

**SOUTH AFRICAN NATIONAL BOXING
ORGANISATION**
Annual Financial Statements
for the year ended 31 March 2013

South African National Boxing Organisation

Annual Financial Statements for the year ended 31 March 2013

General Information

Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	The organisation operates to promote, foster and safeguard the interest and welfare of amateur boxing in South Africa.
Office bearers	A Mofu P Kruger E Hlasoa S Mkwalo A Jack N Ndzoyiya
Registered office	11 Radkol Avenue Olifantsfontein Gauteng 6331
Business address	11 Radkol Avenue Olifantsfontein Gauteng 6331
Postal address	11 Radkol Avenue Olifantsfontein Gauteng 6331
Bankers	First National Bank
Auditors	LPH Chartered Accountants Inc. Registered Auditors
Secretary	S Mkwalo

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The reports and statements set out below comprise the annual financial statements presented to the Executive Committee:

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Executive Committee Members' Responsibilities and Approval

The committee members are required by the Organisation's Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The committee members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the organisation to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The committee members have reviewed the organisation's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the committee members are primarily responsible for the financial affairs of the organisation, they are supported by the organisation's external auditors.

The external auditors are responsible for independently reviewing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board on 31 October 2013 and were signed on its behalf by:


A Mofu


E Hlasoa

LPH Chartered Accountants Inc.
Registration No. 1998/020830/21
Practice No. 900537

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Black River Park Fir Street
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South Africa

Independent Auditors' Report

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To the shareholders of South African National Boxing Organisation

We have audited the annual financial statements of South African National Boxing Organisation, as set out on pages 6 to 12, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Executive Committee Members' Responsibility for the Financial Statements

The organisation's executive committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, and requirements of the Constitution, and for such internal control as the executive committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute control over grants and other income received prior to the initial entry in the accounting records. Accordingly, it was impractical for us to extend our examinations beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of the organisation as at 31 March 2013, and its financial performance and its cash flows for the year ended in accordance with accounting policies as set out in Note 1 to the financial statements, and in the manner required by the Constitution.

LPH Chartered Accountants Inc.
Per: Wihan de Villiers
Chartered Accountant (S.A)
Registered Auditor
Director

13 December 2013
Cape Town

South African National Boxing Organisation

Annual Financial Statements for the year ended 31 March 2013

Executive Committee Members' Report

The committee members submit their report for the year ended 31 March 2013.

1. Review of activities

Main business and operations

The organisation operates to promote, foster and safeguard the interest and welfare of amateur boxing in South Africa.

During the year there was no major changes in the activities of the organisation.

The operating results and state of affairs of the organisation are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The executive committee members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

3. Office bearers

The office bearers of the organisation during the year and to the date of this report are as follows:

Name	Position	Changes
A Mofu	President	Appointed 08 December 2012
P Kruger	Vice President	Appointed 08 December 2012
E Hlasoa	Treasurer	Appointed 08 December 2012
S Mkwalo	General Secretary	Appointed 08 December 2012
A Jack	Member	Appointed 08 December 2012
N Ndzoyiya	Member	Appointed 08 December 2012
S Masike	Acting President	Resigned 08 December 2012
D Geco	PRO	Resigned 08 December 2012
E M Green	Treasurer	Resigned 08 December 2012
E Sampson	General Secretary	Resigned 08 December 2012
J Dyzel	Women Desk	Resigned 08 December 2012
S Chuma	Women Desk	Resigned 08 December 2012

4. Secretary

E Sampson resigned as secretary of the organisation on 8 December 2012 and S Mkwalo was appointed in his stead on 8 December 2012.

The secretary of the company is S Mkwalo of:

Business and postal address

11 Radkol Avenue
Olifantsfontein
Gauteng
6331

5. Auditors

LPH Chartered Accountants Inc. will continue in office until the next Annual General Meeting.

South African National Boxing Organisation

Annual Financial Statements for the year ended 31 March 2013

Statement of Financial Position

Figures in Rand	Notes	2013	2012
Assets			
Non-Current Assets			
Equipment	2	-	1
Current Assets			
Cash and cash equivalents	3	806 290	675 269
Total Assets		806 290	675 270
Equity and Liabilities			
Equity			
Accumulated surplus		790 808	661 241
Liabilities			
Current Liabilities			
Accounts payable	4	15 482	14 029
Total Equity and Liabilities		806 290	675 270

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Statement of Comprehensive Income

Figures in Rand	Notes	2013	2012
Revenue			
Affiliation and registration		29 211	30 205
Record books		14 235	16 740
Sport and recreation South Africa (SRSA)		1 648 600	535 000
		1 692 046	581 945
Other income			
Administration redeposit		164 860	3 880
Interest received	6	27 120	13 357
		191 980	17 237
Operating expenses			
Auditors' remuneration	7	21 973	16 878
Bank charges		9 470	5 916
Coaching		120 000	-
Equipment written off		1	-
General expense: out of pocket		-	16 630
Hire		544 108	-
Honoraria		26 041	19 500
International competition		119 750	1 756
Lotto training camp and meetings		33 975	26 472
Postage		30 809	-
Printing and stationery		13 074	-
SA Championships		4 200	22 451
SRSA Administration and management fees		44 000	900
SRSA commission workshops		-	84 820
SRSA school club development workshop		28 248	18 000
Subscriptions		-	8 842
Telephone and fax		25 315	-
Training		23 830	-
Transport and freight		7 000	-
Travel - local		699 360	60 227
Trophies		1 605	-
Youth Games		1 700	-
		1 754 459	282 392
Surplus (deficit) for the year		129 567	316 790
Total surplus (deficit) for the year		129 567	316 790

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 April 2011	344 451	344 451
Surplus (deficit) for the year	316 790	316 790
Total surplus (deficit) for the year	316 790	316 790
Balance at 01 April 2012	661 241	661 241
Surplus (deficit) for the year	129 567	129 567
Total surplus (deficit) for the year	129 567	129 567
Balance at 31 March 2013	790 808	790 808

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Statement of Cash Flows

Figures in Rand	Notes	2013	2012
Cash flows from operating activities			
Cash (used in) operations	8	103 901	304 353
Interest income		27 120	13 357
Net cash from operating activities		131 021	317 710
Total cash movement for the year			
Cash at the beginning of the year		675 269	357 559
Total cash at end of the year	3	806 290	675 269

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Annual Financial Statements for the year ended 31 March 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the accounting policies as set out in Note 1 to the annual financial statements. The annual financial statements have been prepared on the historical cost basis and incorporates the principal accounting policies set out below.

These accounting policies are consistent with the previous year.

1.1 Equipment

The cost of an item of equipment is recognised as an asset when:

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

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the equipment, which is as follows:

Item	Average useful life
Computer equipment	3 years

The depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

1.2 Financial instruments

Initial recognition

The organisation classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the organisation's statement of financial position when the organisation becomes party to the contractual provisions of the instrument.

Accounts payable

Accounts payable are not interest bearing and are stated at their fair value.

Cash and cash equivalents

Cash and cash equivalents are stated at fair value.

1.3 Revenue

Revenue consists of funding from companies, organisations and government departments for the use on establishing and promoting amateur boxing in South Africa.

Interest is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Annual Financial Statements

Figures in Rand

2013

2012

2. Equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	-	-	-	8 000	(7 999)	1

Reconciliation of equipment - 2013

	Opening balance	Scrapped	Total
Computer equipment	1	(1)	-

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Current account	42 049	337 333
Savings account	764 241	337 936
	806 290	675 269

4. Accounts payable

Other accruals	15 481	14 029
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5. Revenue

Included in revenue are grants received from the National Lottery Distribution Agency.	1 813 460	-
Utilisation of grants:		
Administration and management fees	164 860	-
Coaches salaries	672 000	-
International competition	610 407	-
Training camps	507 073	-
	1 954 340	-
Surplus (Deficit) from NLDA funding	(140 880)	-

Upon receipt of a grant of R1 813 460,00 approved by The National Lottery Board to participate in various projects, SANABO budgeted the above amounts on the expectation of costs for each project and administration and coaching fees already agreed with the coaches and administration staff. The funds were received on 20 June 2012. The deficit for the current year was covered by the utilisation of the prior year surplus.

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
5. Revenue (continued)		
Included in revenue are grants received from the Department of Sport and Recreation South Africa (SRSA).	-	535 000
Utilisation of grants:		
Administration and management fees	-	100 959
Commission workshops	-	84 820
School club development	-	18 000
	-	203 779
Surplus (Deficit) from SRSA funding	-	331 221
6. Investment revenue		
Interest revenue		
Bank balance	27 120	13 357
7. Auditors' remuneration		
Fees - current year	15 481	14 028
Fees - prior year	6 492	2 850
	21 973	16 878
8. Cash generated from operations		
Profit before taxation	129 567	316 790
Adjustments for:		
Equipment written off	1	-
Interest received	(27 120)	(13 357)
Changes in working capital:		
Accounts payable	1 453	920
	103 901	304 353

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(Tax registration number 9009/747/15/6)

(Registration number)

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Tax Computation

Figures in Rand	2013
Net profit per income statement	129 567
Temporary differences Attributable to exempted income	<u>(129 567)</u>
Tax thereon @ 28% in the Rand	<u>Nil</u>