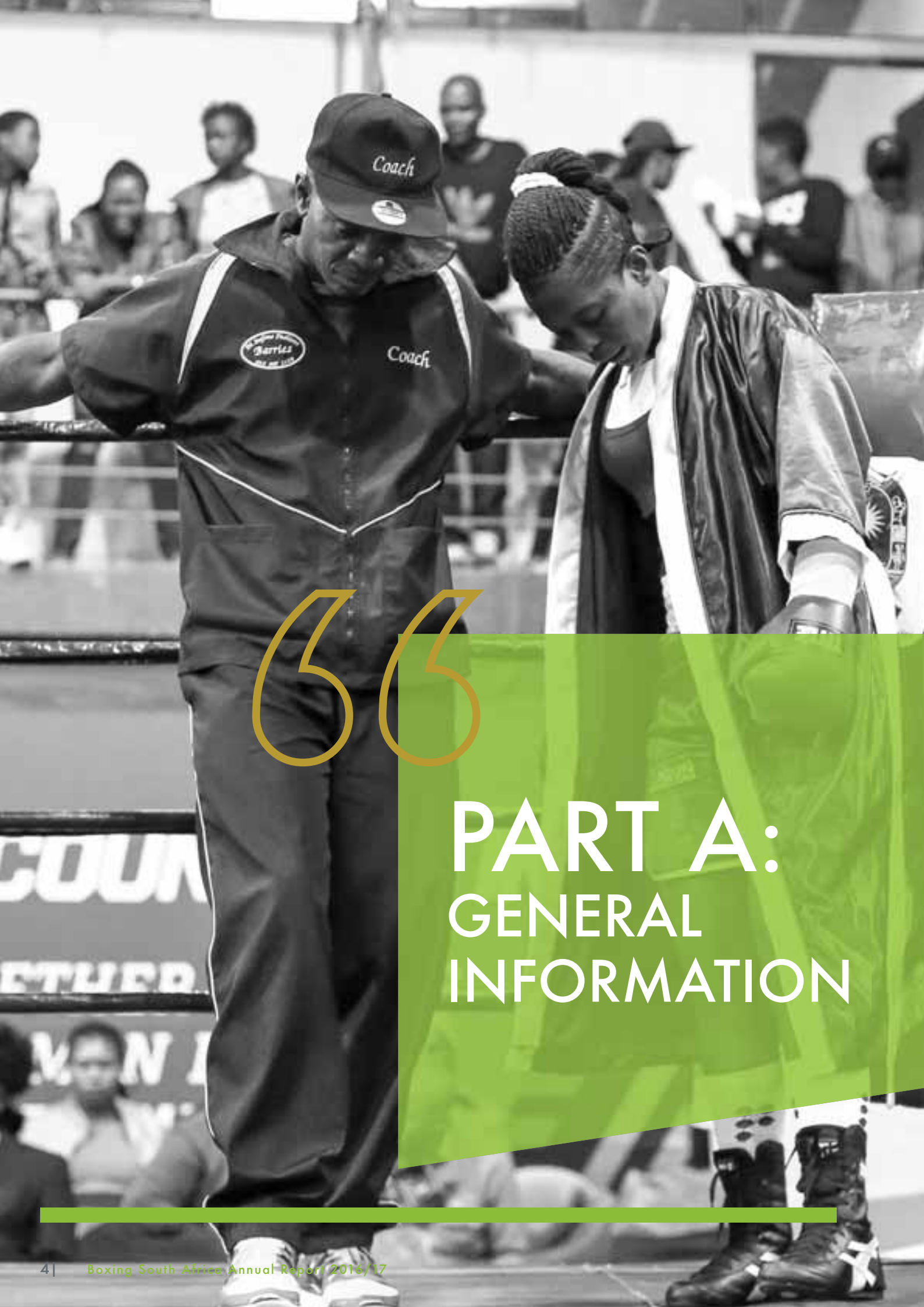
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PART A: GENERAL INFORMATION

1. Public entity's general INFORMATION

REGISTERED NAME:
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Hatfield
Pretoria

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Southdale
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Auditor-General South Africa
ABSA Bank

2. List of Abbreviations/ **ACRONYMS**





AGSA	Auditor-General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SRSA	Sport and Recreation South Africa
WIB	Women in Boxing
NDP	National Development Plan
PSA	Public Service Act
SANABO	South African National Amateur Boxing Organization
CATHSSETA	Culture Arts Tourism Hospitality and Sport Sector Education Training Authority
SAIDS	South African Institute for Drug Free Sport
SASCOC	South African Sport Confederation and Olympic Committee
SABC	South African Broadcasting Corporation

3. Foreword

By the CHAIRPERSON

The year 2016/17 marked the third and final year of the term of office of the current BSA Board. The year was therefore a symphonic culmination of all efforts on the side of the Board to bring to final fruition the various interventions put in place during the first and the second year of its term. If this was an opera performance, the period under review could easily be called the grand finale!

As it has been previously recorded and noted, the Board came into office on 18 May 2014 at a time when the organization was faced with a number of huge organizational challenges and a turmoil labour relations environment. As a result, in its first and second year, the Board was met with a series of labour relations matters that resulted in termination of service of almost the entire middle and senior management layer of BSA, i.e. The CEO, the COO (Director: Operations), the CFO, the HR Manager, the Finance Manager.

Notwithstanding the challenges above, the period under review saw stability and administrative certainty restored back to the organization. The Board successfully recruited and appointed the CFO (appointment was actually finalized in March 2016), the CEO and COO. In return the presence of strengthened administrative capacity enabled the Board to begin looking beyond the first of its three programme areas (Governance and Administration) and started doing work on its second and third programmes of (1) Boxing Development and (2) Boxing Promotion.

The Board also ensured that the organization has a reliable year planner to drive its annual plans and further that all organizational appendages including the Board committees work in tandem and deliver on their respective mandates as per the Annual Performance Plan. The Board continued to strengthen its relationships with key strategic partners, particularly the National and Provincial Departments of Sport & Recreation as well as the National Broadcaster and SA National Amateur Boxing Organization.

During the period under review a lot of energy went into rebranding and repositioning the organization's flagship programmes and ensuring that they assume a recognizable and bankable identity in the broader sport sector calendar. Over and above the Women in Boxing Programme which was introduced in 2015, in 2016 the Board further re-introduced the SA Boxing Awards which had not taken place since back in 2009. The Board also began to strengthen and mainstream its Licensee Capacity Building Programme. This momentum will still be carried over into the next financial year.



The challenge of inadequate resources continues to hamstring the organization from fulfilling all its obligations. This was further exacerbated by the fact that the organization had to channel resources towards clearing a bill of outstanding purse money after some promoters abandoned their responsibilities in this regard. The implicated promoters were subsequently taken through a disciplinary process which resulted in their promotion licenses being suspended and legal proceedings being instituted against them to recover the money owed.

As we present this Annual Report which is most surely our last annual report presented together as the Board of 2014-2017, we would like to thank the Ministry of Sport & Recreation for the opportunity afforded to us to serve this loving community of pugilists. We would like to thank the broader boxing fraternity for the support, cooperation, guidance and criticism whenever appropriate. We would also like to thank all other strategic partners on whose support and assistance we continued to rely in execution of our mandate in the past three years.

Kind regards,

Muditambi Ravele

Muditambi Ravele

Chairperson of the Board

Boxing South Africa

4. Chief Executive Officer's OVERVIEW

This annual report serves to give account of Boxing South Africa's financial and non-financial performance for the past financial year commencing 1 April 2016 and ending 31 March 2017. A bird's eye view of this period signifies a mixed bag with plenty positive highlights and major breakthroughs laced with some challenging and gloomy episodes as well.

As previously reported, prior to 2016/2017 BSA was dependent on Sport & Recreation South Africa (SRSA) for a number of support services provision such as:

- BSA didn't have own office space and was housed rent-free at SRSA premises
- BSA didn't have its own internal audit unit. This function was extended to BSA by SRSA
- BSA budget wasn't adequate to cover all its legal expenses and SRSA assisted in this regard.
- BSA personnel needs were highly dependent on SRSA which seconded SRSA employees to reinforce BSA workforce, particularly in Executive Management, Supply Chain Management, Secretariat and Labour Relations functions.

The biggest preoccupation of BSA during the period under review was therefore to address these internal deficiencies and ensure that the entity is appropriately positioned and adequately resourced to drive its own operational needs and fundamental obligations. This took the better part of the financial year to achieve, but by the end of December 2016 all systems were already firmly in place. The vacancy rate of the organization had been placed below 88% which is an acceptable vacancy rate as per the Annual Performance Plan. The audit committee of BSA was fully functional after commencing duty in March 2016. The internal audit unit had been established following a procurement process. BSA further undertook a process of securing own office space and this was successfully concluded in March 2017 and the organization relocated to its new office premises in April 2017.

With a sound audit environment in place, a number of limitations were quickly picked up with regard to deficiencies in the BSA Annual Performance Plan (APP). Key among such deficiencies was some of the strategic indicators in the APP which were not SMART Principles compliant and which were also not properly explained as there was no technical indicator description document.

These challenges have now been addressed and some of the performance indicators were subsequently reviewed in the current APP. Key among Management's preoccupation has been to address all recurring audit findings and commendable progress is being realized despite some challenges in specific areas.

Interaction and relations with the licensees have improved considerably in the past year as a result of among others, an improved legal framework and well understood dispute resolution systems. BSA has also assisted licensees in three categories to establish their National Associations, i.e. Ring Officials, Promoters and Boxers.

This remains a key priority even going into the 2017/2018 financial year. Coupled with this process of establishment of national association is also a formidable training program to build licensee capacity and address the challenge of skills shortage among licensees.

In overall the profile of boxing in South Africa has also increased significantly in the past year as a result of a multiplicity of interventions put in place. Key among those has been the role of the broadcasters, particularly the national broadcaster which reintroduced a weekly boxing programme. Incidents of negative media coverage and internal squabbles by the boxing community itself have also been placed under management due to improved relations with licensees. The introduction of BSA led programmes such as, (1) Women in Boxing, (2) SA Boxing Awards and (3) Licensee capacity building programmes have reinstated the confidence and excitement among the licensees and this has contributed largely towards the image of boxing in the country.

Going forward BSA will still pay optimum attention on its internal control environment and ensuring that it prioritizes addressing the gaps flagged out by the audit process. Training and capacitating licensees is a crucial cornerstone in this regard because properly capacitated licensees will certainly be better placed to respect and comply with the obligations imposed on them by the Act and the Regulations. Implementation of the Revenue Generation Strategy will also be one of the main priorities for the 2017/2018 financial year.

In overall management is pleased that BSA has once more managed to secure an unqualified audit opinion. Management does however acknowledge that there is still room for improvement and no space exists for complacency. We will therefore have to double our efforts and triple our efficiency going into the next financial year. Our preoccupation remains to achieve a clean audit opinion and we believe we are right on track towards that noble goal.

Bout by bout, blow by blow we are punching our way back to the mainstream!

Regards,



Tsholofelo Lejaka
Chief Executive Officer



5. Statement of responsibility and confirmation of accuracy for the ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2017.

Yours faithfully



.....
Chairperson of the Board
Name: Muditambi Ravele
Date: 31 March 2017



.....
Chief Executive Officer
Name: Tsholofelo Lejaka
Date: 31 March 2017

6. Strategic OVERVIEW

Vision

The vision of Boxing South Africa (BSA) represents its futurist, long term and idealistic state. This vision is aimed at rallying and inspiring the entire boxing community of South Africa to make every effort in taking boxing to new heights.

Our vision is to be a leading sport code in South Africa and a world class boxing authority.

Mission

Our mission at BSA is to develop, promote and effectively regulate the administration of boxing in SA, by:

- Ensuring and safeguarding the health, safety and general well-being of professional boxers;
- Promoting, marketing and sanctioning quality boxing events and tournaments;
- Increasing the sport's popularity with athletes, supporters and sponsors;
- Credibly rating boxers and training licensees;
- Positioning BSA as a point of reference for international sanctioning bodies in South Africa and ensuring that BSA fulfils its role as a custodian of the best interests and concerns of all South African Boxers at home and on the international front;
- Improving the stature of national and provincial titles; and
- Coordinating the activities of all boxing stakeholders in the country for the purposes of unifying the sporting code and managing expectations with integrity.

Values

Our values will guide the actions and behaviours of all at BSA, the licensees and all other stakeholders in the broader boxing fraternity. At the core of our values is the belief and the reality that boxing starts and ends with a boxer and hence our values are boxer centric.

Accordingly, BSA will promote and champion these values to ensure the promotion and advancement of boxing nationally and that the sport is restored to its previous glory and receives the respect of practitioners and the public alike. Our values are encapsulated in the figure below.

P Professionalism
Throughout the code Boxing South Africa will endeavour to promote and entrench the virtue of professionalism. In reality this means BSA, the licensees and all other stakeholders within boxing must strive to exert themselves expertly and with authoritative knowledge in their chosen areas of operation. In the context of South African boxing, there will be greater expectations for transparency and openness by all role-players.

L Leadership
We believe that there is a collective responsibility on all the stakeholders in boxing to collaborate and work together for the common good of the sport. In this regard, it is incumbent on BSA to provide the overall leadership necessary to enable collaboration and success of the sport code and for every stakeholder to exercise leadership in their respective areas of operation without encroaching on the rights of others.

A Accountability
The principle of accountability is imposed on all stakeholders in the boxing community by the Boxing Act. Based on the act it is incumbent on all of us, BSA and the licensees, to each honour their legislative mandate to carry out their responsibility, respect each other's role and to act with integrity at all times.

D Diversity
In promoting the sport we will endeavour to take the sport to every part and corner of our country and ensure that all communities and athletes have an equal opportunity to partake and excel in the game without regard to their cultural and linguistic, religious, social and economic status, and or any other form of discrimination whatsoever.

These values will drive the attitudes and behaviour of everyone within the boxing community. Accordingly, it will be expected of all at BSA (Board members and employees) and individual licensees and their associations to pledge their full support and commitment for making these values a way of life.

7. Legislative and other MANDATES

This section outlines the legislative and other mandates that provide BSA with the mandate to carry out its functions and responsibilities.

7.1 Constitutional mandate

The functionality of Sport and Recreation South Africa (SRSA) is premised on the Constitution of the Republic of South Africa, Act 108 of 1996 hereafter referred to as the Constitution, which guarantees the right to social security in Schedule 27. The Constitution affirms the democratic values of human dignity, equality and freedom. In line with these Constitutional imperatives, SRSA has been assigned the powers and functional to develop and implement national policies and programmes regarding sport and recreation in the country.

7.2 Legislative Mandate

The BSA was established in terms of the South African Boxing Act, Act No 11 of 2001 herein referred to as the Act. It is the successor of Boxing Commissions of early days. It is mandated to accomplish the following functions by the act, to;

- Provide a new structure for professional boxing in the Republic,
- Ensure effective and efficient administration of professional boxing in the Republic,
- Recognise amateur boxing,
- Create synergy between professional and amateur boxing, and
- Promote interaction between associations of boxers, managers, promoters, trainers, officials and Boxing SA.

The BSA is in execution of its mandate, operating within the following legislative, policies and regulations framework:

- Boxing rules and regulations,
- Boxing directives,
- Boxing SA Policies and Procedures,

Other legislative pieces relevant to the mandate and functions of BSA

Basic Conditions of Employment Act 1997
Labour Relations Act 1995
Occupational Health and Safety Act 1993
Preferential Procurement Policy Framework Act 2000
Promotion of Equality and Elimination of Unfair Discrimination
Public Finance Management Act 1999
Promotion of Access to information Act 2000
Skills Development Act 1998
Government Immovable Asset Management Act 2007
National Environmental Management Act of 107
Protected Areas Act 57 of 2003
Safety at Sport and Recreation Events Act
South African Boxing Act

Act 75 of 1997
Act 66 of 1995
Act 85 of 1993
Act 5 of 2000
Act 4 of 2000
Act 1 of 1999
Act 2 of 2000
Act 97 of 1998
Act 19 of 2007
Act 107 of 1998
Act 57 of 2003
Act 2 of 2010
Act 11 of 2001

7.3 Policy Mandates

The BSA in its endeavour to regulate and promote boxing in South Africa, will be guided by and support the national sport policies of Sport and Recreation South Africa in general and specifically the White Paper on Sport and Recreation, the National Sport and Recreation Plan and the Sport Transformation Charter. During September 2013, BSA hosted a national Boxing Indaba which adopted several important resolutions. The Indaba resolutions fundamentally proposed policy solutions as will appear in the strategic objectives here under.

National Development Plan

The National Development Plan (NDP) recognises that sport plays an important role in promoting wellness and social cohesion, and treats sport as a cross-cutting issue, with related proposals in the chapters on education, health and nation building.

Sport and recreation contribute substantially to promoting social cohesion across society and detailed initiatives in this regard are captured in the Medium Term Strategic Framework and documented in this Strategic Plan.

The NDP also acknowledges the significant role that sport plays with regards to fostering nation building. The NDP envisions a South Africa where all will be more conscious of the things they have in common, rather than their differences, where their shared experiences will cut across divisions of race, gender, space and class. BSA has heeded the call to prioritise the NDP and a strategic decision has been taken to support identified initiatives that contribute directly to the vision of the NDP. These are captured and allocated priority resources in the Boxing South Africa 2015/16 Annual Performance Plan and will be reviewed annually.

Government Outcomes

Outcome 14, national building and social cohesion where sport and recreation feature prominently, acknowledges that despite progress since 1994, South African society remains divided. The privilege attached to race, class, space and gender has not yet been fully reversed, and the quality of services continues to be affected by who you are and where you live. Attitudinal, physical and communication barriers continue to exclude and marginalize persons with disabilities. For the above reason BSA will focus on the implementation of the National Boxing Indaba Resolutions which seek to fundamentally change the boxing landscape. The Strategic Goals in this Strategic Plan encapsulate most of these.

White Paper on Sport and Recreation for the Republic of South Africa

The White Paper on Sport and Recreation emphasises that an increased and focused commitment at all levels of sport would be advantageous for the country since this could enhance health, economic, social and international benefits. This being the case, the government must consider expenditure on sport and recreation as a worthwhile, and indeed, a necessary investment in the future of our country and its people.

The 2012 White Paper states that the success of sports development in South Africa is dependent upon the smooth implementation of a system with clear definitions of authority, responsibility and accountability combined with seamless progression. For South Africa to be successful in sport and recreation, it is essential that there be one authority charged with the responsibility to develop, coordinate and monitor a comprehensive system established in accordance with a broadly agreed national strategy.

The White paper pronounces five strategic outcomes orientated goals:

Strategic goal 1: Citizens access sport and recreation activities (Active Nation).

Strategic goal 2: Athletes achieve international success (Winning Nation).

Strategic goal 3: Enabling mechanisms to support sport and recreation.

Strategic goal 4: Sport and recreation sector adequately transformed.

Strategic goal 5: Sport used as a tool to support relevant government and global priorities.

The BSA's strategic plan endorses all the strategic goals stated in the White paper. This strategic plan includes goals on transformed and regulated environment (Goal 2) which link with Strategic goals 3 and 4 of the White paper.

National Sport and Recreation Plan

BSA is geared to delivering on the NSRP imperatives especially on the responsibility of creating an enabling environment for all licensees to participate equally in the sport and for opening avenues for the broadcasting of tournaments across the lengths and breadths of the country. These imperatives are part of this Strategic Plan for 2015/2016 - 2019/2020.

Medium Term Strategic Framework

This Medium Term Strategic Framework (MTSF) is government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

The MTSF highlights government's support for a competitive economy, creation of decent work opportunities and encouragement of investment. This is the first MTSF to follow the adoption of the NDP in September 2012. The introduction of a long-term plan brings greater coherence and continuity to the planning system and means that the MTSF now becomes a five year building block towards the achievement of the vision and goals of the country's long-term plan.

The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. Performance agreements between the President and each Minister will reflect the relevant actions, indicators and targets set out in the MTSF.

In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

The BSA through its Board accounts to the Minister of Sport and Recreation. Regular meetings will be used to provide feedback to the Minister on progress made to implement the Strategic Plan and key indicators and targets from the MTSF. Greater levels of operational detail, together with other areas of work that are not covered directly in the MTSF, are included in this Strategic Plan.

7.4 Relevant Court Ruling

None

7.5. Planned Policy Initiatives

During the period under review, BSA facilitated and developed several policy measures to improve the overall administrative capacity to deliver on the mandate. BSA developed and/or reviewed 26 policies and procedures in the period under review.

7.6 International Sanctioning Bodies Rules and Regulations

As a member of the international boxing fraternity, South African boxers and practitioners in general and by extension BSA is also bound by the rules and the regulations of the following international sanctioning bodies that are recognised by BSA;

- International Boxing Federation
- International Boxing Organisation
- The Commonwealth Boxing Council
- World Boxing Association
- World Boxing Council
- World Boxing Federation, and
- World Boxing Organisation

The BSA will also recognise any other world boxing sanctioning bodies that may come into existence in near future.

7.7 The Consolidated Mandate of BSA

Based on the legislative and the international mandate protocols, the mandate of BSA can be broken down and summarised as in the table below:

Key Mandate Areas	The Specific Areas
Boxing development in South Africa	<ol style="list-style-type: none"> 1. To facilitate the establishment and effective coordination of all boxing structures (associations of licensees). 2. To provide administrative support to all the associations and practitioners in the boxing fraternity of South Africa. 3. To promote and market the activities of boxing as a leading brand. 4. To champion the development of boxing infrastructure for recreational and competitiveness purposes. 5. To facilitate and coordinate the skills development programmes amongst the licensees within the boxing fraternity.
Being a Regulatory Body for professional boxing in South Africa	<ol style="list-style-type: none"> 1. To develop appropriate norms and standards for the effective management and administration of professional boxing in furtherance of the legislation. 2. To ensure the compliance and enforcement of the norms and standards by all the individual licensees and their associations. 3. To establish effective dispute resolution mechanisms and to mitigate all disputes that may arise amongst the licensees within the boxing fraternity. 4. To develop the skills development framework and foster partnerships with relevant stakeholders for its realisation and implementation. 5. To ensure that the administration and management of boxing in South Africa is based on good governance and is run in the best interests of boxers and the general public.

7.8 The BSA Functions

The functions of BSA are divided into core and strategic support functions. Each category of functions is further elaborated upon below:

7.8.1. Core Functions

- To undertake the registration and licensing of all the licensees in the professional boxing fraternity and to maintain a reliable data base at all times.
- To sanction the staging of professional boxing tournaments based on the rules and regulations of BSA.
- To promote and recognize good talent, outstanding performance and exemplary behaviour by boxing licensees, boxers particularly, through the presentation of performance awards nationally.
- To rate boxers in each division within nationally based on their performance in the ring.
- To facilitate and coordinate the training and development of licensees to ensure compliance with norms and standards, the promotion of health and safety and the general improvement of the sport.

7.8.2. Strategic Support Functions

The following strategic support functions will be performed by BSA:

- Collection and disbursements of boxers' payments.
- Ensuring proper document management and archival services (including digital recording and archival of boxer information) to ensure their integrity, safe keeping and easy retrieval.
- Use boxing as a vehicle to promote sport tourism in the country and generally ensure that its role as a contributor in the country's economy is improved dramatically.

8. Boxing South Africa

BOARD



BOARD MEMBER
Mr Khulile Radu



BOXING SA CHAIRPERSON
Mme Muditambe Ravele



BOARD MEMBER
Dr Malefetsane Ngatane



BOARD MEMBER
Mr Zoyisile Gcilitshana



BOARD MEMBER
Adv. Mzamo Gumbi

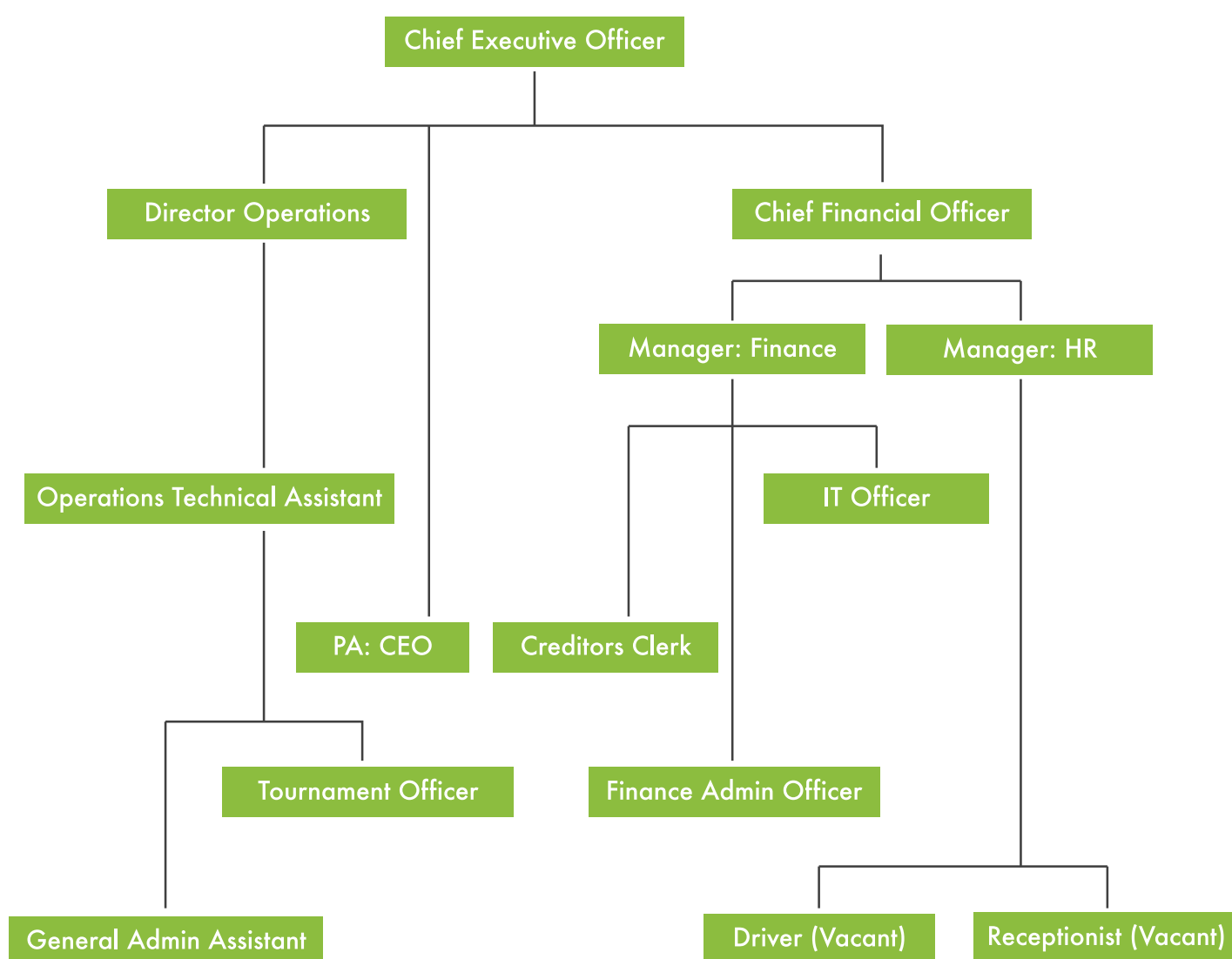


BOARD MEMBER
Mr Luthando Jack



BOARD MEMBER
Ms Zandile Kabini

9. Organisational STRUCTURE





BSA CEO. Tsholofelo Lejaka



BSA CFO. Thabang Moses



BSA COO. Cindy Nkomo

PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page insert page no. of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

In the beginning of the second quarter of the period under review, the Board of Boxing South Africa convened a Strategic Review workshop to evaluate progress in respect of its implementation of the 2015-2020 Strategic Review Plan and most importantly, to outline its priorities for the 2017/2018 financial year. The Strategic Review workshop was attended by all board members as well as the CFO and the CEO. To guide this workshop, the board considered the Framework document for Strategic Plans and Annual Performance Plans issued by the National Treasury and a number of its own key strategic, policy and regulatory framework documents as already outlined in the 2015-2020 Strategic Plan.

As its premise, the Board acknowledged that notwithstanding some challenges faced by Boxing SA as an entity, a lot of work has actually been accomplished in the period under review. The board further noted that the review workshop itself takes place at a time when all the necessary building blocks for the organization's stability are in place following the successful recruitment and placement of the CEO and CFO in the first quarter of 2016/2017.

The board reconsidered its Strategic Plan 2015-2020 document and acknowledged that it is still very much relevant during the current juncture and appropriate as a blue print that spells out the Board's strategically important outcomes oriented goals and objectives in the medium-term. The Board however noted that the Performance Plan of 2016/2017 has some limitations which need to be addressed in the 2017/2018 Annual Performance Plan document.

As a general observation, the Board noted that somehow the 2016/2017 Annual Performance Plan lacks consistent and proper linkage with the strategic goals and the intended activities spelt out in the Strategic Plan. The 2017/2018 Annual Performance Plan development process therefore offers an opportunity for this disjuncture to be addressed, where noted.

Core Function

A healthy balance need to be maintained between resource allocation towards support services and core function of Boxing SA. In that respect, careful identification of the top five issues from a broad range of other important and mandated issues need to be made. This will assist to streamline focus and drive common effort towards a few programmes which BSA will do and do exceptionally well. In this regard, an assumption is to adopt a strategic narrow focus aimed at functional excellence than to try and do everything only to fail in everything. The Strategic Plan identifies the following as the top five issues:

- a) Effective and sustainable organization
- b) Transformed and regulated environment
- c) Efficient management, marketing and communications with stakeholders

Legal Issues

Legal issues within the sporting sector at large are fast becoming wide and varied as the industry becomes more and more professional, commercial and competitive. The law surrounding the sport, particularly in boxing is also becoming more complex and challenging. As a regulator of professional boxing in South Africa, BSA therefore needs to be constantly alive to this ever changing legal and regulatory environment in which it operates. BSA has therefore established a Legal Commission to assist the organisation to handle complex legal matters and to also have semi in-house legal capacity to respond to and handle any complex legal matter that may come its way

Boxing! The People's Sport

Historically, boxing has always been ranked amongst the top five sporting codes within the majority of our people in South Africa. Over the years, boxing served as an impeccable tool for nation building, social cohesion, national celebration and patriotic promotion. It assisted to transcend the racial boundaries and economic divides at a time when the nation was still at its most polarized formation. In recent years, this stature seems to be fast dissipating. As priority number one, the sport of boxing in South Africa has to be reinstated to its glory days as the 'People's Sport'.

To achieve this, our approach to programme implementation going into the 2017/2018 financial year will have to reflect this. We might not necessarily need to include new programmes to achieve this, but our business process will certainly need to be repositioned. Existing programmes through which this will have to find expression are the following:

- Boxer focused (boxer's finance management, insurance, contribution levels, etc.)
- Spectators (reinforcing and prioritizing value for the spectators)
- Raising profiles of our programmes
- Enterprising our approach
- Career (skilling and equipping boxers for life challenges beyond the ring)

Revenue Generation

A need for Boxing South Africa to increase its resource base and strengthen its capacity to respond to its legislative mandate and programmatic requirements can never be over emphasized. At the moment, the organization's sole long-term revenue base is its annual allocation from the National Department of Sport and Recreation of R11, 03m in the current financial year, coupled with a total projected income of R2, 47m from its licensing & sanctioning levies, penalties and interests from the Investment revenue. Collectively this brought the 2016/2017 budget to R13, 5 which increased to R14, 193m in the 2017/2018 financial year.

This allocation alone will not suffice to drive all the programmatic and activity needs of the organization to optimally respond to its mandate. On the other hand, the effects of the current economic climate on our public sector at large can also not be ignored. It is for that reason that urgent, creative efforts are required to unlock additional resources through commercialization ideas, partnerships, sponsorships and programme syndication initiatives. During the period under review, the organisation worked on developing a revenue generation strategy and in the next financial year, this will be put to test to ensure that it begins to unlock new resources for the organisation.

Stakeholder Relations

Boxing SA committed itself to finalize its stakeholder relations strategy document. The 2017/2018 financial year will therefore witness a fast-tracked implementation drive of this strategy. This is aimed at creating more structured relations with its key stakeholders based on clearly defined programmatic goals and defined reflection platforms and moments.

BSA Administrative Capacity

In order to ensure clean and good governance, it remains important for BSA to strengthen and continuously capacitate its administrative base. Currently a lot of work has already been done to address the personnel challenges of the organization and minimize the vacancy rate. A lot of attention however still needs to be channelled towards training and development of its organizational workforce and licensees.

The adoption, implementation and review of its Human Resources Plan (HRP) is one critical area which needs to be strengthened. In the 2017/2018 financial year, the execution of the HRP Implementation Plan will be an important area. This will include among others, ensuring that adequate tools of trade and enabling environment is created through effective and efficient provisioning services.

2.2. Organisational Environment

The Boxing SA's mandates, set out in section 2 of the South African Boxing Act No.11 of 2001, inaugurate it as a professional boxing regulatory body in South Africa. Its mandates in section 2 of this Act. The Executive Authority, the Minister of Sport and Recreation South Africa through SRSA Accounting Officer (the Director General) is charged with the performance oversight role over BSA. The BSA comprises of the Board (this is the Accounting Authority of the entity), the Chief Executive Officer (the BSA's Accounting Officer), management and staff. The BSA's main clientele are the boxers, managers, trainers, promoters, officials, and spectators.

Financial Year 2015/2016 Annual Report

On 11 October 2016, BSA presented before the Sport and Recreation Portfolio Committee in Cape Town, its 2015/2016 annual report with an unqualified Auditor General's opinion. This is a great improvement from the prior year's qualified audit opinion which Boxing SA received. This is also testimony to our ongoing work to uphold good governance and tighten our administrative internal controls. The major challenge however still remains for BSA to prioritise implementation of its action plans arising from the management letter of the Auditor General in order to ensure non-recurrence of the prior year audit findings.

License Renewals for 2016/2017

A well administered and stable regulator is however only as good as a sector it regulates. At the moment, there is however still a lot to be done on that front. In August, we consolidated the records of our licensees for 2016. The total stood at 1049 licensees with more than 573 being boxers specifically, and 91 being women across different categories of licensees. This area still needs a lot of attention to ensure that the next licensing cycle is based on a criterion which all applicants will have to comply with and can also be subjected to some evaluation or testing method. For that reason, in the 2017/2018 financial year, BSA will develop training manuals which all licensees will have to be conversant of and have to comply with as part of the criteria for admission as a licensee.

Categories	Males	Females
Boxers	573	46
Managers	84	07
Trainers	71	02
Seconds	91	02
Matchmakers	03	0
Ring Announcers	09	02
Ring Officials	62	14
Promoters	65	18
TOTAL	958	91

Recognition and Reward Programs

The sixth edition of South African Boxing Awards took place on 27 January 2017 at Inkosi Albert Luthuli Convention Centre in Durban. While most of the preparations towards this august occasion was meddled with challenges and little confidence among many that the event will indeed succeed, the overall program was ultimately successfully delivered and to a large extent also surpassed expectations in its success.

Key among the challenges which faced the delivery of this project was the financial muscle that would have placed Boxing South Africa at a comfortable driving seat. Due to limited resources, the Boxing Awards were not hosted as a stand-alone event but rather as an integral part of the Boxing is Back program. As a result, it was delivered through a partnership that included SRSA, SABC, KZN DoSAC and City of eThekweni.

The event was also delivered as a live broadcast show, which in itself brought in a number of production complexities which demanded specialized expertise at the level of production and broadcast. The spin offs for this bold and ambitious approach did prove however to be worth more than the risks. The South African Boxing Awards as a brand has now been fully reactivated and relaunched with a new look and feel and unique brand position. The excitement and confidence on this new kid on the corporate sport event calendar is heartening.

Payment of Outstanding Purse Money

In December 2016, Boxing South Africa finalised the process of paying all boxers and officials who participated in tournaments that were allowed to take place without purse money paid. In this regard, Boxing SA adopted an approach of paying the boxers and officials so that they don't continue to be inconvenienced and strained along while Boxing SA is pursuing the respective promoters responsible. Pursuant to this, BSA further instituted disciplinary processes and also civil suites to pursue all the promoters who plunged the boxing sector in such an unenviable position.

Sanctioning of Tournaments

During the period under review a total of 75 tournaments were sanctioned by BSA. As per the dictates of the law, BSA continues to ensure that all tournaments sanctioned are in full compliance with the Boxing Act, particularly in respect of the provision on payment of purse money. Difficult as it sometimes proves to be, we continue to ensure that no tournament is allowed to proceed without purse money deposited into BSA account, irrespective of whether or not, there is a written undertaking from any sponsor or even a government department or a municipality.

Building Internal Capacity and Professionalizing Boxing

As part of our ongoing work to professionalize our sport through improvement of competence and integrity levels our ring officials, on the weekend of 11-13 November 2016 we held a Ring Officials' Seminar at Transnet Football School of Excellence, Elandsfontein in Germiston. This seminar was attended by all our referees, judges, time keepers, inspectors and glove stewards, including also our ring announcers. Collectively, 89 people attended.

The great objectives of this seminar was to reflect on a number of issues which affect the working condition of ring officials like their remunerations, relationship with promoters, as well as the nature and extent of support they require from Boxing SA. The seminar included a refresher training for all officials and further provided an opportunity for officials to elect their interim national leadership which will work on the process of develop the Ring Official's Association Constitution and prepare for their Annual General Meeting.

This was a very successful intervention, particularly considering the fact that the last session like that one, took place way back in 2004. This will now be followed by a national training roadshows at provincial level to focus much deeper into the identified areas of capacity deficit.

Administrative Capacity

Between March 2016 and January 2017, Boxing SA recruited and placed the CFO, the CEO and the Director: Operations. This constitutes 100% replacement of the entire senior management layer of the organisation within a period not exceeding ten months. While under normal circumstances this is one of the most undesirable situations for any organisation to find itself in, there is however still a silver lining to it. This has offered BSA a new opportunity for renewal and to usher a new organisational culture that will further help to reposition the organisation and position it much better. The recruitment of a younger workforce also presents a better prospect of a longevity and succession for the future.

There is however still a major challenge for BSA to deal with a number of labour related disputes which are either at CCMA or at the labour court. For an organisation as small as BSA it is absolutely undesired for it to be having six labour relations matter during the period under review. The main preoccupation of management is to manage this situation such that there are no new cases that join this roll and where possible, swift finality and closure is brought to these labour cases.

2.3. Key Policy Developments and Legislative Changes

During period under review there has not been any major policy or legislative development that affected BSA operations.

2.4. Strategic Outcome Oriented Goals

Goals	Strategic Outcomes Oriented Goals	Goal Statement
Goal 1	Effective and sustainable environment	To ensure an effective, efficient and sustainable organization.
Goal 2	Transformed and regulated environment	To ensure the development and transformation of boxing and create synergy between professional and amateur boxing
Goal 3	Marketing, Communications and stakeholder managed	To ensure that there is marketing of boxing and to promote interaction between associations of boxers, managers, promoters, trainers and BSA Officials

3. Performance information by Programme/ Activity/Objective

OVERVIEW

The period under review has been an exciting and eventful year characterized by major learning curve on the side of Administration. Admittedly there have been situations which in hindsight could have been approached differently or rather swifter. Given the organizational renewal phase which Boxing South Africa is going through, where the entire Senior Management was appointed in the same year, i.e. CFO, CEO and Director: Operations, most of the short comings experienced along the route, were inevitable.

During this period, there have been a lot of high moments which ushered the much-needed hope and excitement into our sport of Boxing. Inversely, there has also been some down moments which invited undue gloom into our sector. Sadly though, it is often the down moments that seem to attract major public interest and media coverage, thereby giving an impression of a roof about to collapse. In truth though, the period under review has been yet another positive gradient in our ongoing journey to restore the dignity, mainstream and glory into our pugilist sport.

During this quarter, the guidance of the Board and its oversight structures, particularly the Audit Committee and the Finance and HR Sub-Committee, has yet again gone a long way to focus the organization on its key priority areas and provide an enabling environment for swifter and better informed decision making. The implementation organs of the Board such as the Sanctioning Committee as well as the Ratings Committee have also continued with zeal in execution of their mandate.

1. The Period at a Glance

Looking back at the year 2016/2017, the following major developments stand out as highlights:

- a) **Purse money:** - We ensured that we no longer have any boxer who is still owed purse money from tournaments sanctioned by BSA by paying R1,3m to boxers and officials from the two tournaments hosted by Mamali and Sijuta Promotions.
- b) **Disciplinary processes:** - We concluded disciplinary process against Sijuta Promotions in respect of the outstanding purse money from the tournament they held in April 2016, resulting in the suspension of this promotion company and further actions to legally recover the money owed.
- c) **Support to Associations:** - We held bilateral engagements with the full Executive Committee of the Eastern Cape Promoters Association, following escalation of their grievances to the Portfolio Committee as part of our continued support to association of licensees.
- d) **Ring Officials Seminar:** - We held the first ever seminar for all BSA ring officials since 2004. This took place at Elandsfontein in Gauteng on 10-11 November 2016 and was attended by 89 ring officials from all over the country.
- e) **SA Boxing Awards:** - We hosted a successful sixth edition of the South African Boxing Awards that took place at Inkosi Albert Luthuli International Convention Centre, in Durban on 27 January 2017.
- f) **Women in Boxing:** - We appointed four female Promoters to host four tournaments as part of Women in Boxing program where at least one national title and one provincial title per tournament took place.
- g) **Internal audit capacity:** - We appointed an appropriate and duly capacitated audit firm to serve as BSA internal auditor following the withdrawal of SRSA internal audit services to BSA.
- h) **Debt collection:** - We commenced with civil claims against two promoters in respect of the purse money they still owe as well as another one against PBL in respect of the prize money they owe BSA licensees.
- i) **New office premises:** - We concluded a procurement exercise for lease of new office premises for BSA following SRSA's request for BSA to secure own office space after almost one year of rent-free tenancy at SRSA offices.

Looking back at 2016/2017, there are however still some challenges that need to be addressed.

- Need to improve communications between BSA and its licensees, particularly Boxers, Managers and Promoters.
- Need to continue in a gradual but consistent manner, to enforce compliance and overcome any inertia or resistance.
- Need to intensify boxing training programs, starting with the development of boxing specific training materials and the inclusion of assessments criteria in the licensee application process.

2. Performance Against Pre-determined Objectives

In terms of its Annual Performance Plan, Boxing SA has twenty-two performance indicators located across its three programme areas. During the period under review the organization's non-financial performance against pre-determined objectives can therefore be said to be at 55%, i.e. the organization was able to meet twelve out of twenty-two indicators. In a nutshell, our performance per programme area for this quarter can be characterized as follows:

- **Programme 1:** Even though a lot of work has been done under this programme, this hasn't necessarily culminated directly into fulfilment of the performance indicators in this programme. The bulk of the work that has been done during this year will however enable improvement attainment in the following year. 67% of the indicators in this programme has been achieved, i.e. six out of the nine targets. Three targets were not achieved, i.e. (1) Number of policies and procedures reviewed and approved, (2) Number of Board Resolution Implemented, (3) Stakeholder engagement framework approved and implemented.
- **Programme 2:** This programme area is the most important one in the life of BSA since it has to do with Boxing Development. This is the programme area focusing mainly directly at our licensees. During the period under review, 44% of the indicators in this programme have been achieved, i.e. four out of the nine targets. The targets which could not be achieved are, (1) Number of licensees trained and developed, (2) Number of capacity building sessions, (3) Number of site inspections conducted, (4) Number of Compliance Reports and (5) Number of tournaments sanctioned.
- **Programme 3:** A lot of work has gone into this programme area and this included among others, putting together strategic documents for approval by the Board in respect of Marketing and Revenue collection. Unfortunately, these documents could not be finalised and adopted during the period under review. 50 % of the indicators in this programme have been achieved, i.e. two out of four targets. The targets which could not be achieved are (1) Revenue generation strategy approved and implemented and (2) Marketing and Communication Strategy Approved .

3. The dashboard: Overall Performance

Programme 1: Governance and Administration

Total Indicators	Achieved	Not achieved	Remedial Actions
9	6	3	<p>Number of policies reviewed/developed: Only 26 policies/procedures were reviewed instead of 30. In the next financial year this target has been amended as it is need based.</p> <p>Stakeholder Engagement Framework developed and implemented: Finalise the draft document, adopt and implement in the 2017/2018 financial year.</p> <p>Board Resolutions Implemented : Develop a Board Resolution register to track progress.</p>



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boxing in south africa...*

Programme 2: Boxing Development

Total Indicators	Achieved	Not achieved	Remedial Actions
9	4	5	Number of Licensees trained and developed: Various workshops for the various licensees have been planned and budgeted for, for the next financial year.
			Number of Capacity Building Sessions: Various workshops for the various licensees have been planned and budgeted for, for the next financial year.
			Number of Site Inspections Conducted: Ensure that all compliance documents are signed and meet the minimum requirements as per BSA operational guidelines.
			Number of Compliance Reports: Ensure that all compliance documents are signed and meet the minimum requirements as per BSA operational guidelines.
			Number of tournaments sanctioned: The target has been reviewed for the next financial year as it is purely dependent and driven by Promoters for its achievement.

Programme 3: Boxing Promotion

Total Indicators	Achieved	Not achieved	Remedial Actions
4	2	2	The Revenue Generation Strategy: Finalise the draft document, adopt and implement in the 2017/2018 financial year.
			The Marketing and Communication Strategy: Finalise the draft document, adopt and implement in the 2017/2018 financial year.

Programme 1: GOVERNANCE AND ADMINISTRATION

The purpose of this programme is to provide strategic leadership, good corporate governance and the overall administration (including Finance, HR, ICT, etc.) of the boxing.

This programme is designed to provide the leadership of BSA and boxing in general and normal administrative functions that are necessary in modern organizations. Leadership here refers to both the governance and strategic on the one hand and administrative dimension on the other hand. It comprises of the following sub-programmes:

- a) The Board
- b) Office of the CEO and Corporate Services
- c) Stakeholder mobilization and lobbying

Performance Overview

This programme area has eight indicators. During the period under review we managed to achieve four out of the eight indicators. There has been under achievement only one indicator, i.e. Number of Internal Audit conducted. The last indicator, which is Stakeholder engagement framework approved and implemented, did not have an indicator for the second quarter. The report on this programme area should be read in conjunction with the CFO's Financial Report as well as the HR Report.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives:

Strategic Objective: Strengthened Governance and Oversight

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Policies and Procedures reviewed and approved	30	30	26	-4	The policies were reviewed and approved on need bases therefore only the twenty-six policies were reviewed during the financial year.
% of Board Resolutions executed	New Indicator	100%.	91%	-9%	Resolution passed were not tracked to ensure that all were timely implemented.
Number of Internal Audit conducted	4	4	4	0	Achieved.
Number of Board Meetings held	4	4	8	+4	There were special meetings convened for specific items over and above the scheduled annual meetings.
Number of Audit Committee Meetings held	4	4	6	+2	There were special meetings convened for specific items over and above the scheduled annual meetings.

Strategic Objective: Improved administrative capacity

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
% of Vacancies filled	80%	80%	86%	+6%	Achieved.



Strategic Objective: Partnership agreements

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of new agreements or MoU signed	2	2	2	0	Achieved.
Number of existing Agreements or MoUs renewed	2	2	2	0	Achieved.

Strategic Objective: Partnership agreements

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Stakeholder engagement framework approved and implemented	1	1	0	-1	The process of engagement of stakeholders took place but the framework remains a draft.

Strategy to overcome areas of under performance

Most of the challenges that faced BSA in the previous year with regard to this programme area, had to do mainly with the fact that the Monitoring and Evaluation Framework document was only drafted during the period under review. As a result, the culture of performance planning, performance achievement, performance reporting and performance evaluation is still a new issue to grapple with in the organisation.

There have been challenges with the Annual Performance Plan and some of its targets. Some of the targets were identified not to be compliant with the SMART principle. In order to mitigate this going into the next financial year, we have now reviewed some of these targets in the 2017/2018 Annual Performance Plan and further developed proper Technical Indicator Description Policy.

Changes to planned targets

There were no changes to the performance indicators and there were subsequently no changes to the adjustment budget.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

	2015/2016			2016/2017		
Programme 1: Governance and Administration	Actual Achievement 2015/2016	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Compensation	R'000	R'000	R'000	R'000	R'000	R'000
Good & Service	5 107	2 605	2 502	3 834	4 010	(176)
Total	10 325	12 895	(2 570)	6 297	11 986	(5 689)

Compensation was also affected by inclusion of provincial managers. Additional financial support from the SRSA for payment of employees who are seconded to BSA and legal expenses paid on behalf of BSA has to be recognised as actual expenditure from non-exchange and is disclosed as part of related parties notes in the Annual Financial Statements

Programme 2: BOXING DEVELOPMENT

The purpose of this programme is to ensure compliance with the key aspects of boxing act, and rules regulations and enforce their application where non-compliance is observed.

The vision going forward is to make the application of the boxing act and its regulations the cornerstone of the turnaround for the governance and administration of the sport going into the future. Accordingly this programme features the key activities that are in line with the regulatory requirements of BSA.

Sub-Programmes: It comprises of the following sub-programmes:

- Licensing, sanctioning and ratings
- Licensees training and development
- Regulations compliance and enforcement

Performance Overview

This programme area has nine indicators. During the period under review we managed to achieve four out of the nine indicators.



BSA Legal Commission representative, Mr Farai Razano sharing legal intricacies with promoters



Dr Selepe addressing Medical Commission issues at the Promoters Workshop held on 11-12 July 2017



A seasoned and world renowned promoter, Jeff Ellis sharing experience and wisdom with fellow Promoters

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives:

Strategic Objective: licensees training and development

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Licensees trained and developed	250	300	72	-288	Only 72 of the 300 licensees were trained in quarter 3. The promoter's workshop scheduled for quarter 4 was postponed due to unavailability of attendees.
Number of capacity building sessions	2	3 Workshops 5 Trainings	1	-2	Due to capacity constraints, specifically leadership, no workshop was conducted until the 3rd quarter after the position of the CEO was filled in June 2016.

Strategic Objective: Women in boxing

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Women Licensed	76	70	91	+23	Greater interest from females to participate in boxing.
Number of Compliance Reports issued	90	100	84	-16	The target of 100 was achieved however due to lack of management control some documents were not completed fully and thereby ruled non-compliant.

Strategic Objective: National Coverage

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Licenses	1000	1020	1049	+29	Increased interest to participate in boxing.

Strategic Objective: ratings and sanctioning

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Tournaments Sanctioned	100	100	75	-25	In 2017/2018, this target has been reviewed because BSA is purely dependent on promoters for its achievement.
Number of Ratings Conducted	12	12	12	0	Achieved

Strategic Objective: Associations Assisted

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of new Associations assisted	9	9	10	+1	The formation of nine Provincial Ring Officials Association plus one national structure were established/assisted to operate fully.

Strategy to overcome areas of under performance

In the current context and development of boxing in South Africa, compliance with the boxing act and its regulation is the biggest challenge facing the sport and prospects of its development going into the future. The lack of focus on this aspect of the law has resulted in a situation where licensees, especially promoters, have seized the opportunity and transgressed on many of the regulations. The oversight can be summed up by the current status of the sport measured by profile of boxers, their financial status owing to lack of control over the factors that determine their income, what happens in many boxing gyms across the country, the image of the sport in general and its reputation. Enforcement, or lack of it, is a big part of these and countless other challenges.

The vision going forward is to make the application of the boxing act and its regulations the cornerstone of the turnaround for the governance and administration of the sport going into the future. Accordingly, this programme will feature the key activities that are in line with the regulatory requirements of BSA.

There is only one performance indicator in this program area which must be reviewed in the next financial year. This is in respect of the number of tournaments to be sanctioning during the period under review. This indicator has been reworked because BSA is purely dependent on promoters applying for tournaments to be sanctioned. As such, BSA's chain of command around this indicator is interrupted and this indicator has to be reviewed.

Changes to planned targets

There were no changes to the performance indicators and there were subsequently no changes to the adjustment budget.

Linking performance with budgets

	2015/2016			2016/2017		
Programme 1: Governance and Administration	Actual Achievement 2015/2016	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	851	434	417	639	539	100
Good & Service	2 766	2 149	617	1 050	2 098	(1 048)
Total	3 617	2 583	1 034	1 689	2 666	(948)

Over expenditure relates to expenses emanating from projects funded by external or sponsorship funding, this include but not limited to projects such as South African Boxing Awards. The projection for programmes responsible for core function was not evenly spread to incorporate all related expenditure.

Programme 3: BOXING PROMOTION

The purpose of this promote and market boxing to improve its public profile, increase its brand value as well as coordinate premium BSA events across the country.

The overall purpose and goal of this programme is to raise the public profile of BSA and boxing and to increase its brand value to such an extent that the general public and sponsors will compete for a space boxing programmes and enlist their support and resources for its development further. It comprises of the following sub-programmes:

- a) Marketing and branding
- b) Communication
- c) Events Coordination
- d) Revenue generation

Performance Overview

This programme area has four indicators. During the period under review we managed to achieve two out of the four indicators.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives:

Strategic Objective: Marketing and Communications Strategy					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Marketing and communication strategy is approved.	1	1	0	-1	The Marketing and Communication Strategy is currently in draft form and will be approved in quarter 1 of the 2017/2018 financial year.

Strategic Objective: Marketing and Communications Strategy					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of sponsorship secured.	2	2	2	0	Achieved.

Strategic Objective: Events coordination

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of premium boxing events promoted	3	5	9	+4	The implementation of phase 3 of the Women in Boxing programme contributed to the achieved when four tournaments were hosted in March over and above what was planned for the year.

Strategic Objective: Events generation

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Revenue Generation strategy approved.	N/A	1	0	-1	The Revenue Generation Strategy is currently in draft form and will be approved in quarter 1 of the 2017/2018 financial year.

Strategy to overcome areas of under performance

The overall purpose and goal of this programme is to raise the public profile of BSA and boxing and to increase its brand value to such an extent that the public and sponsors will compete for space in the boxing programme and enlist their support and resources for its development further. BSA has an urgent need of ensuring that the programme is enabled by deploying appropriate resources and establishing it fully to a world class and well run entity.

Changes to planned targets

There were no changes to the performance indicators and there were subsequently no changes to the adjustment budget.

Linking performance with budgets

	2015/2016			2016/2017		
Programme 3: Boxing Promotions	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	851	434	417	639	-	639
Good & Service	2 766	2 149	617	1 050	2 666	(1 616)
Total	3 617	2 583	1 034	1 689	2 666	(5 689)

There are no employees currently in Boxing Promotions programme as per the approved structure. Over expenditure relates to expenses emanating from projects funded by external or sponsorship funding, this include but not limited to projects such as Women in Boxing. The projection for programmes responsible for core function was not evenly spread to incorporate all related expenditure.

4. REVENUE COLLECTION

	2015/2016			2016/2017		
Programme 1: Governance and Administration	Actual Achievement 2015/2016	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Sanctioning fees	1 803	2 435	(632)	1 893	1 542	351
Licence fees	491	587	(96)	516	619	(103)
Fines Penalties and Forfeit	23	78	(52)	24	45	(21)
Interest	40	92	(52)	42	135	(93)
Sport & Recreation: Grant	10 468	15 025	(4 557)	11 033	15 963	(4 930)
Other Income	-	5 284	(5 284)	-	3 533	(3 533)
Total	12 825	23 501	(10 621)	13 508	21 737	(8 329)

- The total sanctioning fees were under collected, this is due to long outstanding debtors in the books of BSA to the extent that debtors have been impaired to reflect the challenges of collection of sanctioning fees. The legal entanglement resulting from disputes by association of promoters in the eastern cape also affected collectability of outstanding amounts.
- Licensees fees received were over the expected number of applications.
- There was also over collection of money collected from penalties and fines levied on offenses committed by licensees.
- On behalf of BSA has to be recognised as actual revenue from non-exchange and is disclosed as part the total additional amount of Additional financial support from the SRSA for payment of legal expenses paid of related parties notes in the Annual Financial Statements
- Other income: Sponsorship -Receipts relates to the Lottery grant and SABC for Boxing Awards which was signed after the budget was approved.



On 21 July 2017 BSA hosted the Namibian Professional Boxing and Wrestling Control Board at the BSA Offices in Hatfield, Pretoria.

PART C: GOVERNANCE



1. INTRODUCTION

In line with the provisions of Public Finance Management Act, Act No.1 of 1999, each public entity must have a board. The board becomes the Accounting Authority in terms of PFMA. The Minister of Sport and Recreation, in line with the provisions of Section 9(2) of the South African Boxing Act, Act No. 11 of 2001, appointed a seven-member Board of Boxing SA on the 29 August 2011 whose responsibility is to guide and give strategic direction to the entity in line, inter alia, with the provisions of the Constitution of the Republic of South Africa Act, Act No. 108, of 1996 as amended, the South African Boxing Act, Act No.11 of 2001 and the Boxing Regulations of 2004.

2. PORTFOLIO COMMITTEES

During the period under review, Boxing South Africa made several appearances before the Portfolio Committee on Sport and Recreation at National Parliament in Cape Town. For this purpose, BSA presented the required reports as stipulated by the Portfolio Committee and further gave account for its performance. BSA appeared before the Portfolio Committee on these dates:

- 13 April 2016
- 13 September 2016
- 11 October 2016
- 21 February 2017





Some of the promoters in attendance at the Boxing Promoters workshop convened by BSA at SABC Radiopark on 11 - 12 July 2017

2. EXECUTIVE AUTHORITY

During the period under review BSA continued to provide reports on its performance outcomes to the Executive Authority through the department as provided for in the transfer payment agreement. BSA however had a number of engagements with the Executive Authority through his involvement and direct support to various boxing program and active participation in boxing promotion activities.

3. THE ACCOUNTING AUTHORITY / BOARD

The role of the Board is as follows:

- Provide a new structure for professional boxing in the Republic,
- Ensure effective and efficient administration of professional boxing in the Republic,
- Recognise amateur boxing,
- Create synergy between professional and amateur boxing, and
- Promote interaction between associations of boxers, managers, promoters, trainers, officials and Boxing SA.



Referee Derryl Ribbink making an input at the Ring Officials workshop held at Elandsfontein on 11-13 November 2016



Board Charter

The Board has a draft charter for the Board and its sub-committees.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications
Muditambi Ravele	Chairperson	08 May 2014	Active	Btech Business Admin. Executive Sport Management Programme, Strategic Executive Marketing Programme, Diploma in Sport Management, Diploma in Education, Athletes Management
Luthando Jack	Board Member	08 May 2014	Active	National Diploma: Public Management & Admin. BTech Public Management. Bachelor of Philosophy: Information and Knowledge Management. Masters in Commerce
Mangisinde Gcilitshana	Board Member	08 May 2014	Active	BA Degree Communication Science
Zandile Kabini	Board Member	08 May 2014	Active	BCom Honors Informatics Diploma in Business Analysis Management Programme Development
Peter Ngatane	Board Member	08 May 2014	Active	MBCHB
Khulile Radu	Board Member	08 May 2014	Active	N/A
Mzamo Gumbi	Board Member	08 May 2014	Active	Diploma Juris B Juris LLB Honors LLM Diploma in Sport Management



Brigadier Khumalo outlining the Safety at Sport and Recreation Events Act and its implications for promoters



Kelvin Watt from Nielsen Sport sharing the research outcomes on the Top Ten Commercial Trends in Sport'



BSA Board member, Mr Luthando Jack facilitating discussions at the Promoters workshop

Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended (team)
Sports Management, Strategic Marketing, Communications, Education and Training, Business Administration, Athletes Management, Transformation and Women empowerment	Brand SA, Gauteng Tourism, Laureus Sport for Good Foundation, SSISA and Stack n Pack	SA Women and Sport Foundation, National Lotteries Commission	8
Strategy and Leadership Knowledge and Project Management Monitoring and Evaluation	N/A	HRFIN Committee	8
Marketing and Communication	N/A	HRFIN Committee	8
Auditing	N/A	HRFIN Committee	8
Doctor/Medicine	N/A	Sanctioning Committee	6
Boxing	N/A		8
Advocate	N/A		8



SABC Interim Board representative Mr Krish Naidoo at the Promoters Workshop held on 11-12 July 2017



Former WBO World Champion, Dingaan Thobela sharing boxing dynamics from perspective of a retired boxer



BSA Board Chairperson, Mme Muditambi Ravele addressing participants at the Promoters workshop

Board Sub-Committees

Committee	Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Sanctioning Committee	Dr. Peter Ngatane	Internal	Board Member	August 2014	Active	0
	Mr. Sakhile Sodo	External	N/A	August 2014	August 2016	0
	Ms. Magwaca	External	N/A	August 2014	Active	0
	Dr Gcobose	External	N/A	August 2014	August 2014	0
	Mr Thabo Daniels	External	N/A	March 2017	Active	0
Ratings Committee	Mr. Willie Saayman	External	N/A	September 2013	Active	3
	Ms. Gloria Masipa	External	N/A	September 2013	Active	3
	Mr. Archie Jonas	External	N/A	September 2013	Active	3
	Mr. G V Sangweni	External	N/A	September 2013	Active	N/A
HRFIN Committee	Ms. Zandile Kabini	Internal	Board Member	18 May 2015	Active	3
	Mr. Mandisinde Gcilitshana	Internal	Board Member	18 May 2015	Active	3
	Mr. Luthando Jack	Internal	Board Member	18 May 2015	Active	2



BSA CEO, Mr Tsholofel Lejaka and Board Members, Dr Peter Ngatane and Mr Khulile Radu at the Ring Officials Workshop held on 11-13 November 2017 at the Transnet School of Excellence in Gauteng.

Remuneration of board members

The remuneration of the board is determined based on the National Treasury Regulations.

Name	Remuneration	Other allowance	Other re-imbursements	Total
Ntambi Ravele	R 77 448	R 9 827	0	R 87 275
Luthando Jack	R 44 784	R 1 555	0	R 41 354
Mangisinde Gcilitshana	R 37 752	R 3 602	0	R 41 354
Zandile Kabini	R 39 856	R 3 832	0	R 43 688
Peter Ngatane	R 27 632	R 11 088	0	R 38 720
Khulile Radu	R 49 880	R 40	0	R 49 920
Mzamo Gumbi	R 42 720	R 2 585	0	R 45 305
	R 320 072	R 32 529	0.00	R 352 601

4. RISK MANAGEMENT

Nature of risk management

The Public Entity has developed the risk management policy and strategy. The Boxing South Africa has adopted an enterprise risk management approach, which means a process effected by employees at every level of the organisation, applied in strategy setting and across the organisation, designed to identify potential events that may affect the organisation, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of the organisation's objectives. Every employee within Boxing South Africa has a part to play in ensuring effective management of risks.

Risk assessments

BSA conducts its risk assessment on an annual basis to identify new and emerging risks. This is a systematic process to quantify or qualify the level of risk exposure associated with a specific threat or event that Boxing South Africa is faced with and to decide on risk treatment strategies available to the entity. Risks are assessed on the basis of the likelihood of the risk occurring and the impact of its occurrence on the particular objective(s) (strategic or operational). The assessment is performed at the inherent risks level in the absence of controls and at the residual risks level in presence of internal controls.

The results of the risks assessment is formally documented in the risks register. Further management actions or treatment plans are developed for key risks (significant risks) which are reviewed and monitored on a quarterly basis in the relevant structures. The risks treatment or action plans for key or significant risks are time bound and allocated to certain individuals at the high management level for implementation and reporting purposes.

5. INTERNAL CONTROL UNIT

Boxing South Africa effected a process of internal control within an entity to provide a reasonable assurance regarding the achievement of the objectives set for the Entity relating to operations, reporting and compliance. Although the entity didn't have an internal audit control unit in the beginning of the financial year, this was addressed and Internal Auditors were appointed in the third quarter of 2016/2017.

All the processes relating to internal control are now addressed by the Internal Auditors, and they are aligned to the five elements of COSO framework, which are control environment, control activities, risk assessment, information and communication and monitoring. The Entity has policies and procedures in place which guide all the processes within the Entity. The policies are reviewed as and when the need arises.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

The appointed Internal Auditors, A2A Kopano, has been mandated to provide internal audit services for the Boxing South Africa (BSA). Internal Auditors are an independent, objective assurance and consulting activity which adds value and improves the operations of the Entity. It helps the Entity in accomplishing its set objectives by instituting a systematic, disciplined approach in evaluating and improving the effectiveness of governance processes, risk management and internal control. Internal Auditors however only began functioning effectively during the third quarter of 2016/2017.

The Internal Audit Company operates within the terms of reference which were approved by the Audit Committee. The Audit Committee of the Boxing South Africa is the governance committee charged with the oversight role over the governance processes, risk management and controls, the internal and external audit functions, quality of the Entity's financial reports and performance (non-financial reports). The Audit Committee of the Entity consists of three (3) external members which were appointed by the Accounting Authority in February 2016 and one member who was seconded by BSA Board from among the Board Members. At the beginning of the financial year, the Audit Committee also had two other members who were seconded by the Department of Sport and Recreation but their term of office came to an end in May 2016. The Audit Committee has terms of reference they are operating within.

The Audit Committee of Boxing South Africa reports to the Accounting Authority via the Chairperson of the Audit Committee on the activities and fulfilment of their roles and responsibilities as well as on the issues that need the Minister's immediate attention. The Chairperson of the Audit Committee has a standing invitation in the Board meetings of the Boxing South Africa to report on the issues of the Audit Committee. The activities of the Audit Committee are outlined in their terms of reference approved by the Accounting Authority. The Audit Committee performs the following key activities but not limited to them:

- a. Internal Auditing
- b. External Auditing
- c. Financial statements
- d. Compliance
- e. Internal Controls
- f. Performance information
- g. Financial reporting
- h. Combined assurance

The Internal audit company during the year under review has performed the following work as per the approved internal audit annual operational plan which was reported to Management and to the Audit Committee:

- a. Accounts Receivables and Accounts Payable
- b. Performance information
- c. Follow-up of previous audit findings
- d. Asset Management



With the Minister, Hon. Thulasi Nxesi at the women's tournament held on 8 September 2017 at Kagiso Memorial Centre, Krugersdorp.

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms. Mohelo Nkomo	MCom, BCom Honours, Bcom	External	None	November 2012	May 2016 (Term of Office at SRSA ended)	1
Mr. Phumlani Zwane	BCom, BCom Honours, CA (SA)	External (seconded by SRSA)	None	November 2012	May 2016 (Term of Office at SRSA ended)	1
Ms Precious Mvulane (Chairperson)	Bachelor of Commerce. Bachelor of Commerce Honours (Accounting). Chartered Accountant and Registered Auditor. Specialist Diploma in Auditing	External	None	February 2016	Active	6
Adv. Frans van der Westhuizen	Diploma JURIS B JURIS LLB	External	None	February 2016	Active	4
Mr. Deenadayalan Moodley	B.Acc Degree Diploma in Accounting (Dipacc) Chartered Accountant (SA) Masters in Business Leadership	External	None	February 2016	Active	6
Ms Zandile Kabini	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	External	Board Member	27 October 2016 (Seconded by BSA Board)	Active	2

7. COMPLIANCE WITH LAWS AND REGULATIONS

The entity has reviewed and prioritised the non-compliance issues as raised by both internal and external auditors in the past. The action plan was established and a progress report in improving the weaknesses has been submitted to the Office of the CEO every quarter. Due to challenges on human resources, preference was given to both PFMA and Boxing Act sections.

8. FRAUD AND CORRUPTION

The entity's fraud prevention plan is currently in place and however it is still at the early stages of being reviewed to address some of its loopholes.

9. MINIMISING CONFLICT OF INTEREST

The Board has devised the means to minimise the risk of conflict of interest by introducing a system of declaring all direct and indirect interest in all board and sub-committee meetings. In addition, all managers must complete declaration forms on an annual basis. The Board further included a proviso in the contracts of the ratings and sanctioning committee members.

10. CODE OF CONDUCT

. The entity is using the code of conduct from Public Service Commission for officials within BSA.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

During the period under review, BSA was residing in the building of the department of sport wherein the department has a charter, policy and a committee that deals with all the matters of OHS. BSA has a public liability cover taken for all tournaments that are sanctioned by the entity.



As part of Boxing promotion initiatives, BSA worked with popular soapie stars Vuyo Dabula from Generations and Gabriel Temudzani from Muvhango to profile the SA Boxing Awards 2016. BSA further enlisted the services of former World Champions Dinga Thobela and Jan Bergman to be their trainers ahead of their exhibition fight at the Boxing Awards on 27 January 2017

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the current year, seven meetings were held.

Name	Role	Attended
Ms. PMK Mvulane	Chairperson	6
Ms. Z Kabini	External Member	2
Ms. M Nkomo	External Member	1
Mr. D Moodley	External Member	6
Mr. P Zwane	External Member	1
Mr. F Van der Westhuizen	External Member	4

Audit Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) of the Public Finance Management Act 1 of 1999 and Treasury Regulations 27.1.

The Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter, and has discharged its responsibilities as contained therein. The charter is reviewed annually and adopted by the committee on approval by the Accounting Authority.

Internal Audit

The Committee co-ordinates and monitors the activities of the internal audit function. Through this, the Committee is able to report on the effectiveness of the internal audit. The internal audit function was co-outsourced and operational for the financial year under review even though there were budget constraints.

The Committee has reviewed the Internal Audit Reports which were prepared as per the approved risk based three year rolling internal audit plan. The reports were recommended to the Accounting Authority for adoption. The Committee is satisfied with the effectiveness of the internal audit function.

Effectiveness of internal controls

The Committee assessed the effectiveness of the internal controls and reviewed the risk assessment process, as follows:

- Attended the workshop with all key stakeholders reviewing APP which included strategic risks assessment;
- Considered the effectiveness of the Entity's risk assessment processes as on going by management;
- Monitored the follow up process on all findings by the auditors to ensure findings are dealt with and addressed at root causes; in most cases, the root cause were not addressed and consequence management was not executed.
- Sought assurance from management that action is being taken on related issues identified by auditors. The assurance were not adequate to deal with historical issues in relation to previous audit findings, human resources function, and performance management including filling up of key vacancies.
- Provided guidance and advice to Management and the Accounting Authority strengthening over risk management processes, financial reporting and performance information when we reviewed quarterly reports.

The Committee reviewed the internal audit reports; where there were weaknesses identified within the Entity and considered the adequacy of management responses to ensure the risk exposure is reduced and there is continuous improvement within the control environment. The management corrective action were not adequate to deal with the system or processes to ensure such weaknesses don't arise in future or current year.

The Committee emphasized with the entity a need to continually focus on maintaining effective levels of internal controls and ensuring non-recurrence of audit findings. This is currently a matter of key concern to the Committee.

In Year Management and Quarterly Reporting

The administration of quarterly reports submitted in terms of the PFMA were partly adequate according to internal audit results and management assurances.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Entity;
- Reviewed the changes in accounting policies and practices;
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- Considering the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Entity for the year ended 31 March 2017 and is satisfied that they comply relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Evaluated the audited annual financial statement for the consistent application of accounting policies and practices;
- Reviewed the annual financial statements for abnormal and/or significant transactions of the Entity and the disclosure thereof; and
- Sought explanations for all significant variances in the annual financial statements as compared to the prior year.

Evaluation of reporting on pre determined objectives

The Audit Committee has to the extent possible:

- Reviewed the compliance with the National Treasury Guidelines for the preparation of the annual report;
- Reviewed the alignment of reporting to the annual performance plan;
- Reviewed the consistency of quarterly reporting to the audited annual report; and
- Reviewed whether the performance reported is in agreement with portfolio of evidence.

Auditor - general of South Africa

We have reviewed the entity's implementation plan for audit issues raised in the previous year and we have noted that there are still some findings that still remain unresolved.

The Audit Committee concurs with the Auditor General South Africa's conclusions on the annual financial statements and pre determined objectives.

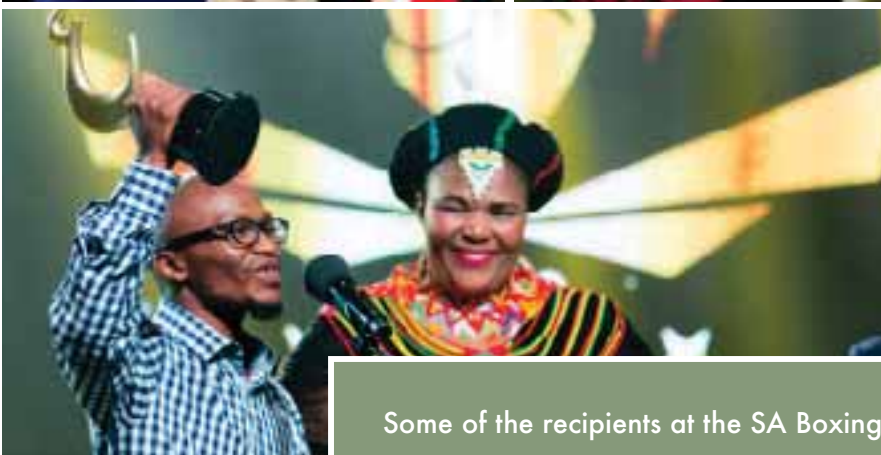
General

The Audit Committee strongly recommends that the entity must prioritise the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audit together with all other recommendations made by the Audit Committee in order to achieve the required effectiveness in governance, accountability and clean administration.

Signed on behalf of the Audit and Risk Committee by:



Precious Mvulane




Some of the recipients at the SA Boxing Awards 2016:

- Male Boxer of the Year, Xolisani Ndongeni
- Female Boxer of the Year, Bukiwe Nonina
- Male Prospect of the Year, Azinga Fuzile
- Female Prospect of the Year, Melisa Muller
- Female Fight of the Year, Sharodine Fortuin
- Male Fight of the Year, Simpiwe Konkco vs Hekkie Budler
- Knockout of the Year, Zolani Tete







PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Performance Agreement were signed and reviewed bi-annual to track performance its staff and identification of possible training. An approved recruitment policy and remuneration policy serve as a guiding tool. Employees in Finance were successfully trained on how to compile Annual Financial Stats and the impact thereof was preparing of AFS internally and saving of costs associated with such project by Consultants. The organisation is currently working on finalization of its Human Resource Plan and Employment Equity Plan that serve as a guide on its employment targets. There was a lack of more training for internal staff due to small budget to capacitate them but only on job training seem to be the method working as a short term investment.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Program1	13 618 516	4 555 810	33%	8	569 476
Program2	2 269 753	802 878	35%	4	200 719
Program3	2 269 753	0	0	0	0

- The personnel expenditure above also includes six Provincial Managers who are appointed on Special Contracts and were paid a total salary amount of R 534 138.00
- The provincial managers do not form part of the approved and funded structure of Boxing SA.

2.2 Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 393 072	45%	3	797 691
Management	1 041 373	19%	2	520 686
Skilled	1 773 486	33%	6	295 581
Semi-skilled	150 757	3%	1	150 757
Unskilled	0	0	0	0
TOTAL	5 358 688	100%	12	17 674 15

- The personnel expenditure above also includes six Provincial Managers who are appointed on Special Contracts and were paid a total salary amount of R 534 138.00
- The provincial managers do not form part of the approved and funded structure of Boxing SA.

2.2 Personnel cost by salary band

Programme// activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0%
Management	0	0	0%
Skilled	0	0	0%
Semi-skilled	0	0	0%
Unskilled	0	0	0%
TOTAL	0	0	0%

2.3 Performance Rewards

Programme/activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Program1 - CQS Training	40 000	15 644.45		4	3 750
Program2	0	0		0	0
Program3	0	0		0	0

2.4 Training Costs

Programme/activity/ objective	2016/2017 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Top Management	1	3	3	0	0%
Management	2	2	2	0	0%
Skilled	5	6	6	0	0%
Semi-skilled	1	3	1	2	14%
Unskilled	0	0	0	0	0%
TOTAL	9	14	12	2	14%

2.5 Employment and vacancies

Programme/activity/objective	2016/2017 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Program 1	8	10	8	2	14%
Program 2	3	4	4	0	0%
Program 3	0	0	0	0	0%

Programme/activity/objective	2016/2017 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Top Management	1	3	3	0	0%
Management	2	2	2	0	0%
Skilled	5	6	6	0	0%
Semi-skilled	1	3	1	2	14%
Unskilled	0	0	0	0	0%
TOTAL	9	14	12	2	14%

During period under review, two posts of Senior Management were advertised and recruitment was concluded successfully. The process was however prolonged due to the fact that a pre-employment screening and personal verification on criminal record, credit checks at State Security Agency had to be conducted. A post of Director: Operations was re-advertised in August 2016 after the recommended candidate subsequently declined an offer. The post was filled in January 2017 and at the end of the 2017/16 financial year all Senior Management posts were filled.

2.6 Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	2	0	3
Management	2	0	0	2
Skilled	5	1	0	6
Semi-skilled	1	0	0	1
Unskilled	0	0	0	0
Total	9	3	0	12

2.7 Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	0	0%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	0	0%

Boxing SA did not experience exodus for the period under review. However, a Staff Retention Policy was developed and approved on the 13th May 2017 to address any future resignations by means of retain staff as per Boxing SA Policies, Regulations and any Boxing SA Directives. Three short term contract employees resigned in the period under review.

2.8 Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0
	0

Boxing SA still has the following cases from the 2015/16 financial year:

- BSA vs Mr. Qithi – Dismissal case in CCMA.
- BSA vs Mr. Malingo – Dismissal case in Labour Court.
- BSA vs Ms. Kekana – Dismissal case in Labour Court.
- BSA vs Mr. Mosupa – Dismissal case in Labour Court.
- BSA vs Mr. Khambule – Dismissal case in Labour Court.

The following case was brought forward in the 2016/2017 financial year:

- BSA vs Mr. Mtya – Dispute over remuneration in Labour Court.



BOXING
SOUTH AFRICA

PART E:

Financial Information



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON BOXING SOUTH AFRICA

Opinion

1. I have audited the financial statements of Boxing South Africa (BSA) set out on pages 69 to 102, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of BSA as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2017.

Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 21 to the financial statements, the entity is the defendant in lawsuits. The entity is opposing the claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material impairments – trade debtors

9. As disclosed in note 5 to the financial statements, material impairments to the amount of R4 793 802 (2016: R245 106) were incurred as a result of the provision for doubtful debts.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the entity or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – boxing development	31 – 34
Programme 3 – boxing promotion	34 – 37

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – boxing development
 - Programme 3 – boxing promotion.

Other matters

Achievement of planned targets

19. Refer to the annual performance report on pages 26 to 38 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the reliability of the reported performance information in paragraph 16 of this report.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: boxing development and programme 3: boxing promotion. As management subsequently corrected the misstatements, I did not raise material findings on the reliability of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework (GRAP) as required by section 55(1)(b) of the PFMA.
24. Material misstatements of current assets identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

25. Effective steps were not taken to prevent irregular expenditure amounting to R709 358 (2015: R 2 691 100) as disclosed in note 29 to the annual financial statements, in contravention of section 51(1)(b)(ii) of the PFMA.

Revenue management

Effective and appropriate steps were not taken to collect all money due, as required by section 51(1)(b)(i) of the PFMA and treasury regulation 31.1.2(a) and (e).

Procurement and contract management

26. Some goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.

OTHER INFORMATION

27. Boxing South Africa's accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the director's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
30. No material inconsistencies were identified in the other information.

INTERNAL CONTROL DEFICIENCIES

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the opinion and the findings on compliance with legislation included in this report.

LEADERSHIP

32. The accounting authority did not exercise sufficient oversight responsibilities regarding financial and performance reporting, compliance and related internal controls.
33. The accounting authority did not establish and communicate all policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

FINANCIAL AND PERFORMANCE MANAGEMENT

34. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

Pretoria

31 July 2017



ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on Boxing South Africa’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



PINGST





Boxing South Africa **Annual Financial Statements**

for the year ended
31 March 2017



Index

The reports and statements set out below comprise the annual financial statements presented to the parliament

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Accounting Authority's Responsibilities and Approval

To the best of our knowledge and belief, we confirm the following:.

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General South Africa (AGSA).

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP).

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The AGSA is engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and financial affairs of Boxing SA for the year ended 31 March 2017.



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Ms M Ravele Chairperson

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	5	507 661	3 177 128
Cash and cash equivalents	6	4 666 563	5 728 151
		5 174 224	8 905 279
Non-Current Assets			
Property, plant and equipment	3	241 574	166 603
Intangible assets	4	104 609	40 090
		346 183	206 693
		5 520 407	9 111 972
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	2 318 689	2 368 196
Deferred income	7	346 828	300 662
Provisions	8	338 937	134 449
Unallocated Deposits		59 952	105 921
		3 064 406	2 909 228
Total Liabilities		3 064 406	2 909 228
Net Assets		2 456 001	6 202 744
Accumulated surplus		2 456 002	6 202 745

Statement of Financial Performance for the year ended 31 March 2017

Figures in Rand	Note(s)	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Rendering of services		2 090 585	2 549 603
Safety & Public Liability		282 559	335 818
License fees		618 950	586 532
Sundry income		202 238	-
Forfeit fees		45 050	78 015
Interest received - investment	11	134 775	92 147
Total revenue from exchange transactions		3 374 157	3 642 115
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	12	15 963 019	15 041 862
Public contributions and donations	13	3 095 667	5 195 556
Total revenue from non-exchange transactions		19 058 686	20 237 418
Total revenue	10	22 432 843	23 879 533
Expenditure			
Employee related costs	14	(6 458 972)	(3 566 783)
Depreciation and amortisation	3&4	(104 701)	(81 835)
Finance costs	15	-	(26 114)
General Expenses	16	(19 615 914)	(17 508 547)
Total expenditure		(26 179 587)	(21 183 279)
Operating (deficit) surplus		(3 746 744)	2 696 254
(Deficit) surplus for the year		(3 746 744)	2 696 254

Statement of Changes in Net Assets

Figures in Rand	Note(s)	2017	2016 Restated*
Balance at 01 April 2015		2 198 295	2 198 295
Adjustments			
Prior year adjustments		1 308 196	1 308 196
Balance at 01 April 2015 as restated*		3 506 491	3 506 491
Changes in net assets			
Surplus for the year		2 696 254	2 696 254
Total changes		2 696 254	2 696 254
Restated* Balance at 01 April 2016		6 202 746	6 202 746
Changes in net assets			
Surplus for the year		(3 746 744)	(3 746 744)
Total changes		(3 746 744)	(3 746 744)
Balance at 31 March 2017		2 456 002	2 456 002
Note(s)			

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
Cash flows from operating activities			
Receipts			
Grants		15 963 019	15 041 862
Interest income		134 775	92 147
Other receipts		6 132 811	6 821 640
		22 230 605	21 955 649
Payments			
Employee costs		(6 458 972)	(3 753 209)
Suppliers		(16 515 100)	(15 904 662)
Finance costs		-	(1 215)
Finance charges		-	(24 899)
		(22 974 072)	(19 683 985)
Net cash flows from operating activities	18	(743 467)	2 271 664
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(172 527)	(82 826)
Purchase of other intangible assets	4	(99 626)	(21 836)
Net cash flows from investing activities		(272 153)	(104 662)
Cash flows from financing activities			
Movement in unallocated deposits		(45 969)	
Finance lease payments		-	(59 360)
Net cash flows from financing activities		(45 969)	(59 360)
Net increase/(decrease) in cash and cash equivalents		(1 061 589)	2 107 642
Cash and cash equivalents at the beginning of the year		5 728 151	3 620 508
Cash and cash equivalents at the end of the year	6	4 666 562	5 728 150

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on-comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sanctioning fees	1 893 000	-	1 893 000	2 090 585	197 585	31a
Agency services	-	-	-	282 559	282 559	
License fees	516 000	-	516 000	618 950	102 950	31b
Other income	-	-	-	202 238	202 238	
Forfeit fees	24 000	-	24 000	45 050	21 050	
Interest received - investment	42 000	-	42 000	134 775	92 775	
Total revenue from exchange transactions	2 475 000	-	2 475 000	3 374 157	899 157	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	11 033 000	4 930 019	15 963 019	15 963 019	-	31c
Other income: Sponsorship	-	3 095 667	3 095 667	3 095 667	-	31d
Total revenue from non-exchange transactions	11 033 000	8 025 686	19 058 686	19 058 686	-	
Total Revenue	13 508 000	8 025 686	21 533 686	22 432 843	899 157	
Expenditure						
Personnel	(5 112 000)	(1 348 171)	(6 460 171)	(6 458 972)	1 199	31e
General Expenses	(8 396 000)	(6 677 515)	(15 073 515)	(15 067 218)	6 297	31f
Total expenditure	(13 508 000)	(8 025 686)	(21 533 686)	(21 526 190)	7 496	
Surplus before taxation	-	-	-	906 653	906 653	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	906 653	906 653	
Reconciliation						

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the Boxing SA.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Boxing SA will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

Allowance for doubtful debts

The provision for doubtful debts is provided for tournaments and other receivables older than one year based on management's assumptions

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where

1.4 Property, plant and equipment (continued)

the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	8 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	4 - 6 years
Scales	Straight line	5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented

1.5 Intangible assets (continued)

- or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the Boxing SA or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Boxing SA; and
- the cost or fair value of the asset can be measured reliably

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	5 - 10 years (Straight line)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.6 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

1.6 Financial instruments (continued)

Classification

The Boxing SA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Cash and cash equivalent
Momentum investment
Receivable from exchange transactions

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Payables from exchange transactions

Category

Financial liability measured at amortised cost

Initial recognition

Boxing SA recognises a financial asset or a financial liability in its statement of financial position when the Boxing SA becomes a party to the contractual provisions of the instrument.

Boxing SA recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

Boxing SA measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

Boxing SA measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

Boxing SA assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

Boxing SA derecognises financial assets using trade date accounting.

Boxing SA derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

Boxing SA removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.6 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars

- and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Post-employment benefits; Defined contribution plans

Defined contribution plans are post-employment benefit plans under which Boxing SA pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contribution by Boxing SA is equivalent to 50% of total contribution made to the fund. The defined contribution plan is recognised in the statement of financial performance for the year in which the contribution was made.

1.9 Provisions and contingencies

Provisions are recognised when:

- Boxing SA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities are included in the disclosures notes to the financial statements when it is possible that economic benefits will flow from Boxing SA, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

Provision are recognised when Boxing SA has a present legal or constructive obligation as result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

1.10 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which Boxing SA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.11 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives

value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Boxing SA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Boxing SA.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to Boxing SA.

Where Boxing SA collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to Boxing SA and the fair value of the assets can be measured reliably.

1.12 Interest

Investment income is recognised on a time-proportion basis using the effective interest method.

1.13 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Prior year comparative

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amount are reclassified. The nature and reason for the reclassification is disclosed.

1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.15 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If

1.15 Irregular expenditure (continued)

liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.16 Prepayments

Prepaid expenses and advances are recognised in the statement of financial position when the payments are made and derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and salary advances outstanding at the end of the year are carried in the statement of financial position at cost.

1.17 Budget information

Boxing SA are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by Boxing SA shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016/04/01 to 2017/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 30 Boxing SA consider the difference of more than 10% between budget and actual to be material and it will be explained on note 31.

1.18 Related parties

Boxing SA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of Boxing SA in accordance with legislation, in instances where they are required to perform such functions.

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

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Boxing SA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Boxing will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.20 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that Boxing SA has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Boxing fast fact

One of the shortest reigns as SA champion was George Angelo's. He won the national welterweight title when he beat Alf James on points at the Wembley Stadium in Johannesburg on January 24, 1948. Only 28 days later, on February 21, James reversed the result by beating the young Angelo over 12 rounds.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 18: Segment Reporting	01 April 2016	The impact of the amendment is not material.
• GRAP 16 (as amended 2015): Investment Property	01 April 2016	The impact of the amendment is not material.
• GRAP 17 (as amended 2015): Property, Plant and Equipment	01 April 2016	
• GRAP 21 (as amended 2015): Impairment of non-cash-generating assets	01 April 2016	
• GRAP 26 (as amended 2015): Impairment of cash-generating assets	01 April 2016	

2.2 Standards and interpretations issued, but not yet effective

Boxing SA has not applied the following standards and interpretations, which have been published and are mandatory for Boxing SA's accounting periods beginning on or after 01 April 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 20: Related parties	01 April 2017	The impact of the amendment is not material.
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2017	
• GRAP 108: Statutory Receivables	01 April 2018	
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2017	
• GRAP 109: Accounting by Principals and Agents	01 April 2017	The impact of the amendment is not material.
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	The impact of the amendment is not material.

Notes to the Annual Financial Statements

Figures in Rand

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3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	156 435	(130 016)	26 419	156 435	(123 325)	33 110
Motor vehicles	141 119	(132 981)	8 138	141 119	(132 981)	8 138
Office equipment	78 038	(19 346)	58 692	8 292	(7 621)	671
IT equipment	435 388	(290 667)	144 721	381 512	(261 898)	119 614
Scales	7 330	(3 726)	3 604	7 330	(2 260)	5 070
Total	818 310	(576 736)	241 574	694 688	(528 085)	166 603

Reconciliation of property, plant
and equipment - 2017

	Opening balance	Additions	Depreciation	Disposals	Total
Furniture and fixtures	33 110	-	(6 691)	-	26 419
Motor vehicles	8 138	-	-	-	8 138
Office equipment	671	71 046	(13 025)	-	58 692
IT equipment	119 614	101 481	(48 411)	(27 963)	144 721
Scales	5 070	-	(1 466)	-	3 604
	166 603	172 527	(69 593)	(27 963)	241 574

Reconciliation of property, plant
and equipment - 2016

	Opening balance	Additions	Depreciation	Disposals	Total
Furniture and fixtures	39 913	-	(6 803)	-	33 110
Motor vehicles	8 138	-	-	-	8 138
Office equipment	22 327	-	(21 656)	-	671
IT equipment	101 167	82 826	(30 461)	(33 918)	119 614
Scales	6 536	-	(1 466)	-	5 070
	178 081	82 826	(60 386)	(33 918)	166 603

4. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	231 899	(127 290)	104 609	132 273	(92 183)	40 090

Notes to the Annual Financial Statements

Figures in Rand

2017

2016

4. Intangible assets (continued) Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	40 090	99 626	(35 107)	104 609

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	39 701	21 836	(21 447)	40 090

5. Receivables from exchange transactions

Trade debtors	5 301 463	3 346 328
Other receivables	-	64 355
Provision for doubtful debts	(4 793 802)	(245 106)
Prepaid expenses	-	11 551
	507 661	3 177 128

Reconciliation of debt provision

	2017	2016
Balance at the beginning of year	245 106	245 106
Contributions to provision	4 548 696	-
	4 793 802	245 106

6. Cash and cash equivalents

Cash and cash equivalents consist
of:

Cash on hand	-	3 862
Bank balances	3 466 802	4 721 371
Momentum Investment	1 199 761	1 002 918
	4 666 563	5 728 151

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
Cash and cash equivalents held by the entity comprises of the following:		
Purse account	1 089 519	1 073 991
Boxers benevolent fund	128 230	50 836
License account	1 125 580	433 281
Savings account	977 134	238 987
Main account	146 339	2 997 212
Opening Balance control account	-	(72 937)
Total	3 466 802	4 721 371

Momentum Investment reconciliation

Momentum Investment	1 002 918	840 587
Contribution	120 000	120 000
Interest	98 655	62 796
Administration fees	(18 464)	(14 374)
Loss on Investment	(3 348)	(6 091)
Closing Balance	1 199 761	1 002 918

Momentum investment

The momentum investment has been taken for the purpose of boxers' injuries claims. Funds may only be withdrawn from this account when the funds in the Benevolent bank account is insufficient to pay boxers' claims. Therefore this investment is held by Boxing SA, but it is not available for use by Boxing SA for other use other than injury claims.

7. Deferred income

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Unspent conditional grants	346 828	300 662
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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 22 for reconciliation of grants from National Government.

Notes to the Annual Financial Statements

Figures in Rand

2017

2016

8. Provisions

Reconciliation of provisions - 2017

	Opening balance	Additions	Total
Leave pay	134 449	204 488	338 937

Reconciliation of provisions - 2016

	Opening balance	Reversed during the year	Total
Leave pay	320 875	(186 426)	134 449

9. Payables from exchange transactions

Trade payables	1 427 012	217 074
Sundry payables	32 129	164 920
Accrued expense	247 183	1 791 933
Tournament accruals	-	73 294
License fees	612 365	120 975
	2 318 689	2 368 196

10. Revenue

Sanctioning fees	2 090 585	2 549 603
Other income: safety & public liability	282 559	335 818
License fees	618 950	586 532
Sundry income	202 238	-
Forfeit fees	45 050	78 015
Interest received	134 775	92 147
Government grants & subsidies	15 963 019	15 041 862
Other income: Sponsorship	3 095 667	5 195 556
	22 432 843	23 879 533

Notes to the Annual Financial Statements

Figures in Rand	Notes	2017	2016
10. Revenue (continued)			
The amount included in revenue arising from exchanges of goods or services are as follows:			
Sanctioning fees		2 090 585	2 549 603
Other income: safety & public liability		282 559	335 818
License fees		618 950	586 532
Sundry income		202 238	-
Forfeit fees		45 050	78 015
Interest received		134 775	92 147
		3 374 157	3 642 115
The amount included in revenue arising from non-exchange transactions is as follows:			
Taxation revenue			
Transfer revenue			
Government grants & subsidies		15 963 019	15 041 862
Other income: Sponsorship		3 095 667	5 195 556
		19 058 686	20 237 418
11. Interest revenue			
Interest revenue			
Interest		134 775	92 147
The Interest rate for the period equals to 7.06% p.a.			
12. Government grants and subsidies			
Operating grants			
Government grant - Sport and Recreation South Africa	22	15 963 019	15 041 862
13. Public contributions and donations			
Other income: Sponsorship		3 095 667	5 195 556
Reconciliation of conditional contributions			
Current-year receipts		3 399 944	5 283 667
Conditions met - transferred to revenue		(3 095 667)	(5 195 556)
Closing unspent at end of the year		(304 277)	(88 111)
		-	-

On 09 April 2015 the National Lotteries Board agreed to provide Boxing South Africa with grand to the value of R 7 925 000.00. The grand amount is allocated to be paid into a bank account of Boxing South Africa in three equal payments. According to the agreement, the payments are released on condition that the National Lotteries Board is satisfied with:

The fulfilment of the terms and conditions of the agreement; and/or

Annual financial statements of Boxing South Africa; and/or

Any side visit report; and/or

Progress reports.

Boxing SA received all three trenches, one during this current financial year (2016/17) and two trenches in prior year (2015/16), out of R 7 925 000.00 Boxing SA has spent R 7 670 723.00 and R 254 277 is deferred.

Boxing South Africa also received an amount of R 620 000.00 from South African Broadcast Corporation (SABC) for Boxing Awards which was held on 27 January 2017 and the fund was utilised fully.

Boxing South Africa also received an amount of R 50 000.00 from Supersport for Promoters' workshop which was planned to take place during March 2017, but it was postponed and the amount is deferred.

Notes to the Annual Financial Statements

Figures in Rand	Notes	2017	2016
14. Employee related costs			
Basic		4 520 875	2 821 410
UIF SDL PAYE		1 210 296	690 577
Leave pay provision charge		204 488	(118 571)
Provident fund contribution-Post employee benefits		523 313	173 367
		6 458 972	3 566 783
15. Finance costs			
Trade and other payables		-	1 215
Finance leases		-	24 899
		-	26 114
16. General expenses			
Advertising		1 972 268	235 320
Auditors remuneration	17	980 590	932 583
Bank charges		45 265	33 394
Administration fee		18 464	14 374
Computer expenses		280 492	143 855
Consulting and professional fees Sponsorship expenses Entertainment		771 979	1 417 406
Insurance		1 520 000	5 528 288
Conferences and seminars		2 000	-
Fleet		91 459	95 205
Marketing		649 852	106 417
Lease rentals		33 196	8 748
Postage and courier		100 159	25 388
Printing and stationery		1 350	73 603
Repairs and maintenance		40 518	74 709
Staff welfare		315 459	143 213
Subscriptions and membership fees Telephone and fax		1 131	24 974
Training		-	69 388
Travel - local		44 982	27 232
Utilities - 2		169 133	202 475
Board and sub-committee fees Legal expenses		30 035	35 214
Boxing materials		1 759 073	1 717 404
Sparring sessions		-	5 766
Other		375 699	522 184
Loss on sale of assets		5 765 249	5 907 774
Momentum expenses		13 610	38 009
Increase in provisionLoss on sale of assets		49 945	23 404
Momentum expenses		4 000	62 212
Increase in provision		27 962	33 917
		3 348	6 091
		4 548 696	-
		19 615 914	17 508 547

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
17. Auditors' remuneration		
Fees	980 590	932 583
18. Cash (used in) generated from operations		
(Deficit) surplus	(3 746 744)	2 696 254
Adjustments for:		
Depreciation and amortisation	104 701	81 835
Finance costs - Finance leases	-	24 899
Movements in provisions	204 488	(186 426)
Assets write offs	27 962	33 917
Other non-cash items	4 548 696	-
Other non-cash items	(4 548 696)	-
Changes in working capital:	2 669 467	(1 923 884)
Receivables from exchange transactions Payables from	(49 507)	1 391 037
exchange transactions Deferred income	46 166	48 111
Unallocated Deposits	-	105 921
	(743 467)	2 271 664

Boxing fast fact

Boxing gloves come in Speed, Bag, Sparring and Professional fight gloves and each have their own uses. Competition gloves are laced up and then sealed with tape before the match. The tape is then signed by an official to ensure that it is not tampered with.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
19. Financial instruments disclosure		
Categories of financial instruments		
2017		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	507 661	507 661
Cash and cash equivalents	4 666 563	4 666 563
	5 174 224	5 174 224
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	2 318 688	2 318 688
2016		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	3 177 128	3 177 128
Cash and cash equivalents	5 728 151	5 728 151
	8 905 279	8 905 279
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	2 368 196	2 368 196

20. Commitments

No commitments as at the end of financial year.

21. Contingencies

At year end Boxing SA had contingent liabilities as a result of cases listed below. No provision has been raised at year end and the matters were not finalised as at 31 March 2017.

a) Mabuthi Malingo is suing Boxing SA for an amount of R649 842 excluding costs which will be on the high court scale for a matter relating to Labour Court case of unfair discrimination.

b) CCMA case of unfair dismissal of Moffat Qithi, is likely to result in a loss of R 1 200 000 should Boxing SA lose the case.

c) Tumelo Kekana is suing Boxing SA for an amount of R 874 638 excluding costs which will be on the high court scale for a matter relating to Labour Court case of breach of contract.

d) Kgosi Mosupa is suing Boxing SA for an amount of R 853 248 excluding costs which will be on the high court scale for matter relating to Labour Court case of breach of contract.

e) Xolisani Ndongeni is suing PBL Operations for an amount of R 1 000 000 and Boxing SA is being joined in the application herein as the second defendant in the matter. Estimated costs for attorney and legal counsels is an amount of R 300 000.

f) Abrahm Kambule is suing Boxing SA for an amount of R 204 106 excluding costs which will be on the high court scale for matter relating to Labour Court case of unfair dismissal.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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22. Related parties

Relationships

Parent Department
Fellow controlled entity

Department of Sport and Recreation South Africa
South African Institute for Drug Free Sport

Related party transactions

Grant received from related parties

Department of Sport and Recreation South Africa	11 033 000	10 468 000
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Additional grant from (Expenses paid/payable by) related parties

Department of Sport and Recreation South Africa	4 930 019	4 571 685
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Administration fees paid to (received from) related parties

Department of Sport and Recreation South Africa	-	2 176
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Emoluments of Board members refer to note 23.

Key management information

Class

Chief Executive Officer
Chief Financial Officer
Director Operations

Description

Mr. Tsholofelo Lejaka
Mr. Thabang Moses
Ms. Saviour Nkomo

Remuneration of management

Executive management

2017

Name	Basic salary	Other benefits	Total
Chief Executive Officer	1 061 160	18 000	1 079 160
Chief Financial Officer	973 701	14 400	988 101
Director Operations	211 387	4 800	216 187
	2 246 248	37 200	2 283 448

The CEO started on the 7th of June 2016 and the Director Operations started on the 4th of January 2017.

Other benefits includes cell phone, medical and travelling allowance.

Notes to the Annual Financial Statements

Figures in Rand

22. Related parties (continued)

2016

Name	Basic salary	Other benefits	Total
Chief Executive Officer(Acting)	505 001	-	505 001
Chief Financial Officer	250 188	1 200	251 388
	755 189	1 200	756 389

Other benefits includes cell phone, medical and travelling allowance.

23. Members' emoluments

Board emoluments

2017

	Emoluments	Other benefits	Total
N Ravele (Chairperson)	72 865	9 827	82 692
Dr. MP Ngatane	27 632	11 088	38 720
Adv. M Gumbi	35 304	2 585	38 269
Z Kabini	39 856	3 832	43 688
L Jack	33 856	1 555	35 411
M Gcilitshana	39 019	3 602	42 621
K Radu	49 880	40	49 920
	298 412	32 529	331 321

2016

	Emoluments	Other benefits
N Ravele (chairperson)	91 224	19 359
Dr. MP Ngatane	35 552	-
Adv. M Gumbi	51 712	4 688
Z Kabini	58 176	1 685
L Jack	54 944	-
M Gcilitshana	61 408	6 798
K Radu	42 016	-
	395 032	32 530

Dr. MP Ngatane serve as chairperson of Sanctioning committee, Z Kabini serve as Audit committee member and also as chairperson of HR-FIN committee other members are L Jack and M Gcilitshana.

Audit Committee fees

2017

	Member's fees	Other benefits	Total
P Mvulane(chaiperson)	29 472	1 941	31 413
M Nkomo	4 352	-	4 352
F vd Westhuizen	13 296	379	13 675
D Moodley	13 536	-	13 536
	60 656	2 320	62 976

Notes to the Annual Financial Statements

Figures in Rand

2016	Member's fees	Other benefits
P Mvulane(chairperson)	3 584	3 584
P Mzizi	3 584	3 584
M Nkomo	2 176	2 176
D Moodley	2 176	2 176
F vd Westhuizen	2 176	2 176
P Zwane	2 176	2 176
	15 872	15 872

Rating Committee

2017	Member's fees	Other benefits	Total
W Saayman(Chairperson)	11 152	-	11 152
A Jonas	6 768	-	6 768
G Masipa	6 768	-	6 768
	24 688		24 688



Eastern Cape Boxers at the lifeskills workshop convened by BSA and the provincial department of sport on 29 - 30 June 2017 in East London.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
24. Prior period errors		
Net book value of IT equipment and Computer software. Net book value was corrected due to prior year errors.		
Safety fund and Public liabilities was corrected as they were recognized as liability instead of Income.		
The cash flow prior year balances have changed due to recomputations:		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Property, plant and equipment		
Intangible assets	-	39 838
Public liability & Safety fund	-	11 681
Other Income	-	(1 590 728)
Retained Income	-	335 818
Depreciation	-	1 254 910
	-	1 767
Cash flow statement		
Cash flow from operating activities		
Grants receipts		
Other receipts	-	3 361 611
	-	1 548 069
	-	4 909 680
Cash flow from operating activities		
Employee costs		
Payments to suppliers & finance charges	-	186 426
	-	4 729 346
	-	4 915 772

25. Comparative figures

Certain comparative figures have been reclassified.

The investment revenue has been consolidated to the total revenue in the statement of financial performance

Unallocated deposit has been disclosed on its own to ensure correct disclosure of deferred income(unspent conditional grant).

Other financial assets have been reclassified from non current assets to current assets.

The effects of the reclassification are as follows:

Notes to the Annual Financial Statements

Figures in Rand		2017	2016
25. Comparative figures (continued)			
Statement of financial position - extract	Comparative figures previously reported	Reclassification	After reclassification
Deferred income	(406 583)	105 921	(300 662)
Payables from non-exchange transactions	-	(105 921)	(105 921)
Current assets	7 902 361	1 002 918	8 905 279
Non-current assets	1 158 092	(1 002 918)	155 174
Total	8 653 870	-	8 653 870
Statement of financial performance - extract			
	Comparative figures previously reported	Reclassification	After reclassification
Investment revenue			
Revenue	92 147	(92 147)	-
	23 451 568	92 147	23 543 715
	23 543 715	-	23 543 715

26. Risk management

Liquidity risk

Boxing SA's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Boxing SA only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Market risk

Interest rate risk

Boxing SA has no significant interest-bearing assets, the Boxing SA's income and operating cash flows are substantially independent of changes in market interest rates.

27. Events after the reporting date

- Boxing SA made commitments after reporting date due to relocation of office space .
- R 41 940 estimation of its financial effect or a statement that such an estimation cannot be made.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
28. Fruitless and wasteful expenditure		
Opening balance	2 535 878	2 300 611
Interest on overdue account	-	1 215
Finance lease	-	136 837
Salary overpayment	-	3 639
Provident fund	-	58 530
Prepayment for consulting	-	14 125
Telephone lines	-	20 921
Less: Amount condoned	(164 837)	-
	2 371 041	2 535 878

29. Irregular expenditure		
Opening balance	7 073 203	4 382 103
Add: Irregular Expenditure - current year	709 358	2 691 100
Less: Amounts condoned	(2 999 810)	-
	4 782 751	7 073 203

Current year Irregular expenditure it includes an amount of R 99 789 for DHL courier services, and R 98 838 for staff Medical allowance.

30. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

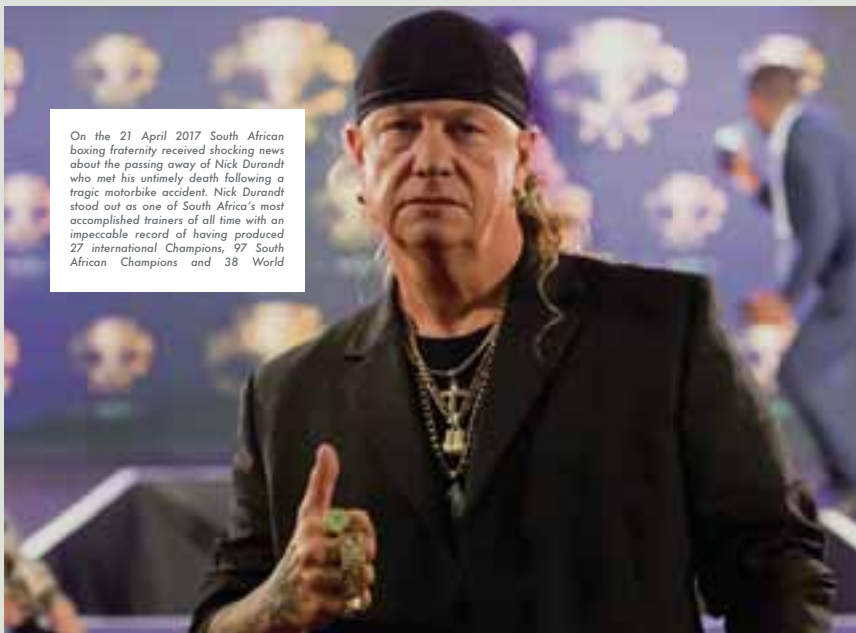
Net (deficit) surplus per the statement of financial performance	(3 746 744)	2 696 254
Adjusted for:		
Increase in revenue from exchange transactions	964 936	(949 297)
Increase/(decrease) in revenue from non-exchange transactions	1 178 732	(4 485 418)
Saving in employee related costs	151 748	(1 243 217)
Non-cash items	4 898 503	113 984
Increase in finance costs	-	26 114
Increase in repairs and maintenance	172 246	(42 026)
Increase/(Decrease) in general expense	(2 712 768)	4 217 656
Net surplus per approved budget	906 653	334 050

31. Budget differences

Material differences between budget and actual amounts

Explanations for the material difference budget and actual performance are provided below.

- Sanctioning fees** - Less broadcasted tournaments and also less tournament of #boxingisback.
- License fees** - Boxing SA received more license applications/renewal than anticipated during the year.
- Grant** - Department of Sport and Recreation South Africa paid legal fees on behalf of Boxing SA and salaries for employees who are seconded to Boxing SA
- Other income: Sponsorship** - Receipts relates to the Lottery grant and SABC for Boxing awards which was signed after the budget was approved.
- Employee cost** - Employee cost is high because it includes salaries of contracted employees which are not included on Boxing SA structure.
- General expenses** - Legal fees were high due to the ongoing cases against Boxing SA.



On the 21 April 2017 South African boxing fraternity received shocking news about the passing away of Nick Durandt who met his untimely death following a tragic motorbike accident. Nick Durandt stood out as one of South Africa's most accomplished trainers of all time with an impeccable record of having produced 27 international Champions, 97 South African Champions and 38 World



Herbert Nkhabiti of Botswana arrived in South Africa on Monday, 24 April 2016 to take part in a 6 rounder fight against Williers Balozi in the Junior Welterweight Division. The fight took place at Carnival City on the evening of Friday, 28 April 2017.

Herbert collapsed shortly after the sixth round of his bout and was rushed to hospital where he was stabilized and kept under observation. Unfortunately he subsequently lost his life the next day on the Saturday, 29 April 2017.

We thank you!

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