



BOXING SOUTH AFRICA **ANNUAL REPORT** **2017/2018** FINANCIAL YEAR





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PART A:

GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:

Boxing South Africa

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EXTERNAL AUDITORS:

Auditor-General South Africa

BANKERS:

ABSA Bank

2. LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General of South Africa
BSA	Boxing South Africa
MEC	Member of Executive Council
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
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
SABCO	Southern African Boxing Convention
WBA	World Boxing Association
WBC	World Boxing Council
WBO	World Boxing Organisation
IBF	International Boxing Federation
WBF	World Boxing Federation
ABU	African Boxing Union
NLC	National Lotteries' Commission

3. FOREWORD BY THE CHAIRPERSON

In this year when our nation celebrates the centenary of our first democratically elected President, Tata Nelson Rolihlahla Mandela, we draw inspiration from these wise words below, which we believe are most befitting to our situation as we present this annual report of the financial year 2017/2018. These words implore us to remain focused, motivated and humble. They urge us to push even harder despite the momentous milestones we managed to achieve this far in our quest to reposition and rebrand our sport of boxing.

'I can rest only for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended.' Nelson Rolihlahla Mandela

The 2016/2017 financial year marked the third and last year for the term of office of the board which was appointed in May 2014. Following an elaborate recruitment process by the Ministry of Sport & Recreation South Africa, the new board was appointed in December 2017. It is within that context that I hereby present this annual report, having taken over the reign of chairpersonship from my former colleague and predecessor, Mme Muditambi Ravele.

On the same breath I would like to extend my greatest gratitude to the outgoing board for the sterling work they did to set up a firm foundation from which we are now continuing to build further. I am equally thankful for the two new members who have joined the board and the new set of skills, experience, knowledge and networks which they have brought into the collective pool. With our diverse set of strengths and attributes we are confident that we are equal to the task bestowed upon us by the minister on behalf of our pugilist sport and the people of South Africa.

This year also marks the sixteenth year since the first board of Boxing South Africa was appointed in 22 May 2002. It also marks seventeen years since the promulgation of the Boxing South Africa Act in 2001. The sport of boxing has evolved a great deal in the past seventeen years and a need to review the boxing legislation has become even more urgent. This review needs to also extend to issues such as the funding model for the sport of professional boxing in South Africa. The board has already ensured that this work does form part of the 2017/2018 Annual Performance Plan.

We are delighted by the rate at which our sport of boxing continues to grow and afford multitudes of our talented boxers to showcase their talent and realize their dreams. During the period under review, we were able to sanction seventy-eight (78) sanctioned tournaments, which translated into at least four hundred and sixty (468) fights in total. Twenty-six (26) of these fights involved South African national titles. It is our conviction that we can only but grow from this point onwards.

Our footprint on the global boxing scene is also continuing to grow bigger and more profound and as at 31 July 2018, South Africa could safely pride itself of having twelve of the world title belts in its shores. This is constituted by eleven world champions in various weight divisions and world sanctioning bodies. The total number of titles is however twelve because Hekkie Budler held two world title belts (IBF and WBA).

As part of our commitment towards the empowerment of women in boxing we continue to draw inspiration from the life of one of the heroines of our young democracy Mama Albertina Sisulu whose centenary we are also celebrating this year in 2018. We have dedicated our Women in Boxing Program for the financial year 2018/2019 to her honour. We have also urged our promoters to equally join in these national celebrations of Mama Albertina Sisulu's centenary through creative infusion of the ideals for which she stood in our program delivery approach and general business approach!



We would like to thank our predecessors, the former board of BSA for the sterling work they did to establish a solid foundation from which we continue to build further. We also like to thank the department of Sport and Recreation South Africa, particularly the Ministry for the tutelage and guidance during some of the most difficult moments which our sport has gone through. We would like to thank our one thousand two hundred and seven (1207) licensees across the various categories, more especially our seven hundred and forty-three (743) boxers who remain the lifeblood that drives our sport and the single most important purpose for our existence.

We thank you,

Dr. Malefetsane Peter Ngatane

Chairperson of the Board
Boxing South Africa
31 March 2018



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

It is with a great sense of gratitude, humility and optimism that we hereby present the annual report for the period 2017/2018. This report marks yet another triumphant fulfillment of our mandate as per our Annual Performance Plan as we move even closer to the last year of our 2015-2020 strategic plan and its implementation.

General financial review of the public entity

With a budget of R15,33m Boxing South Africa is one of the smallest national public entities. During the period under review, BSA received an allocation of R12,03m from the national fiscus through the national department of Sport and Recreation South Africa. The difference of R3.3m had to be raised through licensing, sanction levies, grant funding as well as sponsorship. As revealed through our annual financial statements this model of funding has its own challenges particularly with respect to sanction levies and the model currently used in South Africa.

Spending trends of the public entity

One of the greatest pressures and uncertainties which faces BSA arises from the number of litigation matters which BSA is cited in, particularly labour relations matters. While BSA is confident that it will ultimately emerge victorious from this protracted litigation process, the impact thereof does have its own impact on the organizational processes, particularly on the finances. The spending on legal fees is one of the areas which poses a major risk to the organization's financial stability.

Capacity constraints and challenges facing the public entity

The period under review marked the first year during which BSA started with complete independence from the national department of Sport and Recreation South Africa. BSA commenced this financial year from its own new office premises. This spelt out some new budget pressures which the entity was previously spared from by SRSA such as rental and security, software licenses, telephones and internet expenses as well as internal audit function. Needless to mention, this placed a lot of strain on the limited resources which the organization has and to-date this still remains something which BSA need to work around and overcome. This good thing though, was that this marked the first and critical step in the correct direction towards BSA's self-sustainability.

Supply Chain Management

BSA's Supply Chain Management unit is fully functional and operates within a clearly defined and regulated environment. In terms of the current organisational structure BSA does not have this position as an approved and funded post. The official responsible for this function is therefore a seconded staff member from Sport and Recreation South Africa. In order to ensure appropriate separation of duties as well as management, supervision and proper administration of the unit, other related supply chain management functions are delegated to other finance officials.

Are Supply Chain Management processes and systems in place

BSA ensures that a system of internal controls with regard to all procurement activities which are performed and executed are in place and in compliance with the relevant prescripts. This includes but not limited to the internal controls on the key SCM functions such as demand management, acquisition management, contract management, logistics management and disposal management as well as administration and management of the risk management of the SCM, SCM performance reviews, safeguarding of SCM information.

Audit report matters in the previous year and how they would be addressed

The following summary gives the status report on the extent to which targets on the audit action plans have been achieved and completed, not achieved or still to be achieved in the next quarter. The total number of audit findings raised for the 2016/17 financial period were 40. The targets achieved for the second quarter constitute 40% (16/40). The targets achieved in the 3rd quarter constitute 38% (15/40). During the 4th quarter 15% (6/40) (No 3,18,19,27,29 & 40) of the targets were achieved. The entity is left with 3 unresolved targets which in the main include 3rd parties and are beyond the full control of the entity. However, an action plan has been drawn as matters are still continuing to pose a risk going forward.

The most critical matter which has been elevated to a strategic level arising from the previous year audit is the debt collection strategy as well as enforcement of culture of payment

Discontinued activities/ activities to be discontinued

Arising from audit outcome of the previous year, we have revised some performance indicators in the annual performance plan. The revised indicators were mostly those which had third party dependencies such as the total number of tournaments sanctioned. This was meant to ensure compliance with applicable legislative and regulatory framework governing performance planning, management and reporting.

New or proposed activities

In the next financial year, we have included three new strategic objectives which are in line with the current maturity level of the organization as well as modern day challenges facing boxing nationally and globally. The new strategic objectives that have been included are, (1) legislative review, (2) health and safety as well as (3) funding model for boxing.

Request for roll over of funds

There is no request for roll-over of funds. During the period under review there was also no unsolicited bid proposals concluded.

Economic viability

One of the bitter realities that is facing Boxing South Africa is disproportionate disjunction between the mandate as captured in our finding legislation and the required budget to effectively deliver on such mandate. The need guarantee a secured alternative funding streams for Boxing South Africa has become a reality in the current situation and a task which the board has agreed need to be prioritized if BSA is to continue surviving in its historical and legislative mandate.

This is matter which has been equally flagged out in the auditor general's finding and BSA understands this within the spirit that BSA will need to think outside the box and embark on drastic cost saving measures complemented by aggressive revenue generation measures in order to turn its fortunes around. Central to this, is also to ensure maximum compliance measures by licensee as per the organization's debt collection policy.

Acknowledgements / appreciation

We would like to thank the Ministry of Sport & Recreation South Africa as well as the Provincial Departments of Sport, Arts & Culture for the continued support to our sport of boxing. We would like to thank the sponsors who continue to serve as wind beneath the wings of our promoters in their tournament delivery efforts. We would like to thank the media for carrying our news and delivering our sport content notwithstanding the challenges frequently encountered. Lastly, the would like to express our greatest gratitude to the boxing family, whose talent, sacrifice, passion, hard work and sacrifice ensures that our sport remains on the upward trajectory and back to world domination!

We thank you!



Tsholofelo Lejaka
Chief Executive Officer
Boxing South Africa
31 March 2018



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 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 2018.

Yours faithfully



Chief Executive Officer

Tsholofelo Lejaka

31 March 2018



Chairperson of the Board

Dr. Malefetsane Peter Ngatane

31 March 2018

6. STRATEGIC OVERVIEW

6.1 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.

6.1 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.

6.3 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 include:

Basic Conditions of Employment Act 1997	Act 75 of 1997
Labour Relations Act 1995	Act 66 of 1995
Occupational Health and Safety Act 1993	Act 85 of 1993
Preferential Procurement Policy Framework Act 2000	Act 5 of 2000
Promotion of Equality and Elimination of Unfair Discrimination Act 2000	Act 4 of 2000
Public Finance Management Act 1999	Act 1 of 1999
Promotion of Access to Information Act 2000	Act 2 of 2000
Skills Development Act 1998	Act 97 of 1998
Government Immovable Asset Management Act 2007	Act 19 of 2007
National Environmental Management Act 107	Act 107 of 1998
Protected Areas Act 57 2003	Act 57 of 2003
Safety at Sport and Recreational Events	Act 2 of 2010
South Africa Boxing Act	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.

The NDP sets out five long-term nation building imperatives for South Africa. These are as follows:

1. Fostering constitutional values.
2. Equal opportunities, inclusion and redress.
3. Promoting social cohesion across society.
4. Active citizenry and leadership.
5. Fostering a social compact.

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 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

The formulation of the National Sport and Recreation Plan (NSRP) covered a period of more than 10 months and included contributions from all role-players that comprise the sports sector in the country. The NSRP, underpinned by a declaration of intent, was adopted at the National Sports Indaba that took place in Midrand from 21 to 22 November 2011 with the theme: "From policy to practice". The Plan was officially approved by Cabinet on 4 May 2012.

The NSRP is a twenty-year sustainable implementation plan for the sport and recreation policy framework as captured in the White Paper on sport and recreation. The Department has ensured that the NSRP is aligned with the National Development Plan. The strategic focus of the NSRP is to reconstruct and revitalise the sport and recreation sector for an active and winning nation whilst improving the quality of lives of all South Africans.

The NSRP commences with a background reflecting historically where we come from and some of the significant milestones achieved in establishing a democratic, non-racial sports system for our country. Section 2 is essentially the nucleus of the NSRP as it provides details of the 3 core pillars of implementation, namely: (1) active nation (2) winning nation; and (3) an enabling environment. These pillars are underpinned by transversal issues and by the notion of utilising sport as a tool to achieve national and global priorities.

At the heart of the NSRP is a Transformation Charter and Scorecard that is intended to bring about the establishment of a competitive and demographically representative sport system guided by a value set based on the following key principles:

- Equal opportunity
- Redress
- Fairness and just behaviour
- Equitable resource distribution
- Empowerment and affirmation.

The BSA is geared to delivering on the NSRP imperatives especially on the responsibility to 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 10 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	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	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.
- To liaise with stakeholders in the boxing fraternity and manage their expectations and interests in a way that advances the interests of the sport.
- To ensure the accreditation and the enforcement of relevant regulations by specialist professionals such as medical and legal practitioners.
- To be the point of reference and liaison with international boxing associations for purposes of promoting the involvement of South African athletes at the international level.
- To promote and market the activities of BSA and boxing in general in a way that will improve the image of boxing as a brand.
- To increase the profile of boxing as a sport through the sharing of the information about the sport and the developments within the fraternity.

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. SOUTH AFRICAN BOXING BOARD



BOARD MEMBER
Ms Zandile Kabini

(Reappointed in December 2017)



BOXING SA CHAIRPERSON
Dr Malefetsane Ngatane

(Reappointed as Chairperson in December 2017)



BOARD MEMBER
Letlhogonolo Noge-Tungamirai

(Appointed in December 2017)



BOARD MEMBER
Gilberto Martins

(Appointed in December 2017)



BOARD MEMBER
Adv. Mzamo Gumbi

(Reappointed in December 2017)



BOARD MEMBER
Mr Luthando Jack

(Reappointed in December 2017)



BOARD MEMBER
Mr Khulile Radu

(Reappointed in December 2017)



BOARD MEMBER
Mr Zoyisile Gcilitshana

(Served as Board Member from May 2014 till November 2017)



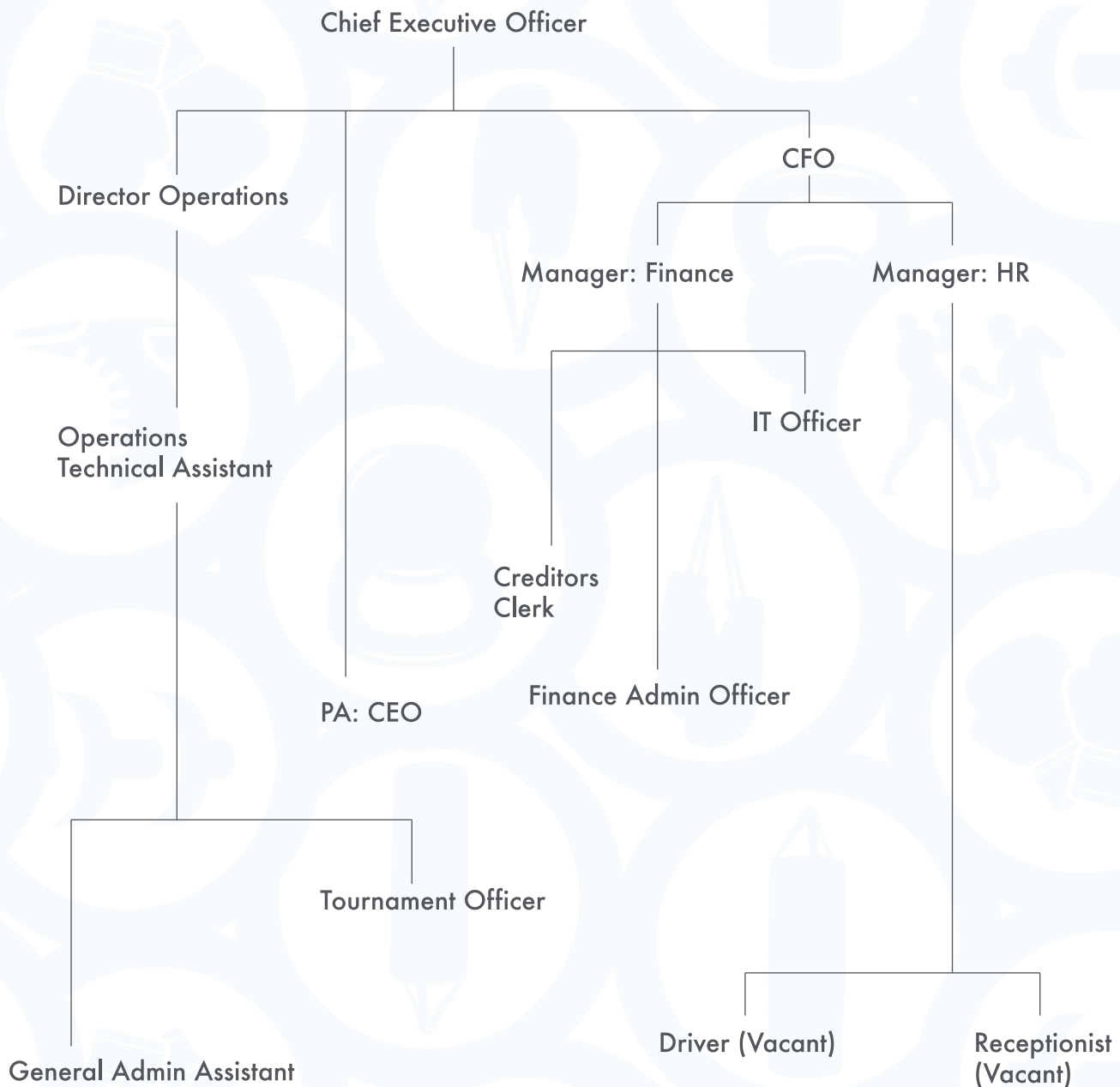
BOARD MEMBER
Mme Muditambe Ravele

(Served as Board Chairperson from May 2014 till November 2017)

9. ORGANISATIONAL STRUCTURE

Boxing South Africa is a rather small bureaucracy with an organisational structure of fourteen approved and funded posts and all its full time staff complement located at its Head Offices in Pretoria.

Boxing South Africa has no provincial or regional offices. In order to service the provinces, BSA has appointed provincial managers who are not employees of BSA but rather service provider appointed through contracts to serve as agencies of BSA at provincial level and further as tournament supervisors whenever there are any tournaments taking place at their respective provinces.





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. 66 of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The period under review marked the third and last year of the term of office of the BSA Board which the Minister appointed in May 2014. As a general approach, during this period the board therefore sought not only to focus on the immediate issues within the Annual Performance Plan of 2017/2018 but also all other strategic issues from the Boxing Indaba of 2013 which were still outstanding arising.

To that extent, the Board further developed a comprehensive hand-over report which not only sought to account for work done during the three-year period of 2014-2017 but to also flag out a number of issues observed during that period which are recommended for consideration and possibly for action by the new board.

Core Function

A healthy balance need to be maintained between resource allocation towards support services and core function of Boxing SA. As a Schedule 3(A) Public Entity, Boxing South Africa has got governance responsibilities which it has to comply with and most of these require financial resources for enablement or execution. On the other hand, as a sport body, BSA also has a responsibility to ensure that it allocates resources towards programs that have direct impact on the lives of the licensees and practitioners of the beautiful sport of boxing. Due to the inadequacy of resources, this is often not an easy exercise. Over the past year, BSA is however continually striving to direct more and more resources towards its core function in comparison to the support services.

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 committee 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 2018/2019 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, coupled with additional revenue streams from licensing & sanctioning levies, penalties and interests from the investment revenue.

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.

2.2. Organisational Environment

The structural configuration of Boxing South Africa comprises of the Board of Boxing South Africa, which is the Accounting Authority and appointed by the Minister of Sport and Recreation in line with the prescripts of the Act. The board consists of seven board members led by the chairperson, designated by the Minister. The CEO, appointed by the Board of BSA is responsible for the administrative functions of the entity. The administrative structure of BSA has a total of fourteen approved and funded positions and all these positions are based at BSA head offices in Pretoria.

This means that BSA does not have administrative and operational capacity at provincial level. This function is fulfilled through Provincial Managers who are not employees of BSA but rather contracted agencies that perform certain functions on behalf of BSA based on service level agreements. This issue of lack of capacity at provincial level is still a major challenge in the boxing sector and a matter that was discussed in length at the national boxing indaba of 2013. The limitation is however a matter of inadequate resources to establish fully fleshed provincial structures of BSA.

Financial Year 2016/2017 Annual Report

On 10 October 2017, BSA presented its annual report of 2016/2017 to the Sport and Recreation Portfolio Committee on Sport and Recreation. The committee noted that BSA has continued to maintain a steady trajectory and retain the unqualified audit opinion it received in the prior year.

This is a relatively steady improvement from the prior year's unqualified 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.

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

Boxing South Africa has three areas that are focused on three specific strategic objectives in line with the Strategic Plan 2015-2020, i.e. (1) Governance and Administration, (2) Boxing Development and (3) Boxing Promotion. Over the past years a lot of focus has been going towards the governance and administration programme due to the situational factors that existed around that time. The details around this situational analysis were elaborated in detail at the Boxing Indaba of 2013. In the preceding 2016/2017 the entity had to generally prioritize strengthening its administrative processes and internal controls so that it is better positioned to execute its functions as a regulator and sanctioning commission of boxing in South Africa.

The previous year was however the first year that BSA really started casting its focus beyond the sole emphasis of governance and administration issues but also on boxing development and boxing promotion. However, this had to commence with developing the necessary strategic frameworks, project plans, operating procedures and systems to enable BSA to start making direct impact on its mandate to develop and promote the sport of boxing. BSA remained mindful of the fact that the successful implementation of all these plans and strategies depends not only on the Board of BSA and the management but the entire boxing community, particularly the 1 207 licensees.

As result of the reality outlined above, BSA prioritized its interaction and engagements with the licensees particularly the critical issue of establishment of association of licensees as outlined in the Boxing Act. Establishment of associations is not only important for assisting licensees to share a common platform, but it is also important in enabling BSA to have coordinated engagements with licensees and have swifter and effective channels through which to canvas consensus on boxing operational issues and decisions and for licensees to escalate their issues to BSA.

In the next section we will provide a detailed account of BSA's performance against predetermined objectives contained in the Annual Performance Plan. In a nutshell, the period under review has been another exciting year during which we have continued to grow the sport of professional boxing in the country and created opportunities of our boxers to thrive and dominate the world stage in their respective weight divisions and sanctioning body ratings.

3.1. The Period at a Glance

Looking back at the 2017/2018 financial year, the following major developments stand out as highlights:

- We finalized the settlement process into new office space after moving in, in the beginning of the financial year.
- We enforced our compliance requirements in respect of licensing, tournament application and sanctioning and have seen much improvement.
- We refocused our business operations more towards our key mandate and reporting framework.
- We strengthened our internal controls and prioritized addressing the gaps arising from prior year audit.
- We conducted a Boxing Seminar, in partnership with the Eastern Cape Department of Sport, Recreation, Arts & Culture; which was aimed at education our boxers with the Boxing Act and Regulation, amongst other things.
- We hosted the Promoters Workshop in Gauteng in partnership with South African Broadcast Corporation (SABC) which was aimed at educating and orientating our Promoters to the Boxing Act and Regulation, trends within sports, health and safety of boxers in and out of the rings and management of boxers; amongst other things.

Whilst the financial year started off with positive developments, there were however areas that still posed challenges and that needed to be addressed. Consistent application of regulations as

stipulated in the Boxing Act Regulation to continue in a gradual but consistent manner, to enforce compliance and overcome any inertia or resistance

- Consistent application of regulations as stipulated in the Boxing Act Regulation in a gradual but consistent manner, to enforce compliance and overcome any inertia or resistance.
- The roll out of more training and capacity building programmes and workshops for the rest of our licensees.
- The need to continue prioritizing the implementation of audit remedial actions recommended across all areas of the organization.
- Prioritization of the resolution of various litigation matters which BSA is seized with, including the labour relations
- disputes that are currently at CCMA or labour court.
- The need to strengthen the communications and marketing portfolio so that we assist to profile the good work which is done by most of our licensees, particularly the boxers.
- The need to improve our relations with fellow professional boxing boards of control in the region and also the world sanctioning bodies. This will include BSA's attendance at the different conventions of world governing bodies of boxing.
- The need to secure a long term and reliable solution for our challenges with audit fees, particularly the much-required capacity for internal audit function.

3.2. GOVERNANCE & ADMINISTRATION

3.2.1. Strengthened governance and oversight

Annual Performance Plan 2018/2019

The Annual Performance Plan (APP) 2018/2019 was finalized and duly tabled at Parliament by the Minister of Sport and Recreation on 24 March 2018. BSA further made a presentation to the Portfolio Committee on the Annual Performance Plan on 17 April 2018 and the Annual Performance Plan is currently duly published and under implementation.

3.2.2. Improved administrative capacity

Review of Policies and Procedures

As part of Boxing South Africa's ongoing work to strengthen its internal controls and administrative environment, during the period under review, a total of ten policies and procedures were reviewed and approved by the Board.

Funded Posts Filled

BSA has an approved and funded organizational structure of fourteen positions. In terms of the Annual Performance Plan, the acceptable vacancy rate for BSA is a minimum of 80% of the approved and funded posts, which translates to no more than 3 vacancies at any given point. As at 31 March 2018 BSA had three vacancies which translate to 20 % vacancy rate in terms of the Technical Indicator Description used by BSA.

Recruitment process was however kick-started in the first quarter of the 2018/2019 financial year to ensure that these vacancies are filled. The two positions of Driver/ Messenger and Receptionists have been vacant for quite a while and the view is not to fill these two positions until the HR Planning process has been fully completed because this might result in a need to review the organisational structure of BSA.

Performance Management and Development

In the financial year 2016/2017, BSA adopted the Performance Management and Development Systems policy. During the period under review the performance target was therefore to ensure full implementation of this policy and to ensure that the Board receives at least two reports on the implementation process and outcomes of the performance planning and performance assessment process. This has indeed been achieved as planned and in the next financial year a lot more focus would go towards strengthening the training of employees.

3.3. BOXING DEVELOPMENT

3.3.1. Licensee's training and development

During the period under review, BSA had a target of training 300 licensees across different categories and provinces. The plan was to train these licensees through partnership with provincial departments of Sport and Recreation as well as through assistance of the National Lotteries Commission funding. BSA however trained only 140 licensees in the two training sessions which took place as follows:

- On the 28-29 June 2017, Boxing South Africa, in partnership with the Eastern Cape Department of Sport, Arts & Culture hosted a training workshop for professional boxers in the Eastern Cape. The training focused mostly on empowering boxers with life-skills and related technical skills to assist them in their boxing career. Training also incorporated anti-doping education and the Boxing Act and Regulations.
- On the 11-12 July 2017, Boxing South Africa, in partnership with South African Broadcast Corporation (SABC) hosted a training workshop for Promoters in Auckland Park, Johannesburg. The workshop covered a number of critical subject matters that sought to empower our promoters to comply with the regulations of boxing and also to be more competitive as entrepreneurs. It also covered broadcast related discussions that assisted them to understand the sport marketing, broadcast and sponsorship space better.

3.3.2. Women in Boxing

During the period under review, BSA was successful to register 104 women licensees. This is a significant milestone in comparison to the preceding years. There is however still a need to be done to unlock opportunities for our female licensees, particularly our 51 female boxers who are still struggling to get fight opportunities. The Board has however strengthened the Women in Boxing Committee which is led by two female board members to make it much more effective in advocating and lobbying for empowerment of women in boxing. The committee has developed an Action Plan which will be implemented in the next financial year.

The number of tournaments that hosted by female promoters for female boxers increased significantly, particularly during the month of August, which is Women's Month. Most of the tournaments were delivered through direct financial assistance from provincial departments of sport, arts & culture. During the period under review, the tournaments that were hosted under the banner of Women in Boxing were as follows.

DATE	VENUE	PROMOTER	BILL
28.07.2017	Freddie Meyer Hall, Welkom, Free State	Skylon Promotions	Matshidiso Mokebesi vs. Melissa Miller
25.08.2017	Mdantsane Indoor Sport Centre, Eastern Cape	Z'bashy Promotions	Nozwelethu Mathontsi vs. Nthabiseng Didi
			Noxolo Makhanavu vs. Portia Base
			Asandiswa Nxokwana vs. Sandisiwe Gxogxo
			Bukiwe Nonina vs. Patience Mastara
25.08.2017	Ngoako Ramathodi Hall, Seshego, Limpopo	Mama Rocks Promotions	Nozipho Bell vs. Raider Muleba
			Nathaline Bania vs. Simangele Hadebe
			Mimi Mauwu vs. Zibuyile Mogobo
08.09.2017	Kagiso Memorial Recreation Centre, Krugersdorp, Gauteng	Showtime Promotions	Noni Tenge vs. Mapule Ngubane
			Unathi Myekeni vs. Asandiswa Nxokwana
			Simangele Hadebe vs. Ellen Simwaka

3.3.3. Sanctioning and Ratings

In sanctioning, the key priority was to ensure that we eliminate incidents of tournaments that take place without purse money being paid and in 2018 this has been reduced to zero incidents. The other priority was to ensure that we reduce incidents of tournaments that are scheduled and later cancelled at the last minute without boxers being paid their cancellation fee as per the boxing regulations and contract. We have been steadily successful in this regard and we will continue to tighten our processes to ensure that we eliminate this.

Ratings

The integrity and credibility of any ratings system in professional boxing is yardstick of the integrity attributed to the boxing commission itself. In order to improve the credibility of our ratings system, BSA developed a ratings system guided by a transparent criterion which is well understood by all the licensees and practitioners. BSA further reconstituted the Ratings Committee to address some of the shortcomings which were observed regarding the composition of this committee.

On a monthly basis, BSA issues the ratings results for both male and female boxers. These are basically a packing order of the top ten South African boxers in each one of the seventeen weight divisions. This is based on the boxers' performance during a specific period under review and is determined by tracking all boxing activity both in South Africa and abroad where a South African boxer participates.

South African National Title Fights 2017/2018

During the period 2017/2018, BSA sanctioned a total of 26 South African National Title fights, twenty (20) of which were in the male divisions while six (6) were in the female divisions. This picture flags out a challenge both for the Women in Boxing Committee as well as the Sanctioning Committee to come up with creative and ground-breaking ideas on how best to continue growing interest in the South African National Titles and equally keep the titles active throughout the year. This is the workload that will be prioritised in the next financial year.

South African Female National Title Fights in 2017/2018

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- FEB	TITLE FIGHTS
Heavy	VACANT	VACANT	VACANT	VACANT	0
Junior Heavy	VACANT	VACANT	VACANT	VACANT	0
Light Heavy	VACANT	VACANT	VACANT	VACANT	0
Super Middle	Nwabisa Mbopha	Nwabisa Mbopha	VACANT	VACANT	0
Middle	Mapule Ngubane	Mapule Ngubane	Mapule Ngubane	Mapule Ngubane	0
Junior Middle	Esther Mashiya	Esther Mashiya	Esther Mashiya	Esther Mashiya	0
Welter	Julie Tshabalala	Julie Tshabalala	Julie Tshabalala	Julie Tshabalala	0
Junior Welter	Sandra Almeida	Sandra Almeida	Sandra Almeida	Sandra Almeida	0
Lightweight	Mzonke Fana	Thulani Mbenge	Kholosa Ndabayeni	Kholosa Ndabayeni	1
Junior Light	Nozipho Bell	Nozipho Bell	Nozipho Bell	Nozipho Bell	1
Feather	Asandiswa Nxokwana	Asandiswa Nxokwana	Asandiswa Nxokwana	Asandiswa Nxokwana	1
Junior Feather	Matshidiso Mokebesi	Matshidiso Mokebesi	Matshidiso Mokebesi	Matshidiso Mokebesi	1
Bantam	VACANT	VACANT	VACANT	VACANT	0
Junior Bantam	Leighandre Jegels	Leighandre Jegels	Leighandre Jegels	Leighandre Jegels	0
Flyweight	Noxolo Makhanavu	Noxolo Makhanavu	Noxolo Makhanavu	Noxolo Makhanavu	1
Junior Fly	Nozwelethu Mathonzi	Nozwelethu Mathonzi	Nozwelethu Mathonzi	Nozwelethu Mathonzi	1
Mini Fly	VACANT	VACANT	VACANT	VACANT	0
TOTAL TITLE FIGHTS IN ALL DIVISIONS DURING 2017/2018					6

South African Male National Title Fights in 2017/2018

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- FEB	TITLE FIGHTS
Heavy	Osborne Machimana	VACANT	Osborne Machimana	Ruan Visser	2
Junior Heavy	Kevin Lerena	Thabiso Mchunu	Thabiso Mchunu	Thabiso Mchunu	1
Light Heavy	Ryno Liebenburg	Ryno Liebenburg	Ryno Liebenburg	VACANT	0
Super Middle	Lee Dyer	Lee Dyer	VACANT	VACANT	0
Middle	Christopher Buthelezi	Christopher Buthelezi	Barend Van Rooyen	Barend Van Rooyen	1
Junior Middle	Nkulukelo Mhlongo	Nkulukelo Mhlongo	Nkulukelo Mhlongo	Nkulukelo Mhlongo	1
Welter	Sean Ness	Thulani Mbenge	Thulani Mbenge	Thulani Mbenge	2
Junior Welter	Xolani Mcotheli	Xolani Mcotheli	Xolani Mcotheli	Xolani Mcotheli	1
Lightweight	Mzonke Fana	Thompson Mokwana	Thompson Mokwana	Thompson Mokwana	2
Junior Light	Phila Mpontshana	Phila Mpontshana	Phila Mpontshana	Phila Mpontshana	1
Feather	Azinga Fuzile	Azinga Fuzile	Azinga Fuzile	Azinga Fuzile	2

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- FEB	TITLE FIGHTS
Junior Feather	Bongani Mahlangu	Ludumo Lamati	Ludumo Lamati	Ludumo Lamati	1
Bantam	Toto Helebe	Toto Helebe	Toto Helebe	Toto Helebe	1
Junior Bantam	Lindile Tshemese	Lindile Tshemese	Yanga Sigaqibo	Yanga Sigaqibo	2
Flyweight	Thembelani Nxoshe	Thembelani Nxoshe	Thembelani Nxoshe	Thembelani Nxoshe	1
Junior Fly	Bongani Silila	Bongani Silila	Bongani Silila	Bongani Silila	0
Mini Fly	Sphamandla Baleni	Sphamandla Baleni	Xolisa Magusha	Xolisa Magusha	2
TOTAL TITLE FIGHTS IN ALL DIVISIONS DURING 2017/2018					20

3.3.4. National coverage

Total licensees per category

A well administered and stable regulator is however only as good and strong as a sector it regulates. In 2017/2018 BSA was able to issue licenses to a total of 1207 licensees. 743 of these licensees were boxers and 103 being women across different categories of licensees.

CATEGORIES	MALES	FEMALES	TOTAL
Boxers	692	51	743
Managers	112	5	117
Trainers	85	0	85
Ring Officials	57	16	73
Seconds	71	4	75
Agents	0	0	0
Promoters	70	27	97
Matchmakers	6	0	6
Ring Announcers	10	1	11
TOTAL	1 103	104	1 207

Sanctioning of Tournaments

In 2017/2018 Boxing South Africa sanctioned a total of seventy-eight (78) tournaments. This is an increase by three tournaments when one compares it to the previous year's performance of 75 tournaments.

Gauteng continues to lead with a total of thirty two (32) tournaments and Western Cape takes the second largest activity at fourteen (14) tournaments, followed closely by Eastern Cape at thirteen (13) tournaments, with Mpumalanga and North West hosting only one (1) tournament each. The only province that did not host any tournament this financial year was the Northern Cape.

Comparison of total tournaments per year over the past three years:

PROVINCE	GP	EC	WC	KZN	LP	FS	MP	NW	NC	TOTAL
2015/2016	28	33	7	6	4	2	1	1	1	83
2016/2017	25	24	11	8	4	2	0	1	0	75
2017/2018	32	13	14	7	4	6	1	1	0	78

Comparison of 2017/2018 tournaments per month per province:

YEAR-TO-DATE TOURNAMENTS PER PROVINCE													
PROVINCE	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
GP	5	2	4	4	1	5	3	-	4	-	1	3	32
EC	1	1	-	2	2	2	-	-	3	-	-	2	13
WC	-	-	2	1	2	2	-	4	-	-	-	3	14
KZN	0	1	-	-	-	-	-	2	2	-	1	1	7
FS	2	-	-	2	-	-	2	-	-	-	-	-	6
LP	-	-	-	-	1	0	2	-	1	-	-	-	4
MP	-	-	-	-	-	1	-	-	-	-	-	-	1
NW	-	-	-	-	-	-	1	-	-	-	-	-	1
NC	-	-	-	-	-	-	-	-	-	-	-	-	0
TO-TAL	8	4	6	9	6	10	8	6	10	0	2	9	78

2017/2018 tournaments by promotion company, venue and province

DATE	PROMOTER	VENUE	PROVINCE
2017/04/06	Real Steel	Presley (Boksburg)	Gauteng
2017/04/07	Xaba Promotions	Dr Molemela Indoor Sport Centre	Free State
2017/04/22	Team Dida	Krugersdorp Town Hall	Gauteng
2017/04/23	Golden Gloves	Emperors Palace	Gauteng
2017/04/28	TK Promotions	Wembley Arena JHB	Gauteng
2017/04/28	Xaba Promotions	Orient Theatre	Eastern Cape
2017/04/28	Kalakoda Promotions	Canival City	Gauteng
2017/04/30	Mabuya Boxing Promotions	Freddie Meyer Hall - Welkom	Free State
2017/05/05	Rumble Africa	Orient Theatre	Eastern Cape
2017/05/07	BRD Promotions	Presley - Boksburg	Gauteng
2017/05/26	Kalakoda Promotions	Sibaya Casino	Kwazulu Natal
2017/05/26	Victory Sport	Don Maleman Eldorado Park	Gauteng
2017/06/02	Pound for Pound	Hope Hall CPT	Western Cape
2017/06/10	Golden Gloves	Emperors Palace	Gauteng
2017/06/11	Supreme Boxing Promotions	Blairgowrie Recreation Center	Gauteng
2017/06/16	Xaba Boxing Promotions	Turffontein Race Track	Gauteng
2017/06/23	Kalakoda Boxing Promotions	Cape Sun International	Western Cape
2017/06/29	Unleash Events	Presley's Bokburg	Gauteng
2017/07/01	Dream Team	Maluti a Phofung Sport Centre	Free State
2017/07/01	Real Steel	Kempton Park Civic Centre	Gauteng
2017/07/02	Gilmasters	Boksburg	Gauteng
2017/07/23	Golden Gloves	Emperors Palace	Gauteng
2017/07/28	Xaba Promotions	River Park (EL)	Eastern Cape
2017/07/28	Skylon Promotions	Ferdi Meyer - Welkom	Free State
2017/07/29	Team Dida	Kagiso Recreational Hall	Eastern Cape
2017/07/30	Rumble Africa	Orient Theatre	Eastern Cape
2017/07/30	Smoking Joe	Cape Town	Western Cape
2017/08/04	Maxim	Hope Street Hall	Western Cape
2017/08/06	Mecca	Mdantsane Indoor	Eastern Cape
2017/08/11	Pound for Pound	Hope Street Hall	Western Cape

DATE	PROMOTER	VENUE	PROVINCE
2017/08/11	Zbasyh	Mdantsane Indoor Centre	Eastern Cape
2017/08/25	Mama Rocks	Ngoato Ramathlodi - Seshhego	Limpopo
2017/08/31	Real Steel	Presley Boksburg	Gauteng
2017/09/03	Unleashed Sport Events	Turfontein Portugies Hall	Gauteng
2017/09/08	Show Time Boxing	Kagiso Recreation Hall	Gauteng
2017/09/09	Golden Gloves	Emperors Palace	Gauteng
2017/09/16	Ludonga Boxing Promotion	Gqikazi Hall	Kwazulu Natal
2017/09/22	Maxim Boxing Promotion	14 Hope Street Hall - Cape Town	Western Cape
2017/09/22	Xaba Promotions	Orient Theatre	Eastern Cape
2017/09/23	Isizwe Boxing Promotion	Willovale Indoor Sport Centre	Eastern Cape
2017/09/24	Victory Sport Production	Don Maleman Eldorado Park	Gauteng
2017/09/29	Kalakoda Promotions	Shimmys Waterfront - Cape Town	Gauteng
2017/09/29	Mpumalanga Boxing Promotion	Phola Community Hall - Ogies	Mpumalanga
2017/10/06	Dream Team Promotions	Mangaung Indoor, Bloemfontien	Free State
2017/10/07	Nzhelele Women Sport Promoters	Makhado Community Hall	Limpopo
2017/10/21	Golden Gloves	Emperors palace	Gauteng
2017/10/22	Supreme Boxing Promotions	Blairgowrie Recreation Centre	Gauteng
2017/10/26	Skylon Promotions	Light House Church Flamingo	Free State
2017/10/27	Limpopo Champions Promotions	Thohoyandou Town Hall	Limpopo
2017/10/27	TK Boxing Promotions	Mmabatho Community Centre	North West
2017/10/28	Team Dida Boxing Promotions	Kagiso Hall	Gauteng
2017/11/04	Smoking Joe Promotions	Wynberg Military	Western Cape
2017/11/04	Starline Boxing Promotions	Olive Convention Centre	Kwazulu Natal
2017/11/05	Starline Boxing Promotions	Olive Convention Centre	Kwazulu Natal
2017/11/24	Pound 4 Pound	14 Hope St Hall-CPT	Western Cape
2017/11/24	Kalakoda Promotions	Wynberg Military Complex	Western Cape
2017/11/25	David Faas Production	Chris N Primary School	Western Cape
2017/12/02	Real Steel Promotions	Kempton Park Indoor Sport Centre	Gauteng
2017/12/03	BRD Boxing Promotions	Turfontein Racecourse	Gauteng
2017/12/04	African Ring (G&G)	Emperors Palace	Gauteng
2017/12/08	Xaba Promotions	Orient Theatre	Eastern Cape
2017/12/09	Nu Generation	SBS Park - Pine Town	Kwazulu Natal
2017/12/10	Rumble Africa	Orient Theatre	Eastern Cape
2017/12/16	Team Dida Boxing Promotions	Kagiso Memorial Centre	Gauteng
2017/12/16	Last Born Boxing Promotions	Mdantsane Indoor Centre	Eastern Cape
2017/12/16	3 Second Boxing Promotion	Sanlam Centre - Empangeni KZN	Kwazulu Natal
2017/12/29	Nzhelele	Thohoyandou Stadium	Limpopo
2018/02/23	Kalakoda Promotions	Emerald Casino	Gauteng
2018/02/25	Tono Promotions	Imbizo Hall, Empangeni	Kwazulu Natal
2018/03/02	Pound for Pound	14 Hope Str Town Hall	Western Cape
2018/03/03	Golden Gloves	Emperors Palace	Gauteng
2018/03/04	Mvelo Promotions	Msinga Indoor sport centre	Kwazulu Natal
2018/03/04	Unleashed - Combat Sport Events	Turfontein Racecourse	Gauteng
2018/03/18	Champ & Son Promotions	Ilitha Community Hall	Eastern Cape
2018/03/23	Maxim Boxing Promotions	14 Hope Str Town Hall	Western Cape
2018/03/23	Real Steel	Edenvale Community Hall	Gauteng
2018/03/25	Amanguba Boxing Promotions	Mdantsane Indoor Centre	Eastern Cape
2018/03/30	Kalakoda Productions	The Mystico Durbanville	Western Cape

3.4. BOXING PROMOTION

3.4.1 BOXING SPONSORSHIP

During the period under review, BSA secured two sponsorships which were focused specifically towards the SA Boxing Awards.

- The first sponsorship was from Coca Cola Beverages South Africa and it was in the form of consumable for guests at the Boxing Awards. The value received by BSA compared to the Return on Investment (ROI) for Coca Cola was admittedly incongruent. The big picture from BSA was however to showcase our capacity with a view to build towards bigger things with Coca Cola in the future.
- The second sponsorship was SABC and it was in the form of production costs for the broadcast of the Boxing Awards. Unlike in 2017, there was no financial injection from SABC towards the Boxing Awards and the SABC's only role was its own operational costs (personnel and equipment) to direct, produce and broadcast the SA Boxing Awards.

3.4.2. EVENTS COORDINATION

South African Boxing Awards

On 2 February 2018 Boxing South Africa in partnership with the Eastern Cape Department of Sport, Arts & Culture hosted the South African Boxing Awards at Boardwalk Casino in Port Elizabeth.

The main objective of these awards is to recognise and reward exceptional performance during the period under review, in and outside the ring of boxing, and across different categories in the value chain of boxing. The awards are in line with the recognition and reward objectives of the National Sport and Recreation Plan. The awards have seventeen categories and, in a nutshell, the category winners for the 2017 South African Boxing Awards were the following:

CATEGORY	RECIPIENT
1. Male Boxer of the year	Zolani Tete
2. Female Boxer of the year	Bukiwe Nonina
3. Male Fight of the year	Gideon Buthelezi & Angel Aviles
4. Female Fight of the year	Noni Tenge vs Prudends Mapule
5. Male Prospect of the year	Lunga Stemela
6. Female Prospect of the year	Simangele Hadebe
7. Knockout of the year	Lerato Dlamini for Lerato Dlamini vs. Sinethemba Bam
8. Matchmaker of the year	Luyanda Kana
9. Media Personality of the year	James Gradidge
10. Female Ring Official of the year	Pumeza Zinakile
11. Male Ring Official of the year	Deon Dwarthe
12. Most Promising Ring Official of the year	Mandisi Mkile
13. Trainer of the year	Colin Nathan
14. Promoter of the year	Ayanda Matiti of Xaba Events & Promotions
15. Most Promising Promoter of the year	Shereen Hunter of Unleashed Combat Sport Events
16. Manager of the year	Mlandeli Tengimfene
17.1 Special Achievement Award	<ul style="list-style-type: none"> • Zolani Tete • Nick Lourens • Joy Greyvenstein
17.2. Lifetime Achievement Award	<ul style="list-style-type: none"> • Elijah 'Tap Tap' Makhathini • Mzimasi Mguni • Derrick Watson • Emil Brice • Archie Jonas

4. PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

In terms of its Annual Performance Plan, Boxing SA has twenty-seven performance indicators (27) 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 93%, i.e. the organization was able to meet twenty five out of twenty-seven indicators. In a nutshell, our performance per programme area for the year under review can be characterized as follows:

- Programme 1:** In this program area BSA achieved 11 out of its 12 targets. This performance equates 92 % achievement and this is an improved when compared to the 67% achieved in the prior year.

The only performance indicator which was not achieved is the Number of capacity building programmes for licensees. In this indicator only 2 out of 4 capacity workshops were held due to funding limitations. BSA application to NLC with regard to funding was not approved on time. In 2018/2019 BSA has increased budget allocation for training and also revised its training methodology to make it more economical and achievable.
- The only performance indicator which has not been achieved is **Number of capacity building programmes for licensees**. In this indicator only 2 out of 4 capacity workshops were held due to funding limitations. BSA application to NLC with regard to funding was not approved on time. In 2018/2019 BSA has increased budget allocation for training and also revised its training methodology to make it more economical.
- Programme 2:** This programme area is the most important one in the life of BSA since it relates to Boxing Development. This programme area focuses directly at our licensees. In this program area BSA achieved 7 out of its 9 targets. This performance equates 78% achievement and this is an improvement when compared to the 44% achieved in the prior year.

The two indicators which were not achieved in this program area are (1) Number of licensees trained and developed and (2) Number of capacity building sessions. Only 140 out of a target of 300 licensees were trained and two (2) out of the four (4) target training sessions were held due to funding limitations. BSA application to NLC with regard to funding was not approved on time. In 2018/2019 BSA has increased budget allocation for training and also revised its training methodology to make it more economical.
- Programme 3:** 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. In this program area BSA achieved 7 out of all the 7 performance targets. This equates 100% achievement and a great improvement in comparison to the 50 % achievement of the prior year.

4.1. The dashboard: Overall Performance

Programme 1: Governance and Administration

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
12	11	1	The unachieved target is with regards to conducting capacity building workshops for licenses. The target for the financial year was to conduct 4 workshops. Due to limitation of resources only 2 out of the target of 4 workshops were conducted. In 2018/2019 BSA has increased budget allocation for training and also revised its training methodology to make it more economical and achievable.

Programme 2: Boxing Development

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
9	7	2	The unachieved targets were the Number of Licensees trained and develop as well as the Number of building capacity sessions held for the purpose of training. The target for the financial year was to train 300 licensees and only 140 were trained and only two (2) workshops were conducted instead of four (4). The reasons for non-achievement is as a result of lack of fund because of delays in the allocation of funding for the training by the National Lottery. In the 2018/2019 financial year BSA has increased budget allocation for training and also revised its training methodology to make it more economical and achievable.

Programme 3: Boxing Promotion

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
7	7	0	All targets in the programme were achieved.

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 boxing. It comprises of the following sub-programmes:

- The Board
- Office of the CEO and Corporate Services
- Stakeholder mobilization and lobbying

Performance Overview

This programme area has twelve indicators. During the period under review we managed to achieve eleven (11) out of the twelve (12) indicators. There has been an under achievement on one indicator, i.e. Number of capacity development sessions held. Despite the underachievement we managed to conduct two sessions, one was a training session for professional boxers in the Eastern Cape on 28-29 June 2017, the other was a workshop of promoters in Auckland Park on 11-12 July 2017. This represents 50% of the annual target achieved for the above-mentioned indicator.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives:

STRATEGIC OBJECTIVE: STRENGTHENED GOVERNANCE AND OVERSIGHT					DEVIATION FROM PLANNED TAR- GET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
PERFORMANCE INDICATOR	ACTUAL ACHIEVE- MENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVE- MENT 2017/2018			
Number of Policies and Procedures reviewed and approved	6	8	10	+2	The annual target of 8 policies was over achieved as a result of two (2) policies which were carried over from the previous financial year.	
Number of Board meetings held	7	4	7	+3	a) Special Board Meeting to consider and approve the Financial Statement and Annual Report in May 2017. b) Special Board Meeting to orientate the newly appointed Board that came to office on the 14 December 2017. c) Special Board Meeting to meet the newly appointed Minister who came to office in February 2018.	
Number of Audit Committee Meetings held	6	4	7	+3	a) Special Audit Committee Meeting to re-evaluate the Annual Financial Statements and Annual Report. b) Special Audit Committee Meeting to finalize the evaluation of Annual Financial Statements and Annual Report. c) Special Audit Committee Meeting to deal specifically with Risk Management issues.	

STRATEGIC OBJECTIVE: IMPROVED ADMINISTRATIVE CAPACITY					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
% of Vacancies filled	80%	80%	86%	+6%	N/A
Performance Management and Development reports adopted	New Indicator	2	2	0	N/A
Number of capacity building sessions	12 Workshop 25 Training sessions	4	2	-2	BSA training program was through grant funding from national lotteries. There was a delay however in the NLC approving funding for 2017/2018 training resulting in lack of funds for the planned training programs.
Tournament Sanction Management System/ Procedure manual developed	New indicator	1	1	0	N/A

STRATEGIC OBJECTIVE: IMPROVED ADMINISTRATIVE CAPACITY				ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET GET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET				
Compliance reports on implementation of tournament sanction management procedure/ manual implementation	New indicator	4		4	0	N/A
Number of ratings reports published	12 reports	12		12	0	N/A

STRATEGIC OBJECTIVE: STAKEHOLDER ENGAGEMENT FRAMEWORK				ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET GET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET				
Stakeholder engagement framework approved	Stakeholder engagement framework approved	1		1	0	N/A
Stakeholder engagement framework reports presented to Board	12 Stakeholder engagement sessions held	4		4	0	N/A

Strategy to overcome areas of under performance

Drawing from lessons and challenges that faced BSA in the previous year with regard to this programme area, the Monitoring and Evaluation Framework document was developed and internal workshop was also held with staff members to improve on organisational performance planning and reporting. As a result, the culture of performance planning, performance achievement, performance reporting and performance evaluation is steadily increasing 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 2018/2019 Annual Performance Plan and further developed proper Technical Indicator Description. Budget allocation towards training has however since been increased and the delivery methodology revised

Changes to planned targets

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



Linking performance with budgets

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION	2016/2017		2017/2018			
	BUDGET		ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation		3 834	4 010	(176)	4 804	(905)
Goods & Services		6 297	11 986	(5 689)	6 692	(1 512)
Total		10 131	15 996	(5 865)	11 496	(2 417)

During the financial period under review, the entity filled their critical posts by employing all their senior management in order to improve administrative capacity. The entity has increased its strategic focus to improvements on its governance and compliance requirements.

Additional financial support from the SRSA for payment of employees who are seconded to 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 (9) indicators. During the period under review we managed to achieve seven (7) out of the nine (9) indicators. There has been an under achievement on one indicator in respect of Training of licensees.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives:

STRATEGIC OBJECTIVE: LICENSEES TRAINING AND DEVELOPMENT				
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018
Number of licensees trained and developed	72	300	140	-160
Number of capacity building sessions		4 Workshops/Training Sessions	2	-2
<p>BSA training program was through grant funding from national lotteries. There was a delay however in the NLC approving funding for 2017/2018 training resulting in lack of funds for the planned training programs.</p> <p>BSA training program was through grant funding from national lotteries. There was a delay however in the NLC approving funding for 2017/2018 training resulting in lack of funds for the planned training programs.</p>				

STRATEGIC OBJECTIVE: COMPLIANCE AND ENFORCEMENT				
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018
Number of site inspections conducted	100	100	105	+5
Number of Compliance Reports	100	100	105	+5
<p>Over and above the inspection of new venues inspection of previously used venues was conducted to ensure that they are still compliant and fit for use.</p> <p>Over and above the inspection of new venues inspection of previously used venues was conducted to ensure that they are still compliant and fit for use.</p>				

STRATEGIC OBJECTIVE: WOMEN IN BOXING				
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018
Number of women licensed	90	100	104	+4
<p>A special license renewal period was extended to females during the month of August as part of Women's Month and this resulted in an over achievement by four (4) licensees.</p>				



STRATEGIC OBJECTIVE: NATIONAL COVERAGE					COMMENT ON DEVIATIONS
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	
Number of licensees	1000	1000	1207	+207	The licensing period was extended to allow licensees who could not meet the deadline of initial applications.

STRATEGIC OBJECTIVE: RATINGS AND SANCTIONING					COMMENT ON DEVIATIONS
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	
Reports on tournaments sanctioned	N/A	4	4	0	N/A
Number of ratings conducted	12	12	12	0	N/A

STRATEGIC OBJECTIVE: ASSOCIATIONS ASSISTED

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Reports on assistance extended to associations	0	4	4	0	N/A

Strategy to overcome areas of under performance

In the current context and development of boxing in South Africa, compliance with the Boxing Act and 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 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 Sanctioned 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

PROGRAMME 2: BOXING DEVELOPMENT		2016/2017		2017/2018		(OVER)/UNDER EXPENDITURE		ACTUAL		(OVER)/UNDER EXPENDITURE	
	R'000	BUDGET	R'000		R'000	BUDGET	R'000		R'000		R'000
Compensation			1 050		2 098		(1 048)		388		385
Goods & Services											
Total			1 689		2 637		(948)		1 916		1 913
											3

Programme 3: BOXING PROMOTION

The purpose of this programme is to 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 in 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 seven indicators. Most of the indicators in under this program have been achieved mainly because in the previous year they were only partially achieved, which made it easier for them to be successfully concluded during the period under review as per the Annual Performance Plan.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives:

STRATEGIC OBJECTIVE: MARKETING AND COMMUNICATIONS STRATEGY					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Marketing and communications strategy approved	Draft Marketing and Communications Strategy was developed	1 Marketing and communications strategy implemented	Marketing and communications strategy approved	0	The development and approval of the Marketing and Communications Strategy was concluded in the first quarter of the reporting period. Implementation of the Strategy was however only successful in relation to media liaison and editorial syndication work. The other measurable targets in respect of Corporate Communications and Internal Communications could not be achieved because their successful implementation was mainly dependent on the success of the revenue generation strategy and sponsorship mobilization. In future the strategy would be revised and be aligned to the approved and available resources of Boxing South Africa.

STRATEGIC OBJECTIVE: BOXING SPONSORSHIP					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of sponsorship secured.	3	2	2	0	N/A

STRATEGIC OBJECTIVE: EVENTS COORDINATION					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Women in Boxing Program implemented	5 Premium boxing events promoted	2	2	0	N/A
South African Boxing Awards program implemented		1	1	0	N/A

STRATEGIC OBJECTIVE: REVENUE GENERATION				COMMENT ON DEVIATIONS	
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	
Revenue Generation strategy approved and implemented.	N/A	1 Revenue Generation Strategy Developed and implemented	1 Revenue Generation Strategy Developed and implemented	0	The development and approval of the Revenue Generation Strategy was concluded in the first quarter of the reporting period. The reporting on implementation was however not properly packaged and presented as per the Guidelines on Performance Reporting

Strategy to overcome areas of under performance Strategy to overcome areas of under performance

STRATEGIC OBJECTIVE: BOXING INFORMATION PROVISION				COMMENT ON DEVIATIONS	
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	
Boxing Information Provision Concept approved	New indicator	1	1	0	N/A
Report on implementation of boxing information provision	New indicator	3 Report on implementation of boxing information provision	3 Report on implementation of boxing information provision	0	N/A

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

PROGRAMME 3: BOXING PROMOTIONS		2016/2017		2017/2018	
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000
Compensation	639	-	639	905	905

Goods & Services	1 050	2 666	(1 616)	1 011	1 913	(902)
Total	1 689	2 666	(977)	1 916	1913	3

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.

1. REVENUE COLLECTION

SOURCES OF REVENUE	2016/2017		ESTIMATE	2017/2018		ACTUAL (OVER)/UNDER COLLECTION
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000		ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	
Programme 2: Boxing Development	1 893	2 091	(198)	1 988	1 678	310
Licence fees	516	619	(103)	568	683	(115)
Fines Penalties and Forfeit	24	45	(21)	25	25	-
Interest	42	135	(93)	44	697	(653)
Sport & Recreation: Grant	11 033	15 963	(4 930)	12 028	12 028	-
Other Income	-	3 533	(3 533)	674	1 184	(510)
Total	13 508	22 286	(8 085)	15 327	16 295	(968)

The entity has a debtors and Creditors Policy implemented to deal with matters pertaining to revenue collection. Boxing Act no 11 of 2001 is an enabling act governing Boxing South Africa and has associated regulations dealing with revenue collection. In terms of Section 11 of the Boxing regulations measures to be taken on collection of overdue are prescribed along with the levying of interest on long outstanding debts. The entity has made structural improvement within the organisation to ensure that information pertaining to computation of debts to be recovered is updated on a monthly basis, communicated through monthly statements to all debtors on a monthly basis.

There was under-collection on sanctioning fees and this was mainly affected by a legal dispute brought forward by some of the licensees concerning the application of Section 11 of the Boxing Regulations regarding computation of sanctioning fees. In addition, late submission of affidavits from licensees also affects computation of license fees and debtor's balances. The entity has ensured that constant communication with all affected licensees is maintained, particularly on matters of outstanding debtors and recoverability of those debts. The long outstanding debts have a negative impact as the investment in debtors are affected by time value of money and impaired over time, in addition the potential funds may be used to bankroll projects of Boxing South Africa which benefits their licensees.



The items exceeding the budgeted figures emanates from stringent regulatory environment governed by the PFMA whereby the entity is restricted from materially increasing their projected figures representing revenue between different periods. The incremental systems of budget projections confine the entity to increase with an inflation base increase and this result in actual revenue received being relatively larger than the projected figures. Increases





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.

On the 14 December 2017, 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. The responsibility of the Board is among others, to guide and give strategic direction of 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 COMMITTEE

During the period under review, BSA has appeared twice before the Portfolio Committee to present the various reports as mandated by the Committee. BSA appeared on the following dates:

- 3 May 2017, to present the Annual Performance Plan 2017/2018
- 10 October 2017, to present the Annual Report for 2016/2017

3. EXECUTIVE AUTHORITY

The support and guidance which BSA continues to enjoy from Sport and Recreation South Africa and the Ministry in particular, is highly commendable. BSA 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.

In this regard, BSA also similarly submitted its quarterly reports to the national department as stipulated in the transfer payment agreement. There have also been a number of direct engagements between the Minister and Board of Boxing South Africa to ensure full alignment between the Board's strategic outlook and stewardship to the entity with the mandate and expectations from the Minister.

- 11 April 2017, the CEO and Chairperson of the Board met former Minister Thulasi Nxesi subsequent to his appointment to Sport and Recreation South Africa.
- 10 October 2017, the CEO and Chairperson of the Board met former Minister Thulasi Nxesi following the presentation of BSA Annual Report to Portfolio Committee.
- 17 February 2018, the full board of BSA met Minister Tokozile Xasa subsequent to her appointment to Sport and Recreation South Africa



4. THE ACCOUNTING AUTHORITY / BOARD

- a) Dr. Malefetsane Peter Ngatane: Former Board Member & Current Board Chairperson
- b) Adv. Mzamo Gumbi: Former Board Member & Current Board Member
- c) Mr. Luthando Jack: Former Board Member & Current Board Member
- d) Mr. Khulile Radu: Former Board Member & Current Board Member
- e) Ms. Zandile Kabini: Former Board Member & Current Board Member
- f) Ms. Lethogonolo Noge-Tungamirai: Newly appointed Board Member
- g) Mr. Gilberto Martins: Newly appointed Board Member

Composition of the Board (1 April – 30 November 2017)

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RETIRED	QUALIFICATIONS	AREA OF EXPER- TISE	BOARD DIRECTORSHIPS (LIST THE ENTI- TIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G.: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS ATTENDED
Mudlambi Ravele	Chairperson	08 May 2014	30 November 2017	Btech Business Admin. Executive Sport Man- agement Programme, Strategic Executive Mar- keting Programme, Diploma in Sport Man- agement, Diploma in Education, Athletes Management	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	4
Luthando Jack	Board Member	08 May 2014	Active	National Diploma: Public Management & Admin. BTech Public Manage- ment, Bachelor of Philosophy: Information and Knowl- edge Management, Masters in Commerce	Strategy and Leadership Knowledge and Project Management Monitoring and Eval- uation	N/A	HRFIN Committee	4
Mandisinde Gcilitshana	Board Member	08 May 2014	Active	BA Degree Communi- cation Science	Marketing and Commu- nication	N/A	HRFIN Committee	4

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RETIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G.: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Zandile Kabini	Board Member	08 May 2014	30 November 2017	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	Auditing	N/A	HRFIN Committee	4
Malefetsane Ngatane	Board Member	08 May 2014	Active	MBCHB	Doctor/Medicine	N/A	Sanctioning Committee	4
Khulile Radu	Board Member	08 May 2014	Active	N/A	Boxing	N/A		4
Mzamo Gumbi	Board Member	08 May 2014	Active	Diploma Juris B Juris LLB Honors LLM Diploma in Sport Management	Advocate	N/A		4

Composition of the Board (14 December – 31 March 2018)

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RETIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G.: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Peter Ngatane	Board Member	14 Dec 2017	Active	MBCHB	Doctor/Medicine	N/A		2
Luthando Jack	Board Member	14 Dec 2017	Active	National Diploma: Public Management & Admin. BTech Public Management Bachelor of Philosophy: Information and Knowledge Management. Masters in Commerce	Strategy and Leadership Knowledge and Project Management Monitoring and Evaluation	N/A	HR, ICT & FINANCE Committee	2

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RETIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G.: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Leithogonolo Noge-Tungamirai	Board Member	14 Dec 2017	Active				HR/ICT & FINANCE Committee	
Zandile Kabini	Board Member	14 Dec 2017	Active	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	Auditing	N/A	HR/ICT & FINANCE Committee Women in Boxing	2
Gilberto Martins	Board Member	14 Dec 2017	Active	B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Pol, Philos, Econ	Deputy Director General		HR/ICT & FINANCE Committee	2
Khulile Rodu	Board Member	14 Dec 2017	Active	N/A	Boxing	N/A	Sanctioning Committee	2
Mzamo Gumbi	Board Member	14 Dec 2017	Active	Diploma Juris B Juris LLB Honors LLM Diploma in Sport Management	Advocate	N/A	LEGAL Committee	2

Board Sub-Committees

Sanctioning Committee

The Sanction Committee is constituted by four members. It is chaired by a Board member and three other external members. The committee functions well and during the period under review it has sanctioned a total of 78 tournaments.

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Dr. Peter Ngatane (Former Chairperson)	Internal	Board Member	August 2014	February 2018	0
Mr. Khulile Radu (Chairperson)	Internal	Board Member	February 2018	Active	1
Mr Bongani Magasela	External	N/A	February 2018	Active	1
Dr. Muziwakhe Qobose	External	N/A	August 2014	Active	0
Mr Thabo Daniels	External	N/A	April 2017	Active	0

Ratings Committee

The primary mandate of the Ratings Committee is to generate and issue monthly ratings report of top ten male and female boxers in all weight divisions in South Africa. The committee is constituted by three external members and continues to functional well. It has managed to produce the monthly ratings on a consistent and reliable basis. During the period under review a number of interventions were made by the Board to strength the functioning of this committee as well as its accountability obligations.

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Mr. Willie Saayman (Former Chairperson)	External	N/A	August 2014	October 2017	-
Mr Andre de Vries (Chairperson)	External	N/A	October 2017	Active	1
Mr. G V Sangweni	External	N/A	March 2017	Active	-
Ms. Gloria Masipa	External	N/A	August 2014	Active	-
Mr. Archie Jonas	External	N/A	February 2018	Active	-

Human Resources, ICT and Finance Committee

The HR, ICT Finance Committee is constituted by four Board Members as well as the senior management of Boxing SA. This committee was reconstituted by the Board in February 2018 with a view to broaden its scope and strengthen its operations. The key mandate of this Committee is to assist the board by processing Human Resources, ICT Finance and resource mobilisation related matters before reaching the attention of the Board.

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Ms. Zandile Kabini	Internal	Board Member	18 May 2015	Active	4
Mr. Mandisinde Gcilitshana	Internal	Board Member	18 May 2015	November 2017	3
Mr. Luthando Jack	Internal	Board Member	18 May 2015	Active	3
Mr. Gilberto Martins	Internal	Board Member	February 2018	Active	1
Ms. Letlhogonolo Noge-Tungamirai	Internal	Board Member	February 2018	Active	1

Medical Committee

The Medical Committee was established for the first on the 17 November 2017 and is currently in the formation stages. The Committee is constituted by a national committee of three medical doctors as well as two ringside physicians from each province. This far the committee hasn't yet been fully functional but its formation process is unfolding satisfactorily.

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Dr Robert Selepe	External	Chief Medical Officer	November 2017	Active	1
Dr Solly Skhosana	External	Medical Doctor	November 2017	Active	1
Dr Luvuyo Bayeni	External	Medical Doctor	November 2017	Active	1
Dr Salem Gutta	External	Medical Doctor	November 2017	Active	1
Dr Buyi Mabasa	External	Medical Doctor	November 2017	Active	1
Dr Lapale Moipolai	External	Ringside Physician	November 2017	Active	1
Dr Stanely Rammutla	External	Medical Doctor	November 2017	Active	1

Women in Boxing Commission

The Women in Boxing Committee is constituted by four members. It is chaired by a Board member and is constituted by both internal and external members. The work of this committee has been very instrumental in the implementation of the Women in Boxing programme, particularly the second leg of this program which entailed training of female licensees.

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Ms. Zandile Kabini	Internal	Board Member	May 2015	Active	0
Ms. Letlhogonolo Noge-Tungamirai	Internal	Board Member	February 2018	Active	0
Ms. Sylvia Mokaila	External	Ring Official	February 2018	Active	0
Ms. Esther Mashiya	External	Boxer	May 2015	Active	0
Ms. Liz Butler	External	Former Boxer	May 2015	Active	0
Ms. Noni Tenge	External	Boxer	May 2015	February 2018	0

Women in Boxing Commission Remuneration of board members

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

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
Ms. N Ravele	R 68 845		R 18 946	R 87 791
Dr. M Ngatane	R 42 250		R 8 084	R 50 334
Ms. Z Kabini	R 40 948		R 3 751	R 44 699
Mr. M Gcilitshana	R 28 017		R 1 804	R 29 821
Mr. K Radu	R 29 098		0	R 29 098
Adv. M Gumbi	R 28 712		R 1 375	R 30 087
Mr. G Martins	R 14 740		R 2 759	R 17 499
Ms. L Tungamirai	R 21 315		0	R 21 315
Mr. L Jack	R 39 394		R 144	R 39 538
	R 313 319		R 36 863	R 350 182

5. RISK MANAGEMENT

Boxing South Africa has a draft Risk Management Policy and Risk Management Strategy. The entity conducts regular risk assessments to determine the effectiveness of its risk management strategy to identify new and emerging risks. The identified risks emanate from the previous year management reports as well as the internal audit work conducted during the 2017/18 financial period. The size of the entity is very small consisting of only 14 employees including 3 members of management, this requires the composition of the risk management committee to include all officials within the entity. The committee constantly advises management on the overall system of risk management, including but not limited to the mitigation strategies for high unacceptable levels of risks. The entity has identified

The risk register has a total of 80 identified risks, whereas critical risks identified constitute 3. % (3/80), High risks constitute 51% (41/80) of the total number of identified risks. Medium risks constitute 27% (22/80), whilst low risks constitute 18% (15/80). Management has ensured that risks which were previously identified as problematic areas either by external audit and/or internal auditors were still prioritised as high although some of these risks are related to matters concerning inconsistencies between the strategic plan and the Annual Performance Plans. These high risks will subsequently affect monthly and annual reporting in terms of the quarterly reports and annual reports.

The residual risks are also stratified in terms of risk categories and are summarised as follows. The compliance / regulatory risk category constitute 18% (15/80). Corporate governance constitutes 6% (5/80). Financial Services constitute 22% (18/80) Information technology constitute 1% (1/80). Reporting constitute 45% (36/80). Service delivery, and Supply Chain Management constitutes 6% (5/80). The risk register reflects the current and future risks and will therefore be updated on a regular basis. The risk registers also apportioned responsibility to various manager who will in turn allocate responsibilities to different officials. The issues emanating from the findings raised by both internal and external auditors have been incorporated into the risk registers.

The audit committee continuously monitor and advises management on risk management on a quarterly basis, they independently monitor the effectiveness of the existing system of risk management.

Boxing South Africa has incorporated risk management as part of the standard items for all its operational meetings, the action plans to mitigate identified risk is aligned to matters identified by external and internal auditors, risks identified by governance structures (Board and all its sub-committees), officials and management. Management has registered improvements on the management of risk and its impact on the overall performance of the entity whilst managing and implementing correcting measures as per the action plans for all matters of risk not yet resolved.

6. INTERNAL CONTROL UNIT

Boxing South Africa is utilising the services of an external service provider to perform the functions of internal audit. Historically it has remained a challenge for the entity to establish an internal organisational mechanism of internal audit due to its size, however during the financial period under review, the service providers have conducted the internal function on performance information for only one quarter. The budgetary and capacity constraints remains to be impediments that restrict implementation of a fully functional internal audit mechanism that will provide quality assurance to management and audit committee

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The entity is still utilising external service provider to audit all other quarters of 2017/18 financial year as well a high-level review on year-end financial and performance information, additional ad-hoc service provided by the internal audit, includes matters of risk management compliance.

The audit committee meets regularly on a quarterly basis to consider the effectiveness of the system of internal control, governance and legislative environment. The following focus areas are evaluated and quality assurance is provided as follows:

1. Quarterly performance information
2. Quarterly financial information
3. Internal audit reports
 - Quarterly reporting
 - Other internal audit administration (i.e. IA Charter, IA Plans and rolling plans)
 - Audit action plan
4. Risk Management
 - Risk Governance (i.e. Framework, policy, Anti-fraud and Business Continuity)
 - Risk Register
 - New emerging Risks
5. Audit General Issues
6. Finance related issues
 - SCM Reports
 - PFMA and Treasury compliance checklists
7. Oversight Structures
 - Board Resolutions issues relating to audit committee
 - Portfolio committee issues relating to audit committee

The audit committee will also performance their function of planning document such the Strategic and Annual Performance Plans, Annual Financial Statement and the Annual Report and any other matter which falls within the scope and ambit of the audit committee whether strategic or operational.

NAME	QUALIFICA-TIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Ms Precious Mvu-lane (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	2

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
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)	February 2018	4
Mr Gilberto Martins	B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Pol, Philos, Econ	External	Board Member	February 2018	Active	1



8. COMPLIANCE WITH LAWS AND REGULATIONS

The entity monitors compliance on a monthly meeting through reports on monthly meetings particularly on the main applicable legislation such as the PFMA and its regulations. The entity has to also monitor compliance with employee related legislation such as the labour relations act, Basic condition of employment, etc.

Boxing South has an enabling legislation to direct its operations in regulating matters of professional boxing in South Africa, the entity has to perform its entire strategic mandate within the ambit of the Boxing Act and the operation unit constantly monitors compliance to these rules on a monthly basis. Management reports to the Governance structure on a quarterly basis regarding the extent of performance to all applicable legislation, regulations and relevant policies

9. FRAUD AND CORRUPTION

Boxing South Africa has a draft Fraud prevention plans, however all meetings have a standard agenda item whereby fraud matters are recorded. The entity has capacity challenges particularly in the implementation of mechanism to report fraud and corruption due to human and financial constraints, the environment of professional boxing within requires an overall to enable all stakeholders to be able easily identify and report possible incidents of fraud and corruption.

Management has plans to educate and implement systems to combat possible corporate culture within the boxing environment that gives rise to possibility of fraud and corruption. Planning for conventions and training of licensees and stakeholders are afoot to create awareness around matters pertaining to fraud and corruption.

10. MINIMISING CONFLICT OF INTEREST

All officials of Boxing South Africa signs the declaration forms on an annual period to ensure that all direct and indirect interest are declared, the Boxing Act and its regulations prohibits officials and licensees and other stakeholders to participate in different forms and levels within the boxing environment to the extent that their participation may lead to possible conflict of interest. Disputes of conflicts for officials are treated internally within the employee disciplinary framework. All disputes pertaining to stakeholders and licensees are treated by an independent structure of disputes established by the entity

11. CODE OF CONDUCT

The officials working for Boxing South Africa signs the Code of conduct for employees, whilst licensees also have their own code of conduct governed by the Boxing regulations.

Any breach of the code for employees results in the internal disciplinary framework being followed. In instances where licensees breach their code of conduct, a disciplinary process is followed through the independent disciplinary structure created by the entity.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The entity is located in Hatfield Pretoria under a lease agreement and it utilises OHS plans already establish by the landlord, officials have been seconded to serve as fire marshals and safety officers to cover the health and safety issues.

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018

Audit and Risk Committee Members and Attendance

The 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, six meetings were held, 2 special meetings covered Risk Management related matters and second meeting was review of annual report in May 2017.

I would suggest that date of appointment to committee for each members is indicated, and that this table should be in the form of a table including the dates of meeting and the attendance, to ensure that readers understand the process followed.

Name	Role	Attendance
Ms. PMK Mvulane	Chairperson	6
Mr. D Moodley	External Member	6
Adv F van der Westhuizen	External Member	2
Ms. ZM Kabini	Board Member	4
Me. G Martins	Board Member	1

Audit Committee Responsibilities

The Committee reports that it has complied with its responsibilities arising from Section 51 (1) (ii), Section 76 (4) (d) of the Public Finance Management Act 1 of 1999 and Treasury Regulations 27.1.

The Committee reports according to 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. However, the charter was not reviewed for the year.

Internal Audit

The Committee co-ordinates and monitors the activities of the internal audit function. The internal audit function was co-outsourced and operational only for the first quarter of the financial year under review due to budget constraints.

The committee reviewed the Internal Audit Reports for which the management action plans and root causes were not finalised in all areas where controls were weak. Consequently, the reports were not recommended to the Accounting Authority for adoption. The Committee is not satisfied with the effectiveness of the internal audit function.

Effectiveness of Internal Controls

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity. The following internal audit work was completed during the year under review:

- Performance Information
- Annual Financial Statement Review

The following were areas of serious concern:

- Performance Information

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

- Considered the effectiveness of the Entity's risk assessment processes as on-going by management; recommendation was made to management that risks should be aligned to objectives of the entity, the root cause analysis be used to develop mitigation strategies and informed by audit findings

- 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 and consequence management were not addressed and;
- Sought assurance from management that action is being taken on related issues identified by auditors. The assurance were not adequate.

The committee emphasized with the entity a need to focus on performance management and consequences management to improve internal controls.

In Year Management and Quarterly Reporting

The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA. The quarterly reports (i.e. financial information and pre-determined objectives) submitted were reviewed however, there were several review notes raised by the Committee as results were not all recommended to Accounting Authority for adoption. The Committee provided guidance and advice to Management and the Accounting Authority strengthening over risk management processes, financial reporting and performance information when quarterly reports are reviewed.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the audited annual financial statements;
- Reviewed the accounting policies and practices including the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- 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.
- Reviewed the Auditor-General South Africa's Audit Report and Management Report with management's responses.

Auditor-General of South Africa

We have reviewed the entity's implementation plan for audit issues raised in the previous year and noted that there are matters that have not been adequately resolved which were as follows:


- Policies and Procedures including Standard Operating Manuals such align to GRAP and guidance of management of pre-determined objectives by National Treasury
- Robust Implementation Plan with root cause analysis and consequences management
- Resourced Internal Audit Function

The Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

General

The Audit Committee strongly recommends that the Management and Accounting Authority must prioritise performance management in monitoring of the audit action plans for both internal and external audit together with all other recommendations made by the Committee in order to achieve clean administration.

Signed on behalf of the Audit and Risk Committee by:



Precious Mvulane

Chairperson of the Audit Committee
Boxing South Africa
31 July 2018



PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Human Resource Management of Boxing SA is the function within the organization that focuses on recruitment and selection process, Training and Development, performance management, and providing direction to the people who work in the organization. The primary priority of the HR function of the Entity continues to focus on developing and maintaining competent workforce to achieve the Strategic goals of the organization in an effective and efficient manner.

Performance Agreements were signed and reviewed bi-annually to monitor performance and identify possible training gaps. During the period under review, no training was done. During the period under review, Boxing SA had 10 policies reviewed and approved. The Entity continues to operate with budgetary constraints that adversely impacts on Human Resources matters that includes but not limited to things such as employee training, wellness and organizational review. During the past two years, the Entity managed to stabilize the Human resources in terms of staff retention and management of conflicts.

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 EM- PLOYEE (R'000)
Program 1	11 477	5 428	47%	10	543
Program 2	1 916	1 528	80%	4	382
Program 3	1 916	-	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 468 147.36
- The provincial managers do not form part of the approved and funded structure of Boxing SA.
- Two(2) contract appointments were paid a total amount of R 208 500.75

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 PERSON- NEL COST PER EM- PLOYEE (R'000)
Top Management	3 480	48%	3	1 160
Management	905	13%	1	905
Skilled	2 720	38%	6	453
Semi-skilled	132	2%	1	132
Unskilled	0	0	0	0
TOTAL	7 237	100%	11	658

2.3. Performance Rewards

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%

2.4. Training Costs

PROGRAMME// ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSON- NEL COST.	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Program 1	0	0	0	0	0
Program 2	0	0	0	0	0
Program 3	0	0	0	0	0

2.5. Employment and vacancies

PROGRAMME// ACTIVITY/ OBJECTIVE	2017/2018 NO. OF EMPLOYEES	2017/2018 APPROVED POSTS	2017/2018 NO. OF EMPLOYEES	2017/2018 VACANCIES	% OF VACANCIES
Program 1	8	10	7	3	30%
Program 2	4	4	4	0	0%
Program 3	0	0	0	0	0%
Top Management	1	3	3	0	0%
Management	2	2	2	1	50%
Skilled	5	6	6	0	0%
Semi-skilled	1	3	1	2	66%
Unskilled	0	0	0	0	0%
TOTAL	9	14	11	3	20%

2.6. Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	3	0	0	3
Management	2	0	1	1
Skilled	6	0	0	6
Semi-skilled	1	0	0	1
Unskilled	0	0	0	0
TOTAL	12	0	1	11

2.7. Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0%
Resignation	1	100%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	1	100%

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

REASON	NUMBER % OF TOTAL NO. OF STAFF LEAVING
Verbal Warning	0
Written Warning	2
Final Written warning	0
Dismissal	0
	2

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

- BSA vs Former CEO – 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.
- BSA vs Mtya- Former Director: Operations in Labour Court alleges that he was appointed as Acting CEO but was never paid acting allowance. (This matter was brought up in 2016)



PART E:

FINANCIAL INFORMATION



1. REPORT OF THE EXTERNAL AUDITOR

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of Boxing South Africa (BSA) set out on pages 75 to 109, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with 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 the BSA as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Accepted Accounting Practice (SA 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 this auditor's report.
4. I am independent of the public 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.

Material uncertainty relating to going concern/ financial sustainability

6. I draw attention to note 31 to the financial statements, which indicates that the public entity incurred a net loss of R2 441 059 during the year ended 31 March 2018 and, as of that date the public entity's current liabilities exceeded its total assets by R704 067. As stated in note 11, these events or conditions, along with other matters as set forth in note 21- 22, indicate that a material uncertainty exists that may cast significant doubt on the public entity's ability to continue as a going concern.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of an error in the financial statements of the entity for the year ended, 31 March 2018.



Uncertainty relating to the future outcome of exceptional litigation

9. With reference to note 22 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

10. As disclosed in note 6 to the financial statements, material impairments to the amount of R5 669 045 (2016: R4 793 802) were incurred as a result of the provision for doubtful debts.

Irregular and fruitless and wasteful expenditure

11. As disclosed in note 29 and 30 to the financial statements, irregular expenditure of R 4 782 751 and fruitless and wasteful expenditure of R2 452 217 that were incurred in the previous years was still under investigation/was not investigated.

Responsibilities of accounting authority for the financial statements

12. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
13. In preparing the financial statements, the accounting authority is responsible for assessing the Boxing South Africa'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 accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

16. 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.

17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public 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.
18. 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 public entity for the year ended 31 March 2018:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2 – boxing development	39– 43
Programme 3 – boxing promotion	43 – 46

19. 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.
20. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – boxing development

Conclusion

21. Based on the procedures I have performed and the evidence I have obtained, nothing has come to my attention that causes me to believe that the reported performance information for Programme 2: boxing development is not useful and reliable in accordance with the applicable criteria as developed from the performance management and reporting.

Programme 3 – boxing promotion

Adverse conclusion

22. Based on the procedures I have performed and the evidence I have obtained, the significance of the matters described in the basis for adverse conclusion section of my report, the reported performance information for programme 3 is not useful and reliable in accordance with the applicable criteria as developed from the performance management and reporting framework.

Basis for adverse conclusion

Performance indicators were not well-defined and targets were not specific and measurable

23. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information or evidence or method of collection to be used when measuring the actual achievement for the indicator. This was due to a lack formal standard operating procedures and documented system descriptions. I was unable to test whether the indicator was well-defined by alternative means.

PLANNED INDICATOR DESCRIPTION	REPORTED ACHIEVEMENT
Marketing and communications strategy is approved and implemented	Marketing and communications strategy approved
Report on implementation of boxing information provision	3 reports on implementation of Boxing Information Provision
Revenue generation strategy approved and implemented	1 Revenue generation strategy developed and implemented

Performance indicators were not verifiable

24. The systems and processes that enable reliable reporting of achievement against the indicator were not adequately designed. I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicator. This was due to lack of formal standard operating procedures and lack of understanding of *Framework for managing Strategic Plans and Annual Performance Plan (FSAPP) and Framework for managing programme performance information (FMPPi)*. I was unable to validate the existence of systems and processes by alternative means.

PLANNED INDICATOR DESCRIPTION	REPORTED ACHIEVEMENT
Marketing and communications strategy is approved and implemented	Marketing and communications strategy approved
Report on implementation of boxing information provision	3 reports on implementation of Boxing Information Provision
Revenue generation strategy approved and implemented	1 Revenue generation strategy developed and implemented

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 23 to 46 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20-24 of this report. Adjustment of material misstatements
27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2: boxing development. As management subsequently only corrected some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

28. 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 public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings on compliance with specific matters in key legislations are as follows:

Annual Financial Statements

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework (SA Standards of GRAP) and supported by full and proper records as required by section 55(1) (a) and (b) of the PFMA.
31. Material misstatements of current liabilities/assets/revenue and expenditure items 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

32. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R190 677 as disclosed in note 30 to the annual financial statements as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by contravention of the Boxing Act.

33. Expenditure was incurred in excess of the approved budget in contravention of section 53(4) of the PFMA.
34. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R68 669, as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by late payments of a rental lease.

Revenue Management

35. Effective and appropriate steps were not taken to collect all revenue due as required by section 51(1)(b)(i) of the PFMA.

Procurement and contract management

36. Sufficient appropriate audit evidence could not be obtained that all extensions to contracts were approved by a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence management

37. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.
38. Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure as required by section 51(1)(e)(iii) of the PFMA.
39. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.
40. Disciplinary steps were not taken against some of the officials who had permitted fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA.

Other information

41. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
42. 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.
43. 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.
44. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.



Internal control deficiencies

45. I considered internal controls 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

46. The accounting authority did not exercise sufficient oversight responsibilities regarding financial and performance reporting and compliance as well as related internal controls.

Financial and performance management

47. The public entity did not have a proper record management system to maintain information that supported the reported performance in the annual performance report. This included information that related to the collection, collation, verification, storing and reporting of actual performance information.
48. The regression in the performance information conclusion is due to a lack of knowledge and understanding of the frameworks (Framework for Managing Programme Performance Information and Framework for Strategic Plans and Annual Performance Plans).
49. Management should approach the Department of Sport and obtain assistance with the compilation of the APP and the new strategic plan. Accounting authority and management should also undergo training for performance information.
50. Management did not design the daily and monthly controls to lessen the public entity's business risks in relation to cut off of expenditure and payables/accrued incurred at year-end.

Pretoria
31 July 2018

Auditor-General



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 this 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 board of directors, which constitutes the accounting authority.
 - conclude on the appropriateness of the board of directors, which constitutes 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 related 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 this auditor's report. However, future events or conditions may cause a public entity to cease continuing 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.



Boxing South Africa Annual Financial Statements for the year ended 31 March 2017

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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.



Dr. Malefetsane Peter Ngatane

Chairperson of the Board
Boxing South Africa
31 March 2018

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Position as at 31 March 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	6	1 255 079	507 661
Cash and cash equivalents	7	3 406 735	4 666 563
		4 661 814	5 174 224
Non-Current Assets			
Property, plant and equipment	3	334 992	298 171
Intangible assets	4	89 656	104 609
		424 648	402 780
Total Assets		5 086 462	5 577 004
Liabilities			
Current Liabilities			
Operating lease liability	5	147 195	-
Payables from exchange transactions	11	5 358 586	3 094 297
Deferred income	8	-	346 828
Provisions	9	254 248	338 937
Unallocated Deposits	10	30 502	59 952
		5 790 531	3 840 014
Total Liabilities		5 790 531	3 840 014
Net Assets		(704 069)	1 736 990
Accumulated surplus		(704 067)	1 736 993

*See Note 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue	12	16 295 351	22 432 843
Expenditure			
Employee related costs	16	(7 306 199)	(6 458 972)
Depreciation and amortisation	3&4	(99 332)	(91 950)
General Expenses	17	(11 330 879)	(20 391 521)
Total expenditure		(18 736 410)	(26 942 443)
Deficit for the year		(2 441 059)	(4 509 600)

*See Note 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2016	6 246 593	6 246 593
Changes in net assets		
Deficit for the year	(4 509 600)	(4 509 600)
Total changes	(4 509 600)	(4 509 600)
Opening balance as previously reported	1 016 385	1 016 385
Adjustments		
Correction of errors	720 607	720 607
Restated* Balance at 01 April 2017 as restated*	1 736 992	1 736 992
Changes in net assets		
Deficit for the year	(2 441 059)	(2 441 059)
Total changes	(2 441 059)	(2 441 059)
Balance at 31 March 2018	(704 067)	(704 067)

Note(s)

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Cash Flow Statement

Figures in Rand	Note(s)	2018	2017 Restated
Cash flows from operating activities			
Receipts			
Grants		12 027 943	15 963 019
Interest income		697 111	134 775
Other receipts		1 934 042	6 132 811
		14 659 096	22 230 605
Payments			
Employee costs		(7 306 199)	(6 458 972)
Suppliers		(8 418 529)	(16 515 100)
Finance charges		(57 140)	-
		(15 781 868)	(22 974 072)
Net cash flows from operating activities	19	(1 122 772)	(743 467)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(130 286)	(172 527)
Proceeds from sale of property, plant and equipment	3	35 059	-
Purchase of other intangible assets	4	(12 380)	(99 626)
Net cash flows from investing activities		(107 607)	(272 153)
Cash flows from financing activities			
Movement in unallocated deposits		(29 450)	(45 969)
Net increase/(decrease) in cash and cash equivalents		(1 259 829)	(1 061 589)
Cash and cash equivalents at the beginning of the year		4 666 563	5 728 151
Cash and cash equivalents at the end of the year	7	3 406 734	4 666 562

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Sanctioning fees	1 988 000	-	1 988 000	1 677 602	(310 398)	32a
Other income: Insurance, Safety & Public Liabilities	-	367 600	367 600	877 632	510 032	
License fees	541 000	27 000	568 000	683 385	115 385	32b
Forfeit fees	25 000	-	25 000	24 850	(150)	
Interest income	44 000	-	44 000	697 111	653 111	32c
Total revenue from exchange transactions	2 598 000	394 600	2 992 600	3 960 580	967 980	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	11 595 000	432 943	12 027 943	12 027 943	-	
Other income: Sponsorship	-	306 828	306 828	306 828	-	
Total revenue from non-exchange transactions	11 595 000	739 771	12 334 771	12 334 771	-	
Total revenue	14 193 000	1 134 371	15 327 371	16 295 351	967 980	

Expenditure

Personnel	(7 663 000)	356 426	(7 306 574)	(7 306 199)	375	
Depreciation and amortisation	(100 000)	600	(99 400)	(99 332)	68	
General Expenses	(6 430 000)	(1 491 397)	(7 921 397)	(10 403 142)	(2 481 745)	32d
Total expenditure	(14 193 000)	(1 134 371)	(15 327 371)	(17 808 673)	(2 481 302)	

Deficit before taxation - - - **(1 513 322)** **(1 513 322)**

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement - - - **(1 513 322)** **(1 513 322)**

Reconciliation

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

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.

We draw attention to the fact that at March 31, 2018 the entity had a deficit of R2 441 059 and that the entity total liabilities exceed its assets by R704 069.

The ability of the entity to continue as going concern is dependant on the continued support from the national department of sport and recreation's additional grant.

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 9 - 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 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.



Boxing SA

Annual Financial Statements for the year ended 31 March 2018

1.4 Property, plant and equipment (continued)

1.4 Property, plant and equipment (continued)

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 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 depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

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 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 entity 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	1 - 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.

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	Category
Cash and cash equivalent	Financial asset measured at amortised cost
Momentum investment	Financial asset measured at amortised cost
Receivable from exchange transactions	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	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.6 Financial instruments (continued)

Initial recognition

Boxing SA recognises a financial asset or a financial liability in its statement of financial position when the entity 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.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.6 Financial instruments (continued)

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).

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.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

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.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.10 Revenue from exchange transactions (continued)

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.



Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.11 Revenue from non-exchange transactions (continued)

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.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.15 Irregular expenditure (continued)

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 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 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 2017/04/01 to 2018/03/31.

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 28 Boxing SA consider the difference of more than 10% between budget and actual to be material and it will be explained on note 29.

1.17 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity 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 entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.



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Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.18 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.

1.19 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 SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

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:

2.2 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods:

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.



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Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 110: Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

Amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the amendment is for years beginning on or after 01 April 2020.

The entity expects to adopt the amendment for the first time in the 2021 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 106 (as amended 2016): Transfers of functions between entities not under common control

Amendments to the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control resulted from changes made to IFRS 3 on Business Combinations (IFRS 3) as a result of the IASB's amendments on Annual Improvements to IFRSs 2010 - 2012 Cycle issued in December 2013.

The most significant changes to the Standard are:

- IASB amendments: To require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting period.

The effective date of the amendment is for years beginning on or after 01 April 2019.

The entity expects to adopt the amendment for the first time in the 2020 annual financial statements.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The entity expects to adopt the interpretation for the first time in the 2020 annual financial statements.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.

IGRAP 19: Liabilities to Pay Levies

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The effective date of the interpretation is not yet set by the Minister of Finance.

The entity expects to adopt the interpretation for the first time when the Minister sets the effective date for the interpretation.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.



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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 27 (as amended 2016): Agriculture

Amendments to the Standard of GRAP on Agriculture resulted from changes made to IPSAS 27 on Agriculture (IPSAS 27) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27. In addition to the changes made by the IPSASB, a consequential amendment has been made to GRAP 103 on Heritage Assets. The IPSASB currently does not have a pronouncement on this topic.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 103 (as amended 2016): Heritage Assets

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Amendments to the Standard of GRAP on Heritage Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from editorial changes to the original text. The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand**

2018

2017

3. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	247 153	(136 035)	111 118	156 435	(126 884)	29 551
Motor vehicles	141 119	(108 627)	32 492	141 119	(98 885)	42 234
Office equipment	114 015	(36 816)	77 199	78 038	(19 346)	58 692
IT equipment	397 422	(289 632)	107 790	435 388	(271 754)	163 634
Scales	10 921	(4 528)	6 393	7 330	(3 270)	4 060
Total	910 630	(575 638)	334 992	818 310	(520 139)	298 171

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	29 551	90 718	-	(9 151)	111 118
Motor vehicles	42 234	-	-	(9 742)	32 492
Office equipment	58 692	35 977	-	(17 470)	77 199
IT equipment	163 634	-	(21 466)	(34 378)	107 790
Scales	4 060	3 591	-	(1 258)	6 393
	298 171	130 286	(21 466)	(71 999)	334 992

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Disposals	Total
Furniture and fixtures	33 110	-	(3 559)	-	29 551
Motor vehicles	51 976	-	(9 742)	-	42 234
Office equipment	671	71 046	(13 025)	-	58 692
IT equipment	119 614	101 481	(29 498)	(27 963)	163 634
Scales	5 079	-	(1 019)	-	4 060
	210 450	172 527	(56 843)	(27 963)	298 171

4. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	244 279	(154 623)	89 656	231 899	(127 290)	104 609

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	104 609	12 380	(27 333)	89 656

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand**

2018

2017

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

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

5. Operating lease

Current operating lease	(147 195)	-
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Further details are provided on note 21

6. Receivables from exchange transactions

Trade debtors	6 924 125	5 301 463
Provision for doubtful debts	(5 669 046)	(4 793 802)
	1 255 079	507 661

Reconciliation of debt provision

	2018	2017
Balance at the beginning of year	4 793 802	245 106
Contributions to provision	875 243	4 548 696
	5 669 045	4 793 802

Age Analysis	120 Days +	90 Days	60 Days	30 Days	Current	Total
Customers	6 115 354	622 905	2 000	28 004	155 862	6 924 125
Subtotal	6 115 354	622 905	2 000	28 004	155 862	6 924 125
	6 115 354	622 905	2 000	28 004	155 862	6 924 125

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 005 826	3 466 802
Momentum Investment	1 400 909	1 199 761
	3 406 735	4 666 563

Cash and cash equivalents held by the entity comprises of the following:

Purse account	1 364 483	1 089 519
Boxers benevolent fund	5 032	128 230
License account	629 909	1 125 580
Savings account	4 444	977 134
Main account	1 958	146 339
Total	2 005 826	3 466 802

Momentum Investment reconciliation

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

7. Cash and cash equivalents (continued)

Momentum Investment	1 199 761	1 002 918
Contribution	120 000	120 000
Interest income	101 237	98 655
Administration fees	(23 484)	(18 464)
L/P on Investment	3 394	(3 348)
Closing Balance	1 400 909	1 199 761

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.

8. Deferred income

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Unspent conditional grants	-	346 828
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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 23 for reconciliation of grants from National Government.

9. Provisions

Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	338 937	254 248	(65 869)	(273 068)	254 248

Reconciliation of provisions - 2017

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

10. Unallocated Deposits

Unallocated Deposits are amounts that are deposited into Boxing SA bank account without proper referencing, in 2016/17 financial year R59 952 this current financial year reduced to R30 502

11. Payables from exchange transactions

Trade payables	1 959 216	1 427 012
Sundry payables	32 129	32 129
Accrued expense	2 661 056	1 022 791
License fees	706 185	612 365
	5 358 586	3 094 297

Boxing SA

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Notes to the Annual Financial Statements

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		2018	2017
12. Revenue			
Sanctioning fees		1 677 602	2 090 585
Other income: Insurance, safety & public liability		877 632	282 559
License fees		683 385	618 950
Sundry income		-	202 238
Forfeit fees		24 850	45 050
Interest income	13	697 111	134 775
Government grants & subsidies	14	12 027 943	15 963 019
Other income: Sponsorship	15	306 828	3 095 667
		16 295 351	22 432 843

The amount included in revenue arising from exchanges of goods or services are as follows:

Sanctioning fees	1 677 602	2 090 585
Other income: safety & public liability	877 632	282 559
License fees	683 385	618 950
Sundry income	-	202 238
Forfeit fees	24 850	45 050
Interest income	697 111	134 775
	3 960 580	3 374 157

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue		
Government grants & subsidies	12 027 943	15 963 019
Other income: Sponsorship	306 828	3 095 667
	12 334 771	19 058 686

13. Interest revenue

Interest revenue

Interest income	697 111	134 775
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Interest income for current year includes R10 478 interest from the bank, R101 237 from Momentum investment and R585 396 interest charged on trade debtors for long overdue.

The Interest rate for momentum equals to 6.28% p.a. and interest charged on trade debtors is as per National Treasury instruction and for the period equals to 10.25% p.a.

14. Government grants and subsidies

Operating grants		
Government grant - Sport and Recreation South Africa	12 027 943	15 963 019

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand****15. Public contributions and donations**

Other income: Sponsorship	306 828	3 095 667
Reconciliation of conditional contributions		
Current-year receipts	306 828	3 402 495
Conditions met - transferred to revenue	(306 828)	(3 095 667)
Closing unspent at end of the year	-	(306 828)
	-	-

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 previous financial year (2016/17) and two trenches in (2015/16) financial year, out of R 7 925 000.00 Boxing SA has spent R 7 670 723.00 and R 254 277 was deferred in 2016/17 financial year. 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 was deferred in 2016/17 financial year. All deferred amounts were fully utilised this current financial year 2017/18.

16. Employee related costs

Basic	4 654 814	4 520 875
UIF SDL PAYE	1 918 359	1 210 296
Leave pay provision charge	(18 820)	204 488
Provident fund contribution-Post employee benefits	751 846	523 313
	7 306 199	6 458 972

Boxing SA

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Notes to the Annual Financial Statements

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	2018	2017
17. General expenses		
Advertising	1 791 381	1 992 214
Auditors remuneration	1 027 403	980 590
Bank charges	57 140	45 265
Administration fee	25 457	18 464
Computer expenses	180 430	280 492
Consulting and professional fees	744 446	771 979
Sponsorship expenses	105 000	1 520 000
Entertainment	-	2 000
Insurance	111 124	91 459
Conferences and seminars	225 957	649 852
Fuel & Oil Expenses	101 641	33 196
Marketing	161 897	100 159
Lease rentals	581 292	53 886
Postage and courier	58 273	40 518
Printing and stationery	282 860	315 459
Repairs and maintenance	102 803	1 131
Subscriptions and membership fees	68 284	44 982
Telephone and fax	161 424	169 133
Training	-	30 035
Travel - local	2 600 355	2 353 698
Electricity & Water	223 019	-
Board and sub-committee fees	375 626	375 699
Legal expenses	1 318 334	5 873 249
Boxing materials	50 277	13 610
Sparring sessions	45 300	50 445
Other (General Exp & Office Removal)	59 306	4 000
Loss on sale of assets	-	27 962
Momentum expenses	(3 394)	3 348
Increase in provision on doubtful debts	875 244	4 548 696
	11 330 879	20 391 521

18. Auditors' remuneration

Fees	1 027 403	980 590
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19. Cash used in operations

Deficit	(2 441 059)	(4 509 600)
Adjustments for:		
Depreciation and amortisation	99 332	91 950
Movement in operating lease	147 194	-
Movements in provisions	(84 689)	204 487
Assets write offs	(13 593)	27 962
Other non-cash items	-	4 548 696
Other non-cash items	-	(4 548 696)
Changes in working capital:		
Receivables from exchange transactions	(747 418)	2 669 467
Payables from exchange transactions	2 264 289	726 101
Deferred income	(346 828)	46 166
	(1 122 772)	(743 467)

20. Financial instruments disclosure

Categories of financial instruments

2018

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand****. Financial instruments disclosure (continued)****Financial assets**

	At amortised cost	Total
Trade and other receivables from exchange transactions	1 360 996	1 360 996
Cash and cash equivalents	3 406 735	3 406 735
	4 767 731	4 767 731

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	5 239 054	5 239 054

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	2 447 135	2 447 135

21. Operating lease**Authorised operational expenditure****Operating leases - as lessee (expense)****Minimum lease payments due**

- within one year	680 470	-
- in second year inclusive	716 774	-
- later than two years	244 729	-
	1 641 973	-

Operating lease payments represent rentals payable by the entity for certain of its office properties and office equipment (printers). Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.

Rental expenses relating to operating leases

Minimum lease payments	1 641 973	-
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Notes to the Annual Financial Statements

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22. 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 2018

- a) 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.
- b) Tumelo Kekana is suing Boxing SA for an amount of R 216 000 excluding costs which will be on the high court scale for a matter relating to Labour Court case of breach of contract.
- c) 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.
- d) 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.

**Boxing SA**

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand****23. Related parties****Relationships**Parent Department
Fellow controlled entityDepartment 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

11 595 000

11 033 000

Additional grant from (Expenses paid/payable by) related parties

Department of Sport and Recreation South Africa

432 943

4 930 019

Emoluments of Board member refer to note 24.

Key management information**Class**Chief Executive Officer
Chief Financial Officer
Director Operations (COO)**Description**Mr. Tsholofelo Lejaka
Mr. Thabang Moses
Ms. Saviour Nkomo**Number**058
054
055**Remuneration of management**

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Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand**

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23. Related parties (continued)**Executive management****2018**

	Basic salary	Other benefits received	Total
Name			
Chief Executive Officer	1 412 415	20 800	1 433 215
Chief Financial Officer	1 084 146	16 400	1 100 546
Director Operations	984 174	16 400	1 000 574
	3 480 735	53 600	3 534 335

**Boxing SA**

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand****23. Related parties (continued)****2017**

	Basic salary	Other benefits received	Total
Name			
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.

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24. Members' emoluments

Board emoluments

2018	Emoluments	Other benefits	Total
N Ravele (Chairperson until 12 Dec 2017)	68 845	18 946	87 791
Dr. MP Ngatane (Chairperson from 12 Dec 2017)	42 250	8 084	50 334
Adv. M Gumbi	28 712	1 375	30 087
Z Kabini	40 948	3 751	44 699
L Jack	39 394	144	39 538
M Gcilitshana (Until 12 Dec 2017)	28 017	1 804	29 821
K Radu	29 098	-	29 098
G Martins (From 12 Dec 2017)	14 740	2 759	17 499
L Tungamirai (From 12 Dec 2017)	21 315	-	21 315
	313 319	36 863	350 182

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	37 889
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	330 941

Dr. MP Ngatane served as chairperson of Sanctioning committee until 12 December 2017 and he is currently chairperson of the Board, Z Kabini serve as Audit committee member and also as chairperson of HR-FIN committee other members are L Jack and L Tungamirai. K Radu he is chairperson of Sanctioning committee from 12 December 2017.

Audit Committee fees

2018	Member's fees	Other benefits	Total
P Mvulane(chaiperson)	27 366	513	27 879
Z Kabini	9 412	-	9 412
F vd W esthuizen	4 706	-	4 706
D Moodley	14 248	181	14 429
G Martins	2 483	785	3 268
	58 215	1 479	59 694

2017	Member's fees	Other benefits	Total
P Mvulane(chairperson)	29 472	1 941	31 413
M Nkomo	4 352	-	4 352
D Moodley	13 536	-	13 536
F vd W esthuizen	13 296	379	13 675
	60 656	2 320	62 976

Ratings Committee

Boxing SA

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Notes to the Annual Financial Statements

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24. Members' emoluments (continued)

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

25. Change in estimate

Property, plant and equipment

Net book value of IT equipment, Furniture & Fixtures, Office equipment and Scales was corrected due to change in estimate.

The correction of the estimate(s) results in adjustments as follows:

Statement of financial position	Amount
IT equipment	4 838
Office equipment	5 761
Furniture & fixtures	3 132
Scales	687
Motor vehicle	7 992
	22 410

26. Prior period errors

Legal expense, sparring and advertising & promotions were paid during 2017/18 financial year but these expenses were committed in 2016/17 financial year.

Statement of financial position	
Accrued expenses	775 607
Receivables	(55 000)

Statement of Financial Performance

Accumulated surplus	(720 607)
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27. 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.

28. Events after the reporting date

- No events after the reporting date.

Boxing SA

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements**Figures in Rand**

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28. Events after the reporting date (continued)**29. Fruitless and wasteful expenditure**

Opening balance	2 452 217	2 535 878
Interest on overdue account	4 927	-
Rentals	63 743	81 176
Less: Amount condoned	-	(164 837)
	2 520 887	2 452 217

Current fruitless and wasteful expenditure is a Interest charged on overdue account for office rental and also the rental of Samsung PBX the contract ended in October 2015 but the equipment was not used from April 2015.

30. Irregular expenditure

Opening balance	4 864 942	7 073 203
Add: Irregular Expenditure - current year	1 703 999	791 549
Less: Amounts condoned	-	(2 999 810)
	6 568 941	4 864 942

Current year Irregular expenditure it includes an amount of R 25 617 for DHL courier services, R20 400 for cleaning services, R77 022 for computer expenses, R 67 638 for staff Medical allowance, and R1 513 322 for over spending on approved budget.

Irregular expenditure amounting to R82 190.59 for computer expenses was restated for 2016/17 financial year.

Analysis of expenditure awaiting condonation per age classification

Current year	1 703 999	791 549
Prior years	4 864 942	4 073 393
	6 568 941	4 864 942

Details of irregular expenditure – current year

Disciplinary steps taken/criminal proceedings

Over spending on approved budget	1 513 322
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Details of irregular expenditure condoned

-

Details of irregular expenditure recoverable (not condoned)

-

Details of irregular expenditure not recoverable (not condoned)

-

Budget differences**Material differences between budget and actual amounts**

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

- Sanctioning fees - Decrease of the total number of tournaments during 2017/18.
- License fees - Boxing SA received more license applications/renewal than anticipated during the year.
- Interest income: - Interest charged on trade debtors for overdue account.

**Boxing SA**

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31. Budget differences (continued)

d. General expenses - The high spending on travelling is mainly caused by events that Boxing SA holds, eg Boxing Awards, Licensees seminars, Legal fees were high due to the ongoing cases against Boxing SA.

