



2021 | 22
ANNUAL REPORT

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PART A

GENERAL INFORMATION



1. Public Entity's General Information

REGISTERED NAME	Boxing South Africa
PHYSICAL ADDRESS	Hatfield Forum East, 1077 Arcadia Street, Hatfield, Pretoria
POSTAL ADDRESS	PO Box 1347, Southdale, 2135
TELEPHONE NUMBER	+27 012 765-9600
EMAIL ADDRESS	mail@boxingsa.co.za
WEBSITE ADDRESS	www.boxingsa.co.za
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
GRAP	Generally Recognised Accounting Practice
SCM	Supply Chain Management
DSAC	Department of Sport, Art and Culture
NDP	National Development Plan
PSA	Public Service Act
SANABO	South African National Amateur Boxing Organisation
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
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

MR. LUTHANDO JACK
CHAIRPERSON OF THE BOARD

It is with a sense of pride and humility to be able to report on the year under review. Indeed, I can say that it has been a collective journey that we have all undertaken and what has stood out for me the most was our unity in traversing a road that has been challenging. It highlighted every individual's dedication and belief that when we work together, we can accomplish what we set out to do, and that when we work as a team there is no such thing as an obstacle to catapulting boxing to the next decade of golden years.

We have started with new initiatives that will launch us as a sporting federation into a new era. Some of these, just to mention a few, include celebrities taking up the gloves and participating in tournaments and the uptake of licensees of boxing, especially amongst women. We are repositioning and rebranding Boxing SA to be the brand of choice. Our vehicles of implementation consist of broadcasting and a strong presence on social media.

It was a highlight for the federation to receive an unqualified audit yet again, and more importantly, it galvanises us to achieve an even better outcome for 2022/2023. As a matter of fact, it demonstrates that the measure we took to strengthen the internal audit function has been successful and we will continue in improving all functional positions to maximise our endeavours.

We also managed to attain and retain good relationships with our stakeholders, such as a signed Memorandum of Understanding with the South African National Boxing Organisation, which is affiliated with the International Boxing Association, along with the African Boxing Confederation. We have also entered into an agreement with SABC to raise public awareness on boxing.

Boxing can be seen as one of the oldest known sports today, with 2,000-year-old depictions on the walls of tombs

in Egypt and stone carvings indicating that Sumerians—who lived in what is now Iraq—boxed at least 5,000 years ago. Boxing tells the story of the common man, and for this reason alone it has a significant contribution to make toward socio-economic upliftment and equality for all. It stands as the unifying factor of people, all lines of economic, gender, power and race become irrelevant in the boxing ring. It is a ring that requires discipline, focus, commitment and the willingness to stand up again and again despite how many times one falls. It reflects the human heart that we, as South African citizens, have faced during and after the pandemic. It also serves as a metaphor as it illustrates where Boxing SA has been, and it depicts how we stand up.

Our youth needs boxing and the lessons that go with participating in this sporting discipline. I am stimulated to recall the words of Theodore Roosevelt, an American president of yesteryear: "It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows, in the end, the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

In closing, I extend my gratitude to the Minister of Sport, Arts and Culture and the Deputy Minister of Sport, Arts and Culture and the Management of the Department of Sport, Arts and Culture who have supported us with dedication and their trust in a national asset. To the Board and Acting CEO Mr Sithole, your team and you have dedicated yourselves with hard work and sweat to steering the ship to safe waters.

"Pis dit autessi si atur, odis dundunte volutaerum ad que offic totaqui dolentissus, eicium ex et hil magnimin rem laut restiis nonsequ atiberunqui dellore, offic tem quae. atibus, sunt"

I am grateful for the sacrifices made, not just by me, but for the country. We need fighters, not just in the ring, but in life as well and you and your team represent that spirit. The current infrastructure consists of a small team who has a mammoth task ahead of them, however, because I know the boxers in this match of life, I can safely say that I am excited about our new ventures for the upcoming year and know that we have positioned Boxing SA as the sport to watch and partake in. Watch this space.



Luthando Jack
Chairperson





4. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

MR. ERICK NSIKAYEZWE SITHOLE

It is an honour for us to journey with you during the period under review. It has been a year of stretching our corporate muscle directing and steering our ship towards new shores. Boxing South Africa has been steadfast in our future vision whereby we not only have established a new directive but one that will usher Boxing into greatness.

We have been extremely fortunate in experiencing a resounding response of assistance and support from our stakeholders and we must give thanks to the Department of Sport, Arts and Culture and the Ministry in particular. During the last months of the financial reporting year, we saw an increase in the appetite for boxing in South Africa, especially in the number of stakeholders stating their support for boxing as a sporting discipline. We intend to fully capitalise on this positive trend of newly founded support, as it can be viewed as equity and an asset to the entity.

Despite the number of challenges that were facing the organisation i.e., capacity and funding constraints; we were able to meet most of our targets for 2021/22. The financial year of 2022/23 will present us an opportunity to speedily implement the turnaround strategy which seeks to revive, rebrand and reposition our Boxing South Africa for greater heights. We will also revisit our organisational structure to align the structure with the turnaround strategy.

In conclusion, we wish to assure boxing fans and all stakeholders that we will indeed take back Boxing to its former glory and beyond.

Journey with us!

The glorious days are back!!

Mr. Erick Nsikayezwe Sithole

Acting CEO



*"Pis dit autessi si atur, odis dundunte volutaerum ad que offic
totaqui dolentissus, eicium ex et hil magnimin rem laut restiis nonsequ
atiberunqui dellore, offic tem quae. atibus, sunt"*



5. Statement of Responsibility

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 2022.

Yours faithfully



Erick Sithole
Acting Chief Executive Officer
Date: 31 March 2022



Luthando Jack
Chairperson
Date: 31 March 2022

6. Strategic Overview

6.1. VISION

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

The vision of BSA represents its futurist, long term and idealistic state. This vision is aimed at rallying and inspiring the entire South African boxing community to make efforts to take boxing to new heights.

6.2. MISSION

To regulate the administration of professional boxing in South Africa by focusing on licensing of boxing practitioners across various categories, sanctioning of quality tournaments, rating boxers, training of licensees and promoting the sport of boxing in the country.

6.3. VALUES

Our values are encapsulated as follows.

PROFESSIONALISM

Throughout the code BSA will endeavour to promote and entrench the virtue of professionalism. 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.

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.

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.

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, linguistic, religious, social and economic status, and/ or any other form of discrimination whatsoever.

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 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.

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 functions to develop and implement national policies and programs regarding sport and recreation in the country. Within this constitutional provision SRSA further ensured the establishment of Boxing South Africa as the sole code custodian of professional in South Africa.

7.2. LEGISLATIVE MANDATE

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,
- Recognize open boxing,
- Create synergy between professional and open boxing, and
- Promote interaction between Associations of Boxers, Managers, Promoters, Trainers, Officials, and BSA.

Other legislative pieces relevant to the mandate and functions of BSA include:

Occupational Health and Safety Act, 1993	Act 85 of 1993
Labour Relations Act ,1995	Act 66 of 1995
Basic Conditions of Employment Act ,1997	Act 75 of 1997
National Environmental Management Act, 1998	Act 107 of 1998
National Sport and Recreation Act, 1998	Act 110 of 1998
Skills Development Act, 1998	Act 97 of 1998
Public Finance Management Act, 1999	Act 1 of 1999
Preferential Procurement Policy Framework Act, 2000	Act 5 of 2000
Promotion of Access to Information Act, 2000	Act 2 of 2000
Promotion of Equality and Elimination of Unfair Discrimination Act, 2000	Act 4 of 2000
South African Boxing Act No. 11, 2001	Act 11 of 2001
Protected Areas Act 57, 2003	Act 57 of 2003
Government Immovable Asset Management Act, 2007	Act 19 of 2007
Safety at Sport and Recreational Events, 2010	Act 2 of 2010

7.3. POLICY MANDATES

BSA in its endeavour to regulate and promote boxing in South Africa, will be guided and supported by 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 namely,

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

7.4. NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) recognizes 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:

- i. Fostering constitutional values.
- ii. Equal opportunities, inclusion, and redress.
- iii. Promoting social cohesion across society.
- iv. Active citizenry and leadership.
- v. 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 2014-2019 Medium-Term Strategic Framework (MTSF) 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 prioritize 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 2021/2022 Annual Performance Plan and will be reviewed annually.

7.5. 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 outcomes in this Strategic Plan encapsulate most of these.

7.6. WHITE PAPER ON SPORT AND RECREATION FOR THE REPUBLIC OF SOUTH AFRICA

The White Paper on Sport and Recreation emphasizes 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 2011 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 outcome 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.

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

7.7. 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.

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 2020/2021 - 2024/2025.

7.8. MEDIUM TERM STRATEGIC FRAMEWORK

The 2019-2024 Medium Term Strategic Framework (MTSF) is government's strategic plan for the 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 that 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. 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 address the challenges of unemployment, inequality and poverty through three pillars:

- Achieving a more capable state
- Driving a strong and inclusive economy
- Building and strengthening the capabilities of South Africans

The three pillars set out above underpin the seven priorities of this strategic framework. These priorities, which will be achieved through the joint efforts of government, the private sector and civil society, are as follows:

Priority 1: A capable, ethical, and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, skills, and health

Priority 4: Consolidating the social wage through reliable and quality basic services

Priority 5: Spatial integration, human settlements, and local government

Priority 6: Social cohesion and safe communities

Priority 7: A better Africa and world

BSA through its Board, accounts to the Minister of Sport, Arts and Culture. 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.

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

7.9. 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 in-ternational sanctioning bodies that are recognised by Boxing SA;

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

7.10. THE CONSOLIDATED MANDATE OF BOXING SA

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

KEY MANDATE AREAS	THE SPECIFIC AREAS
Boxing development in South Africa	<ul style="list-style-type: none"> • To facilitate the establishment and effective coordination of all boxing structures (Associations of licensees). • To establish and maintain good and productive relations with international boxing control bodies. • To promote and market the activities of boxing as a leading brand. • To champion the development of boxing infrastructure for recreational and competitiveness purposes. • 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	<ul style="list-style-type: none"> • To develop appropriate norms and standards for the effective management and administration of professional boxing in furtherance of the legislation. • To ensure the compliance and enforcement of the norms and standards by all the individual licensees and their Associations. • To establish effective dispute resolution mechanisms and to mitigate all disputes that may arise amongst the licensees within the boxing fraternity. • To develop the skills development framework and foster partnerships with relevant stakeholders for its realisation and implementation. • 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.

7.11 BSA FUNCTIONS

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

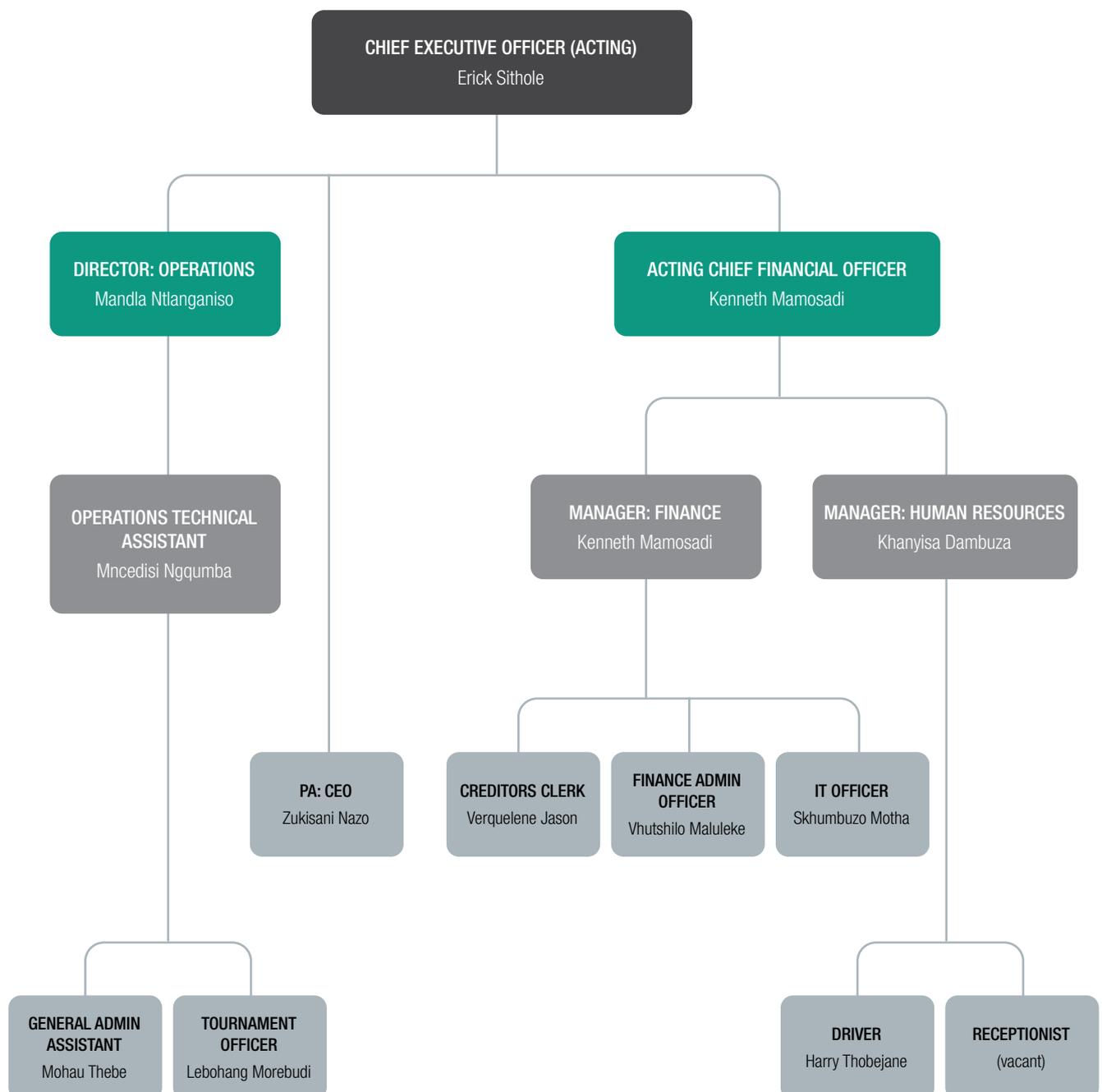
NO.	CORE FUNCTIONS
1.	To undertake the registration and licensing of all practitioners in the professional boxing fraternity and to always maintain a reliable data base.
2.	To sanction the staging of professional boxing tournaments based on the rules and regulations of BSA.
3.	To promote and recognize good talent, outstanding performance and exemplary behaviour by boxing licensees, boxers particularly, through the presentation of performance awards nationally.
4.	To rate boxers in each division based on their performance in the ring.
5.	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.
6.	To liaise with stakeholders in the boxing fraternity and manage their expectations and interests in a way that advances the interests of the sport.
7.	To ensure the accreditation and the enforcement of relevant regulations by specialist professionals such as medical and legal practitioners.
8.	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.
9.	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.
10.	To increase the profile of boxing as a sport through the sharing of the information about the sport and the developments within the fraternity.
NO.	STRATEGIC SUPPORT FUNCTIONS
1.	Collection and disbursements of boxers' payments.
2.	Ensuring proper document management and archival services (including digital recording and archival of boxer information) to ensure their integrity, safe keeping and easy retrieval.
3.	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. Organisational Structure

BSA is a small bureaucracy with an organisational structure of fourteen (14) approved and funded posts and all its full-time staff complement located at its head offices in Pretoria.

BSA has no provincial or regional offices. To service the provinces, Boxing SA has appointed Provincial Managers who are not employees of BSA, but rather service providers appointed through contracts to serve as agencies of Boxing SA at provincial level as well as Tournament Supervisors whenever there are tournaments taking place at their respective provinces.



PART B

PERFORMANCE INFORMATION



1. Auditor's Report: Predetermined Objectives

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. Material findings, if any, will be reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 51 of the Report of Auditors Report published as Part E: Financial Information



2. Situational Analysis

2.1 SERVICE DELIVERY ENVIRONMENT

In the preparation for the 2021/2022 Annual Performance Plan and the 2020-2025 Strategic Planning Framework, the board had to take careful analysis and review of the path being traversed since 2013 in the first instance and 2014 in the second instance and consider that against the set horizon. The Board acknowledged that such an exercise needs to underpin by principles of honesty, frankness, self-reflection, self-criticism and constructive criticism.

The board noted that in many ways, Boxing South Africa is no longer the same institution which it was more than five years ago when the MTSF commenced. The board further noted that the playing field has changed in various ways in the past years, and this requires a careful analysis of the balance of forces and entire dynamics that impact on the sport of professional boxing in South Africa and globally.

As a point of premise, the board postulated that itself as the accounting authority needs to remain mindful of the fact that it is duty bound, not only to be the custodians of this national pride which is the sport of boxing but also to be its champions extraordinaire. For that matter the board as the supreme leadership of boxing in the country need to place itself at the cutting edge of the renewal of boxing by proving the requisite leadership on all fronts. Such leadership must

and ought to be impactful and should be characterised by inter alia:

- Conscientious, principled, and dynamic leadership
- Unswerving pledge to Boxing South Africa's vista
- Authenticity
- Ethical conduct and model leadership
- Love for and commitment to the boxing fraternity

UNFINISHED JOURNEY TO RECOVERY

The last five years saw the beginning of the renewal process in the life of professional boxing in South Africa. This process has not been without weaknesses but even such weaknesses could not halt the momentum to progress. The upshot of this process led to the following milestones amongst others:

- Development and implementation of the turnaround plan
- Stabilisation of Boxing SA governance and administration
- Improvement in audit outcomes
- Exponential increase in our budget baseline, even though the shortfall is still high.



- Renewed focus on the development of the sport.
- Return of boxing to SABC, albeit with challenges
- Reinstatement of the South African Boxing Awards
- Rising profile of boxing locally and internationally

What all these points to is that Boxing South Africa is a once again a stable organisation. The pattern of complaints which in the past used to be about continuing deterioration have now turned to become complaints of impatience about the slow pace of positive developments. As confidence into the organisation gets regained and grows higher, the expectations are equally escalating and spelling out even more challenges for the organisation.

2.2 ORGANISATIONAL ENVIRONMENT

Notwithstanding the strong pronouncement of the South African Boxing Act of 2001 on Boxing South Africa's relations with International Boxing Bodies, Boxing SA's relations with International Boxing Bodies at governance level has surprisingly been very passive in the past decade. Under the objects, the powers and the duties of Boxing South Africa's as well as the duties of the Chief Executive Officer, the Boxing Act is quite clear on Boxing South Africa's role and/or obligations in respect of boxing world bodies.

BOXING SOUTH AFRICA'S INTERNATIONAL RELATIONS AGENDA

In 2019 the plan was then to extend Boxing South Africa's footprint to an international level by attending at least two boxing conventions of International Boxing Bodies. In this case, the WBC and IBF were specifically identified due to their current major footprint in the South African boxing scene. Of course, the bigger agenda is to extend this participation to all the major world bodies, so in future we will go beyond just these two that we had identified in the immediate.

INTERNAL ENVIRONMENT ANALYSIS

Cabral made this point as far back as 1966 when he stated that "one form of struggle which we consider to be fundamental [is] the struggle against our own weaknesses". He argued that "every practice produces a theory and that if it is true that a revolution can fail even though it is based on perfectly conceived theories, nobody has yet made a successful revolution without a revolutionary theory".

In the context of professional boxing, the revolution at hand is placing boxing on an upward trajectory and thus catapulting it into its rightful place amongst the elite sports in the motherland, South Africa. That is Boxing South Africa's vista. That is Boxing South Africa's horizon.



For that reason, Boxing South Africa needs to have what Lenin called “the advanced theory”. In its immediate context the advanced theory is not just about appreciating the evolution of sport in general and the sport of boxing in particular, but it is also about connecting the history of boxing to its present situation and its future within the overall development of sport in a changing world.

Boxing South Africa is therefore called upon to study the patterns, relationships and context within which it enacts its mandate and proffer appropriate responses and carefully select choices that will place professional boxing to an advantageous position in relation to its strategic posture and imaginations. Within that Boxing South Africa need to commit itself to utilise the 2020-2025 MTEF, among others, to deal with the following real or perceived weaknesses which were identified in the mid-term strategic review:

- Perception of incoherent and inconsistent leadership arising from failure to exercise decisive leadership.
- Perception among some licensees that BSA is inconsistently applying the rules.
- Perceived regression with respect to governance and with respect to the management of finances as evidenced specifically by the audit outcomes of 2017/2018.

- Inadequate or inefficacious stakeholder management, particularly relationship with international boxing control bodies.
- Outdated and unreliable system of information management, particularly when it comes to licensee records and fighter’s performance records.
- Outdated boxing legislative and regulatory framework which to a large extent is no longer in line with the global boxing world and is therefore inhibiting in most areas as opposed to enabling.

ADMINISTRATIVE CAPACITY

In view of this critical structural challenges facing Boxing South Africa, in 2015 the department seconded several employees to assist in critical areas where Boxing South Africa lacked institutional capacity such as, (1) Internal Audit, (2) Supply Chain and (3) Labour Relations. Over and above this, the department also assisted Boxing South Africa with some critical governance functions such as Internal Audit and Risk Management services since Boxing South Africa’s budget allocation was inadequate to cover these mandatory cost drivers.



During the period under review, BSA focused on addressing these areas of weakness and as at June 2020 BSA no longer had any seconded employee from the department. This was achieved through reprioritizing funds to create permanent posts and recruit personnel into those respective areas of need. In the financial year 2021/2022 BSA will further ensure that Internal Audit Capacity is also finally addressed through creation of a post of Chief Internal Auditor.

LABOUR DISPUTES

On April 2015 moved into Sport and Recreation premises and was therefore exempted from paying critical landlord responsibilities such as rental, rates and electricity, telephones, internet and cleaning services. In April 2017 Boxing South Africa however had to move out to own premises due to space challenges as the department had concluded recruitment and the increased personnel needed additional space.

In 2015 Boxing South Africa dealt with a number of labour relations matters and this resulted in termination of service of almost 50% of its entire workforce of 14 full-time staff members. During that period alone, the following services were terminated:

- CEO: Was dismissed in 2015 following a disciplinary hearing
- Director Operations: Resigned in February 2015 in middle of disciplinary process.

- CFO: Dismissed in June 2015 following a disciplinary hearing
- HR Manager: Dismissed on 8 June 2015 following a disciplinary hearing
- Finance Manager: Dismissed on 8 June 2015 following a disciplinary hearing.
- Driver/ Messenger: Dismissed in 8 September 2015 following a disciplinary hearing.
- PA to CEO: Resigned in March 2015 for personal reasons

As a result of this situation above, Boxing South Africa is currently a respondent in a number of Labour Relations dispute both at CCMA and Labour Court. Needless to mention, this places a lot of strain on the organization's limited resources and legal/ litigations budget allocation. At the moment, this remains one of the urgent strategic risks facing the organization and further impacts on the organizations' material certainty.

LITIGATIONS

In 2015 and 2016 respectively, two tournaments were allowed to take place without purse money of boxers having been deposited with Boxing South Africa. This was a violation of the statutes and as a result, Boxing South Africa faced litigation from the aggrieved boxers who were not paid following their participation in these two tournaments.

The promoters responsible for those tournaments were subsequently taken through a disciplinary process and suspended. Boxing South Africa however had to take responsibility for that debt and pay the boxers from its allocation. The payment to boxers was done in 2016/2017 financial year and the total amount around R1,4m.

There is however still an outstanding payment of R620 000.00 which Boxing South Africa is currently paying off to the only foreign boxer who participated in this tournament after he litigated against Boxing South Africa.

Parallel to this process, there is also an ongoing court case against the two promoters for Boxing South Africa to recover this debt which was since ceded to it by the affected boxers after they got paid. Boxing South Africa is confident that the money will finally be recovered, but the court process is rather taking too long. Meanwhile this has a major impact on Boxing South Africa's cashflow.

PRIORITY INTERVENTIONS 2020-2025

In order to enhance the performance of BSA the organization seeks to prioritize the following:

- Building the capacity of the organization to regulate the boxing sector and this will include increasing the compliance inspections;
- Increasing awareness of promoters about compliance requirements and procedures in order to improve conformity;
- Reviewing and developing policies and procedures to respond to the demands of a dynamic and fast-changing environment;
- Developing internal systems for the enhanced operations;
- Aligning the organizational structure with the strategic plan and to maximize efficiencies;
- Reviewing the funding model for BSA; and
- Supporting the establishment of associations to ensure the equitable boxing environment exist for all stakeholders.

The BSA's objective is to align to its core mandate as prescribed in the Boxing Act. To achieve its objectives, during the MTEF period 2020-2025 Boxing South Africa appointed new staff members who bring required skills, positive attitude and energy into the sector. Therefore, BSA will need to build on this by harnessing on its human capital, strengthening policies and implementing robust systems

and to this extent an emphasis on training will become a key priority area in the next strategic planning cycle.

CAPACITY AT PROVINCIAL LEVEL

At the commencement of the 2019/2020 financial year, BSA faced a critical challenge with regard to lack of provincial managers in four provinces (Free State, Northern Cape, Limpopo and North West). This number later increased to five to include the province of Mpumalanga after the erstwhile provincial manager that side failed to renew his contract. During the same period, BSA was however able to recruit temporary placements in the provinces of Mpumalanga and Limpopo.

Pursuant to the recruitment process that commenced at the beginning of the year, the selection process has since been concluded and so far, three provincial managers have been appointed on a 3-year contract in terms of the new process, i.e Mr Pakamile Jacobs in the Eastern Cape province, Mr Francis Manning in the Kwa-Zulu Natal province and Mr Tinyiko Nkatingi in Limpopo. The appointments of other two successful candidates Mr Oupa Lubisi of Limpopo and Mzolisi Mabuya of Free State were however only confirmed in July 2020.

Unfortunately, in April 2020, the newly recruited Provincial Manager for KZN Mr Francis Manning passed away following a short illness and the province therefore found itself without a Manager. The recruitment process for provincial managers in Gauteng, Western Cape, Kwa-Zulu Natal and North West still remains incomplete and the plan is to conclude that during the financial year of 2020/2021.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During period under review, BSA was made aware of amended Boxing Regulations which were gazetted in 2005. These Regulations were somehow lost in the system and were never incorporated into a single document. This resulted in the Boxing Regulations, 2004 being the known version of boxing regulations. In February 2021, when BSA was made aware of the amended version, a verification process was undertaken through the Department of Sport, Arts and Culture and upon confirmation of the legitimacy of the document, communication to licensees was issued and BSA thus recognise these regulations and are known as Amended Boxing Regulation, 2005.

3. Progress Towards Achievement of Institutional Impacts and Outcomes

Due to Covid-19 and the subsequent national lockdown, Boxing SA adjusted its initial annual targets in the APP resulting in most of the targets either scaled down or totally removed for the financial year. Boxing remained under strict lockdown regulations from March to September 2021 with the approval of the Boxing SA Operational Plan being approved in September 2020 for the safe resumption of events albeit with restrictions in place which resulted in reduced activities compared to previous financial years.

No amendments were made in the Strategic Plan during the period under review.

Comparison of total tournaments hosted over the past three financial years:

PROVINCE	GP	EC	WC	KZN	LP	FS	MP	NW	NC	TOTAL
2019/2020	21	19	9	5	2	3	0	0	0	59
2020/2021	7	1	2	5	0	1	1	0	0	17
2021/2022	18	12	2	5	1	0	1	0	0	39

2021/2022 YEAR-TO-DATE TOURNAMENTS PER PROVINCE

PROVINCE	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Gauteng	0	2	2	0	1	3	1	0	2	2	2	3	18
Eastern Cape	1	1	0	3	0	0	1	1	3	0	0	2	12
Western Cape	0	0	0	0	0	1	0	0	1	0	0	0	2
KwaZulu- Natal	0	0	0	0	0	0	2	0	1	0	1	1	5
Free State	0	0	0	0	0	0	0	0	0	0	0	0	0
Limpopo	0	0	0	0	0	1	0	0	0	0	0	0	1
Mpumalanga	0	0	0	0	0	0	0	0	1	0	0	0	1
North West	0	0	0	0	0	0	0	0	0	0	0	0	0
Northern Cape	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1	3	2	3	1	5	4	1	8	2	3	6	39

2021/2022 SANCTIONED TOURNAMENTS CATEGORIES

SANCTIONED TOURNAMENTS CATEGORIES	
Development	4
Provincial Title	5
National Title	20
International Title	12
World Title	3

2021/2022 TOURNAMENTS BY PROMOTION

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
TLB Promotions	4	26 June 2021	DOCC, Hall Orlando, Soweto
		24 September 2021	Meropa Casino, Polokwane
		11 December 2021	Ingwenya Lodge, Mpumalanga
		27 February 2022	Vodaworld, Midrand
Golden Gloves	4	19 June 2021	Emperors Palace, Kempton Park
		25 September 2021	Emperors Palace, Kempton Park
		04 December 2021	Emperors Palace, Kempton Park
		26 March 2022	Emperors Palace, Kempton Park
Xaba Boxing Academy	3	02 October 2021	ICC Hotel, East London
		28 November 2021	ICC Hotel, East London
		27 March 2022	ICC Hotel, East London
The Walt Disney Company	3	27 January 2022	EFC Performance Institute, Revonia
		24 February 2022	EFC Performance Institute, Revonia
		24 March 2022	EFC Performance Institute, Revonia
Rumble Africa Promotion	2	24 April 2021	Boardwalk Casino, Gqeberha
		05 December 2021	Orient Theatre, East London
	2	12 December 2021	Booyens Boxing Gym, Johannesburg
		30 January 2022	Booyens Boxing Gym, Johannesburg
Tewo Promotions	2	10 July 2021	Sterling Hall, East London
		18 December 2021	Orient Theatre, East London
Xaba Promotions	1	21 May 2021	ICC Hotel, East London
J4 Joy Promotions	1	28 May 2021	Sandton Convention Centre
Uppercut Promotion	1	22 May 2021	Booyens Boxing Gym, Johannesburg
Isizwe Boxing Promotion	1	03 July 2021	Cawa Indoor Sport Centre, Port Alfred
Nyusa Boxing Promotions	1	25 July 2021	Nangoza Jebe Hall, Gqeberha
Unleashed Promotions	1	15 August 2021	Booyens Boxing Gym, Johannesburg
5th Element Promotion	1	18 September 2021	Music World Parkview, Pretoria
Bonglez Promotion	1	26 September 2021	Booyens Boxing Gym, Johannesburg
Insane Boxing Promotion	1	26 September 2021	Gorilla Sports, Claremont, Cape Town
Mvelo Boxing Promotion	1	24 October 2021	Pietermaritzburg City Hall
Siyathaba Boxing Promotion	1	30 October 2021	Portuguese Club, Durban
Malefa Boxing Promotion	1	31 October 2021	Booyens Boxing Gym, Johannesburg

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
Starline Boxing Promotion	1	04 December 2021	Olive Convention Centre, Durban
Jack Brice Boxing Promotions	1	10 December 2021	Villagers Rugby Club, Cape Town
David Faas Productions	1	19 December 2021	Centenary Hall, Gqeberha
Ludonga Boxing Promotion	1	19 February 2022	Community Hall, Nongoma
Aphile Boxing Promotion	1	26 March 2022	Fairview Sports Centre, Gqeberha
Soweto Boxing Promotion	1	27 March 2022	Booyens Boxing Gym, Johannesburg
DMZ Boxing Promotion	1	27 March 2022	Greyville Convention Centre, Durban

In 2021/2022 Boxing SA licensed a total of 802 licensees. The table below is a breakdown of the total licensees per category.

CATEGORIES	MALES	FEMALES	TOTAL
Boxers	376	32	408
Managers	92	7	99
Trainers	86	1	87
Ring Officials	45	16	61
Seconds	55	3	58
Agents	0	0	0
Promoters	52	19	71
Matchmakers	7	0	7
Ring Announcers	7	4	11
Total	720	82	802



4. Institutional Programme Performance Information

BSA's outcomes will be measured over three programme areas which will enable the organisation to coordinate the delivery of services based on its mandate and further provide the basis for budgeting and allocation of resources. The three program areas are,

Program 1: Governance and Administration

Program 2: Boxing Development

Program 3: Boxing Promotion

DASHBOARD: OVERALL PERFORMANCE

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
6	4	2	Percentage of Board resolution actioned Percentage of internal and external audit findings re-solved.

PROGRAMME 2: BOXING DEVELOPMENT			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
7	6	1	Approved document of proposed amendments of Boxing Regulations.

PROGRAMME 3: BOXING PROMOTION			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
4	2	2	Number of published boxing publications. Number of revenue generation strategy initiatives implemented.

4.1 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:

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

PERFORMANCE OVERVIEW

This programme area has four (4) output indicators and during the period under review and all four (4) indicator targets were achieved with some overachieved. The table below outlines each output indicator and its targets.

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVED 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Governance and Oversight	Board meetings	Percentage of Board resolutions actioned	N/A	N/A	100%	74%	-26%	Some deviations from timelines were caused by targets dependent on third party and some are contingent upon the delivery of others.	The targets with due dates of Q4 and were not achieved, will be achieved in the next first quarter of the next financial year. Management will track and monitor for complete implementation of resolutions.
	Audit Committee meetings	Percentage of internal and external audit findings resolved	N/A	N/A	100%	48%	-52%	Majority of the audit findings were dependent on the Complexion of AFS.	No revision.
		External audit outcome on previous year's financial statements	N/A	N/A	Unqualified audit, with no material findings	Unqualified audit, with no material findings	0	None	None
Improved Administrative Capacity	Policies and Procedures	Procurement percentage on an affirmative basis	N/A	N/A	65%	90%	25%	None	None
		Number of Policies and Procedures reviewed and approved	11	7	6	10	+4	Management identified more policies that needed to be reviewed. i.e. Risk Management policies	No revision.
	Performance Management and Development	Number of Performance Management and Development reports approved	2	2	2	2	0	None	None

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

No underperformance was recorded under this program.

CHANGES TO PLANNED TARGETS

There were no changes made in the 2021/2022 APP to the output indicators or adjustments to the budget.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION	2020/2021			2021/2022		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	5 515	5 167	348	6 340	6 316	(24)
Goods & Services	7 223	5 519	1 704	7 570	7 197	(373)
Total	12 738	10 686	2 052	13 910	13 513	(397)

4.2 PROGRAMME 2: BOXING DEVELOPMENT

The purpose of this program is to ensure that the capacity development programmes are developed and implemented in the sector particularly amongst the licensees in order for them to meet compliance requirements. It comprises of the following sub-programmes:

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

PERFORMANCE OVERVIEW

This programme area is the most important one in the life of BSA since it relates to boxing development and focuses on activities related to tournaments and training and development. This program has five (5) output indicator targets and achieved four (4) of these which accounts to 80% performance achievement.

The main reason for the non-achievement of the one target is because the target is highly reliant on having individual converging in a venue and this was restricted under lockdown for most of the financial year. The table below outlines each output indicator and its targets.

PROGRAMME 2: BOXING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVED 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Trained and Developed Boxing Practitioners	Trained licensees	Number of boxing practitioners trained	158	37	100	105	+5	The Board embarked on nationwide roadshows/ workshops with the aim to capacitate licensees on new vision, which is to renew, grow and transform the sport of boxing.	

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVED 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Effective and Easy to Understand Licensing	Licensed boxing practitioners	Number of boxing practitioners licensed	1 169	808	800	802	+2	Easing of lockdown restrictions resulted a slight increase of license applicants	
	Licensing of women boxing practitioners	Number of women licensed	100	75	50	82	+32	None	None
Credible and Regular Boxers' Ratings	Monthly boxer's ratings	Number of ratings compiled	12	6	12	12	0	None	None
Compliant Tournaments Sanctioned	Sanctioned tournaments	Number of sanctioned tournaments	59	17	30	39	+9	Due to easing of lockdown restrictions, more promoters applied to stage tournaments.	No revisions
	Safe and compliant tournament and training venues	Number of tournaments venues inspected	89	160	30	39	+9	Due to easing of lockdown restrictions, more promoters applied to stage tournaments.	None
Amended and Updated Boxing Regulations	Revised Boxing Regulations	Approved document with proposed sub regulations identified for amendments	N/A	1	1	0	-1	None	None

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Boxing SA has revised its budget allocation in relation to training and development so that all trainings and meetings are able to take place as planned. The risk of dependency to other parties for the achievement of targets has been considered and such performance indicator will be revised, and controls strictly placed within Boxing SA's controls to mitigate risk of non-achievement.

CHANGES TO PLANNED TARGETS

There were no changes made in the 2021/2022 APP to the output indicators or adjustments to the budget.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 2: BOXING DEVELOPMENT	2020/2021			2021/2022		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	2 400	2 130	270	2 593	2 593	
Goods & Services	3 500	3 154	346	3 664	2 058	(1 606)
Total	5 900	5 284	616	6 257	4 651	(1 606)

PROGRAMME 3: BOXING PROMOTION

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 boxing programmes and enlist their support and resources for its development further. It comprises of the following sub-programmes:

- Marketing and branding
- Communication
- Events Coordination
- Revenue generation

PERFORMANCE OVERVIEW

Programme 3 comprises of three (3) output indicators and all these were achieved. The table below outlines each output indicator and its targets.

PROGRAMME 3: BOXING PROMOTION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVED 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Implementation of Boxing Marketing and Communication Strategy	Boxing publications and articles	Number of published boxing publications	0	4	4	1	-3	Due to personnel constraints publications were not finalized	The publication will be prioritize in the next financial year and relevant personnel will be tasked
Implementation of the Revenue Generation Strategy Initiatives	Increased budget and revenue	Number of Revenue Generation Strategy initiatives implemented	N/A	2	2	1	-1	Lack of clearly identified activities for implementation during the second quarter.	Management have identified key actions from the plan and will be implemented in the next financial year.
Improved Administrative Capacity	Partnerships and collaborations	Number of stakeholder relations engagement held	0	2	2	6	+4	BSA has engagement with a lot of stakeholders	None
		Memorandum of Understanding signed with SANABO	N/A	N/A	1	1	0	None	None

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Sufficient measures were put in place to ensure achievement of set target and continuous monitoring will continue to maintain achievement going forward.

CHANGES TO PLANNED TARGETS

There were no changes made in the 2021/2022 APP to the output indicators or adjustments to the budget.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3: BOXING PROMOTION	2020/2021			2021/2022		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	0	0	0	0	0	0
Goods & Services	1 200	1 100	100	2 551	1 245	(1 306)
Total	1 200	1 100	100	2 551	1 245	(1 306)

5. Revenue Collection

The following projected income items are tournaments delivery revenue, and during the financial year under review there were few tournaments as a result of Covid-19 regulations (i.e., Sanctioning fees, Tournament application, Fine, Penalties and Forfeits, and Public liabilities & Safety fund).

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 monthly, communicated through monthly statements to all debtors monthly.

SOURCES OF REVENUE	2020/2021			2021/2022		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000
Sanctioning fees	0	546	546	1 696	768	(928)
Licensing fees	340	659	311	699	658	(41)
Fines, Penalties and Forfeits	0	0	0	43	0	(43)
Interest	700	521	(179)	721	580	(141)
Sport & Recreation: Transfer	18 041	18 041	0	19 163	19 163	0
Application Fees	0	9	9	31	20	(11)
Safety & Public Liability	0	108	108	365	240	(125)
Other income: Sponsorship	1 549	1 549	0	0	112	0
Total	20 638	21 413	795	22 718	21 541	(1 177)



MALE

SOUTH AFRICAN NATIONAL CHAMPIONS AS OF 31 MARCH 2022

	WEIGHT DIVISION	SA CHAMPIONS	INTERNATIONAL/ WORLD
1.	Heavyweight	Joshua Pretorias	-
2.	Junior Heavyweight	Thabiso Mchunu	Kevin Lerena
3.	Light Heavyweight	Vacant	-
4.	Super Middleweight	Cowin Ray	
5.	Middleweight	Nkululeko Mhlongo	-
6.	Junior Middleweight	Shervantaigh Koopman	-
7.	Welterweight	Thulani Mbenge	-
8.	Junior Welterweight	Prince Dlomo	-
9.	Lightweight	Tshifhiwa Munyai	Ayanda Nkosi
10.	Junior Lightweight	Sibusiso Zingange	Azinga Fuzile
11.	Featherweight	Asanda Gingqi	Lerato Dlamini
12.	Junior Featherweight	Ayabonga Sonjica	
13.	Bantamweight	Ronald Malindi	
14.	Junior Bantamweight	Vacant	Yanga Sigqibo
15.	Flyweight	Jackson Chauke	
16.	Junior Flyweight	Mpumelelo Tshabalala	Sivenathi Nontshinga
17.	Mini Flyweight	Bangile Nyangani	Simphiwe Konco



SOUTH AFRICAN NATIONAL
CHAMPIONS AS OF 31 MARCH 2022

FEMALE



WEIGHT DIVISION	SA CHAMPIONS	INTERNATIONAL/ WORLD
1. Heavyweight	Vacant	-
2. Junior Heavyweight	Razel Mohammed	-
3. Light Heavyweight	Vacant	-
4. Super Middleweight	Vacant	-
5. Middleweight	Mapule Ngubane	-
6. Junior Middleweight	Vacant	-
7. Welterweight	Vacant	-
8. Junior Welterweight	Hedda Wolmarans	-
9. Lightweight	Kholosa Ndobayini	-
10. Junior Lightweight	Nozipho Bell	-
11. Featherweight	Vacant	-
12. Junior Featherweight	Matshidiso Mokebisi	-
13. Bantamweight	Sheradine Fortuin	-
14. Junior Bantamweight	Vacant	-
15. Flyweight	Simangele Hadebe	-
16. Junior Flyweight	Nozwelethu Mathontsi	-
17. Mini Flyweight	Vacant	-

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 to oversee the strategic development of the entity and in terms of the PFMA, the Board becomes the Accounting Authority of the entity.

On 12 December 2020, the Minister of Sport, Arts and Culture, 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 appeared once before the Portfolio Committee of Sport to present the five-year Strategic Plan as well as the 2021/2022 Annual Performance Plan.

On 30 October 2020 BSA presented the five-year Strategic Plan.

3. EXECUTIVE AUTHORITY

The support and guidance which BSA continues to enjoy from the Department of Sport, Arts and Culture and the Ministry in particular, is highly commendable. BSA had several engagements with the Executive Authority through his involvement and direct support to various boxing programs and active participation in boxing promotion activities. A Joint Strategic Session with the Minister Mthethwa has is planned to take place to facilitate better understanding of the support needed by BSA from the Ministry and to coordinate and bring together all relevant stakeholder that can assist BSA to develop the sport further.

In the period under review BSA held update meetings with the Minister on 1 October 2020 .

4. THE ACCOUNTING AUTHORITY

BOARD COMPOSITION – (1 APRIL 2021 TO 31 MARCH 2022)

i.	Mr. Luthando Jack	Chairperson
ii.	Ms. Zandile Kabini	Member
iii.	Mr. Gilberto Martins	Member
iv.	Mr. Sakhwe Sodo	Member
v.	Dr. Azwitamisi Nthangeni	Member
vi.	Mr. Erick Nsikayezwe Sithole	Member
vii.	Mr. Suren Maharaj	Member



The Boxing SA Board



MR. LUTHANDO JACK
BOARD CHAIRPERSON



DR. AZWITAMISI NTHANGENI
BOARD MEMBER



MR. ERICK NSIKAYEZWWE SITHOLE
BOARD MEMBER



MR. GILBERTO MARTINS
BOARD MEMBER



MR. SAKHIWE SODO
BOARD MEMBER



MR. SUREN MAHARAJ
BOARD MEMBER



MS. ZANDILE KABINI
BOARD MEMBER

4.1 COMPOSITION OF THE BOARD

NAME	DESIGNATION	DATE APPOINTED	STATUS/ DATE OF RESIGNATION	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Luthando Jack	Chairperson	Dec 2020	Active	<ul style="list-style-type: none"> National Diploma: Public Management & Admin BTech. Public Management Bachelor of Philosophy: Information and Knowledge Management Masters: Commerce 	<ul style="list-style-type: none"> Strategy Development Project Management Monitoring and Evaluation 	N/A	<ul style="list-style-type: none"> HR, ICT & FINANCE Committee 	13
Zandile Kabini	Member	Dec 2020	Active	<ul style="list-style-type: none"> BCom. Honours Informatics Diploma in Business Analysis Management Programme Development 	<ul style="list-style-type: none"> Auditing 	N/A	<ul style="list-style-type: none"> Women in Boxing Committee 	13
Gilberto Martins	Member	Dec 2020	Active	<ul style="list-style-type: none"> B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Philosophy, Economics 	<ul style="list-style-type: none"> Governance and Administration Finance Management Strategy Development Monitoring and Evaluation 	N/A	<ul style="list-style-type: none"> Finance, Organisational Development and Resource Mobilisation Audit Committee 	13
Sakhiwe Sodo	Member	Dec 2020	Active	<ul style="list-style-type: none"> HDE BA Hons BA Diploma: Labour Law 	<ul style="list-style-type: none"> Boxing Administration 	N/A	<ul style="list-style-type: none"> Sanctioning Committee 	13
Dr. Azwitamisi Nthangeni	Member	Dec 2020	Active	<ul style="list-style-type: none"> Doctoral Degree: Organisational Change Management Master's Degree in Sport 	<ul style="list-style-type: none"> Sports Administration 	N/A	<ul style="list-style-type: none"> Women in Boxing Committee 	9
Mr. Erick Nsikayezwe Sithole	Member: from 4th Jan 2022, member was seconded to act in the position of CEO within the entity.	Dec 2020	Active	<ul style="list-style-type: none"> Master's Degree in Business Administration Post Graduate Diploma: Business Management and Administration Post Graduate Qualification: Professional Accountant BCom Degree: Internal Auditing National Diploma: Financial Management 	<ul style="list-style-type: none"> Audit and Risk Management 	N/A	<ul style="list-style-type: none"> Finance, Organisational Development and Resource Mobilisation 	9
Mr. Suren Maharaj	Member	Dec 2020	Active	<ul style="list-style-type: none"> Executive Finance Management Course Fellow Member of the Institute of Directors Southern Africa Green Belt Digital Six Sigma Professional CA(SA) South African Institute of Chartered Accountant Hons. BCompt Degree BCom Degree 	<ul style="list-style-type: none"> Finance and Operations Management Supply Chain Management Auditing and Risk Management 	N/A	<ul style="list-style-type: none"> Finance, Organisational Development and Resource Mobilisation Audit Committee 	13

4.2 COMMITTEES

4.2.1 SANCTIONING COMMITTEE

This Committee oversees the approval of tournament in line with the prescripts of the Act and Regulation. As of 31 March 2021, the Sanction Committee was constituted by three (3) members. The new Board that took office on 12 December 2020 appointed the new Committee in line with section 7 (1)(y) of Act.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Sakhiwe Sodo (Chairperson)	Internal	Board Member	January 2021	Active	12
Mr. Bongani Magasela	External	N/A	January 2021	Active	12
Mr. Irvin Buhlalu	External	N/A	January 2021	Active	12

Note: Mr Magasela was reappointed to the Committee by the new Board in January 2021

4.2.2 RATINGS COMMITTEE

The primary mandate of the Ratings Committee is to generate and issue boxer's monthly ratings. The Committee was constituted by three (3) members till the reconstitution of the Committee by the new Board in January 2021. The same number of Committee members were appointed to comply with the Act and ensure effectiveness.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Andre de Vries (Chairperson)	External	N/A	January 2021	Active	12
Mr. Mesuli Zifo	External	N/A	January 2021	Active	12
Mr. Thabo Tutu	External	N/A	January 2021	Active	12

4.2.3 HUMAN RESOURCES, ICT, GOVERNANCE & RESOURCE MOBILISATION COMMITTEE

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Suren Maharaj (Chairperson)	Internal	Board Member	January 2021	Active	5
Mr. Gilberto Martins	Internal	Board Member	January 2021	Active	5
Mr. Erick Sithole	Internal	Board Member	January 2021	Active	3

4.2.4 MEDICAL COMMITTEE

The Medical Advisory Committee was first established in November 2017. It is constituted by a national Committee of five (5) members across four provinces with the most tournament activities. The Committee members are medical doctors with different expertise and skills.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Dr. Robert Selepe (Chairperson)	External	N/A	January 2021	Active	0
Dr. Amanda Sihlobo	External	N/A	January 2021	Active	0
Dr. Leopoldt Erasmus	External	N/A	January 2021	Active	0
Dr. Buyi Mabaso	External	N/A	January 2021	Active	0
Dr. Malefetsane Ngatane	External	N/A	January 2021	Active	0



4.2.5 WOMEN IN BOXING COMMITTEE

The Women in Boxing Committee is constituted by four (3) members. It is chaired by a Board member and the other two (2) members whom one is a Board member, and the other member is an external member. The work of this commission has been very instrumental in the implementation of the Women in Boxing programme, particularly the second leg of this program which entailed training and counsel-ling of female licensees.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Ms. Zandile Kabini (Chairperson)	Internal	Board Member	January 2021	Active	3
Dr. Azwitmisi Nthangeni	Internal	Board Member	January 2021	Active	3
Ms. Lebogang Motsoeli	External	N/A	August 2021	Active	1

4.3 BOARD REMUNERATION

The remuneration of the Board members is determined in accordance with the National Treasury Regulations.

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
Mr. G. Martins	R 129 646	R 7 134		R 136 780
Ms. Z. Kabini	R 121 870	R 7 030		R 128 900
Mr. L. Jack	R 194 164	R 8 400	-	R 202 564
Dr. A. Nthangeni	R 69 984	R 7 191		R 77 175
Mr. S. Sodo	R 116 640	R 16 444		R 133 084
Mr. S. Maharaj	R 160 098	R 6 713		R 166 811
Mr. E. Sithole	R 112 752	R 12 202		R 124 954
Total	R 905 154	R 65 114		R 970 268

5. RISK MANAGEMENT

5.1 BOXING SOUTH AFRICA'S RISK DASHBOARD AND SCORE CARD

The Board bears overall responsibility for BSA's risk management and without abdicating its responsibility the Board is assisted by the Audit and Risk Management Committee in discharging its duties.

Effectively managing our risks means we:

- Assess, measure, and mitigate risks that threaten the pursuit of our strategic objectives
- Identify opportunities that these risks might presents

The entity has during the financial period under review, approved the following Risk Management Documents:

- Enterprise Risk management framework
- Risk management policy
- Risk Management Strategy
- Risk Management Implementation Plan
- Fraud prevention plan with strategy
- Disaster recovery plan
- Business continuity policy
- Business continuity plan
- Anti-Corruption & whistleblowing policy

These risks are monitored, and their progress and ratings are presented by Management to BSA Board and all its sub-committees throughout the financial year.

BSA's Audit and Risk Management Committee held a special Risk Management meeting during the financial year under the review to update and reassess its risks to

ensure alignment with its strategic objectives and internal and external factors impacting Boxing administration. These risks are monitored across several broad risk areas: Strengthening Governance & Administration, Operational, Brand and Communication, Government and Stakeholder Management and financial sustainability. Progress is measured against the previous year's annual assessment.



Strengthening Governance & Administration

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2021/2022	STRATEGIC OBJECTIVE
Approved Policies & Procedures	Non-Compliance with relevant laws and regulations and internal controls, policies, and procedures	M	On-going compliance monitoring	C	SGA
			On-going training and development to keep abreast of change	C	
Governance at Board Level	Lack of improvement in governance	L	Regular engagements with members on governance and compliance best practices	B	SGO
PFMA	Non-adherence to the Act	L	Annual audits conducted on tabling of approved Strategic plan, APP and Annual Reports	A	SGO
	Non-compliance to Risk Management Process including Fraud Prevention Plan	L	The documents have been approved.	A	SGO

Brand and Communication

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2021/2022	STRATEGIC OBJECTIVE
Image and reputational Management	Negative impact on maintaining and building BSA brand and public image.	M	Maintain good governance and internal control structures. Implement the long-term Communication Strategy. Strategic and transparent communication with all stakeholders	B	MCS

Financial Sustainability

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2021/2022	STRATEGIC OBJECTIVE
Going Concern	Insufficient Financial resources to continue as a going concern	L	The Department of Sport, Arts and Culture has assisted the BSA with a baseline adjustment of R 5 Million Rands to deal with imminent financial pressures	A	SGA
Funding Model	Ineffective/limited competition in domestic and international broadcasting market	M	Strengthen strategic relationships with key regional and world Boxing bodies	B	FM
	Amendments to current tariff structure		To create and stream more boxing content		
	Changing landscape of the consumption of media from analogue to digital and live streaming				
Revenue Generations	Non-compliance to the debtor's collection policy	M	Continuous monitoring and tracking long outstanding debtors. Implemented initiatives such as payment agreements	B	RG
Sponsorship and commercial partners	Insufficient sponsorship and commercial partners	M	Managing the length of Sponsorship contracts. Maintaining good cash reserves for support during the low economic growth	B	BS

Government and Stakeholder relations

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2021/2022	STRATEGIC OBJECTIVE
Stakeholder Management	Breakdown in relations between BSA and stakeholders could lead to lack of Government support, reputational risk, diminished prominence with world bodies, lack of trust between licensees, ineffective communication and decisions at Board and licensees' level	M	On-going engagements with key stakeholders	B	SEF

Operational

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2021/2022	STRATEGIC OBJECTIVE
Human Capital	Non-delivery of strategic objectives due to inadequate human capital	L	Organisational review must be performed to identify structural and operational gaps in BSA	B	IAC
IT Technology	Inadequate expertise to adapt to modern IT systems	M	Implementation of the IT Governance Framework	B	IAC
Budget Administration	Failure to prevent overspending on their respective budgets as approved by the Executive Authority	L	Continuous On-going monitoring of the Budget projections. The entity is maintaining expenditure within the budgetary constraints	A	SGO

The total number of risks is 71, with no high/ critical risks, 18 of the medium risk and 53 of the low risks

M=Medium; L=Low; H=High; C= Limited Progress/Objective not achieved; B= Substantial Progress; A = Substantially Achieved; SGA = Strengthened Governance and Administration; MCS=Marketing & Communication Strategy; BS= Boxing Sponsorship; FM= Funding Model; RG= Revenue Generation; IAC =Improved administrative capacity; SEF= Stakeholder engagement framework

6. INTERNAL CONTROL UNIT

Boxing South Africa, due to its size does not have an internal control unit, however the entity 's management remains primarily responsible for ensuring that a system of internal control is maintained throughout the entity. Management is also responsible for the development and implementation of standard operating procedures and policies. The quality assurance on the implementation of internal control is also provided by the Internal Auditors, during the period under review Boxing SA is utilising the services of an external service provider to perform the functions of internal audit and risk management. The third layer of quality assurance is provided by the Audit & Risk Management Committee whilst the oversight is provided by the of the Board and its sub-committees of the Finance, ICT Governance and Resource Mobilisation Committee.

7. INTERNAL AUDIT AND RISK MANAGEMENT COMMITTEE

Boxing SA, during the 2021/2022 financial period has appointed the Manager internal audit and risk management function. The Manager Internal Audit & Risk Management developed the audit plans and were approved by the Audit & Risk Committee. The scope of work included Risk based audit projects, high level review of financial information, whilst the recently appointed Internal Audit is responsible for but not limited to quarterly performance information, Risk Management and Fraud Implementation processes and any additional ad-hoc service which may be requested by the Audit & Risk Management Committee. The internal audit also included evaluation and audit of root causes on the action plans proposed by management which emanated from audit findings raised by the Auditor General during the previous year regulatory audit.

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
 - i. Quarterly reporting
 - ii. Other internal audit administration (i.e., IA Charter, IA Plans and rolling plans)
 - iii. Audit action plan



4. Risk Management
 - i. Risk Governance (i.e., Framework, policy, Anti-fraud, and Business Continuity)
 - ii. Risk Register
 - iii. New Emerging Risks
5. Audit General Issues
6. Finance related issues
 - i. SCM Reports
 - ii. PFMA and Treasury compliance checklists
7. Oversight Structures
 - i. Board Resolutions issues relating to Audit Committee
 - ii. Portfolio committee issues relating to Audit Committee

The Audit and Risk Management Committee provides technical advice and quality assurance on strategic and operational matters, this includes amongst others planning documents such as the Strategic Plan and the Annual Performance Plan, reporting documents such as the Annual Financial Statement, Annual Report and extend their expertise on any other matter which falls within the scope and ambit of the committee.



NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RETIRED	NO. OF MEETINGS ATTENDED
Mr. Deenadayalan Moodley	<ul style="list-style-type: none"> • BCom Accounting • Diploma in Accounting • Chartered Accountant (SA) • Masters' Degree in Business Leadership 	External	None	June 2019	Active	6
Adv. Frans van der Westhuizen	<ul style="list-style-type: none"> • Diploma JURIS • B JURIS • LLB 	External	None	June 2019	Active	6
Mr. Gilberto Martins	<ul style="list-style-type: none"> • B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Pol, Philos, Econ 	External	Board Member	June 2019 (Seconded by BSA Board)	Active	6
Mr. Suren Maharaj	<ul style="list-style-type: none"> • Executive Finance Management Course • Fellow Member of the Institute of Directors Southern Africa • Green Belt Digital Six Sigma Professional • CA (SA) South African Institute of Chartered Accountant • Hons. BCompt Degree • BCom Degree Finance and Operations Management • Supply Chain Management • Auditing and Risk Management 	External	Board Member	January 2021	Active	2

8. COMPLIANCE WITH LAWS AND REGULATIONS

Boxing South Africa has implemented a system of internal controls to monitor compliance monthly through reports on management and staff meetings. The emphasis is placed mainly on applicable legislation such as the PFMA and its regulations. The entity also monitor compliance with employee related legislation such as the labour relations act, Basic condition of employment, etc. The developed and approved policies and Standard Operating Procedures are implemented and monitored to ensure that compliance with laws and regulations is permeated as part of the cooperate culture.

Boxing South Africa governed through an enabling legislation, The Boxing Act No 11 of 2001, to direct its operations in regulating matters of professional boxing in South Africa. Internal control systems are implemented to ensure that boxing governance & administration, boxing promotions and boxing development are always executed and implemented in compliance with the Boxing Act and its regulations.

9. FRAUD AND CORRUPTION

Boxing South Africa has developed and approved the Fraud Prevention Plan and Anti-Corruption and Whistleblowing Policy during the financial period under review. Management has implemented a system of reporting fraud through a mechanism defined in the fraud prevention policy which amongst others clearly specifies:

- i. Reporting mechanisms by employees on suspicion of fraud and corruption
- ii. Reporting by members of the public, fans, supporters of boxing, Licensees or providers of goods and services on suspicion of fraud and corruption

The Fraud Prevention plan with strategy clearly defines:

Mechanism and systems to deal with allegations of fraud and corruption:

- i. Internal investigations
- ii. Matters referred to external or another law enforcement agency
- iii. Recovery of losses because of fraudulent activities
- iv. Feedback to reporters of fraud and corruption
- v. Confidentiality
- vi. Protection of whistle blowers

10. MINIMISING CONFLICT OF INTEREST

All officials and Management of Boxing South Africa sign and submit to Human Resources a declaration forms annually to declare direct and indirect interest. All officials partaking in procurement process are made to sign the code of conduct for officials working in supply chain management.

Boxing Act no 11 of 2001, 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. Dispute resolution processes involving conflicts of interest for officials are treated internally within the employee disciplinary framework. All disputes pertaining to stakeholders and licensees are treated by an appointed independent structure dealing with disciplinary and disputes resolution matters.

11. CODE OF CONDUCT

All officials and management working for Boxing South Africa signs the Code of conduct for employees, whilst licensees of the entity 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

Boxing South Africa is located in Hatfield Pretoria under a lease agreement, and it shares the building with other tenants. The entity utilises the shared Occupational Health and Safety plans already establish by the landlord, officials from Boxing SA have been seconded to serve as fire marshals and safety officers to cover the health and safety issues.



14. Audit and Risk Management Committee Report

We are pleased to present our report for the financial year ended 31 March 2022.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROL

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:

- Annual Financial Statement High Level Review
- Annual Performance Information Report Audit Review
- Quarterly Performance Information Report Audit Review (4 Internal Audit Reports were issued)
- Irregular Expenditure Assessment and Investigation Report (2019/2020 Irregular Expenditure Reported by AGSA) Ad-hoc Report
- Forensic Investigation Report on Peter "Terror" Mathebula Tribute Tournament Tender Irregularities.
- Debtors Management Audit Review
- Tournament Management Audit Review
- Deviation Register Audit Review (Ad-hoc Report)
- AG Action Plan Review (4 Internal Audit Reports were issued)
- Conducted Risk Assessment Workshops
- Updated the Risk Register

- Reviewed and Updated Risk Management Policies
- Reviewed the Internal Audit Charter

The following were areas of concern:

- Supply Chain Management Unit
- Irregular Expenditure
- Implementation of Consequence Management on irregular expenditure

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The public entity has submitted monthly and quarterly reports to the Executive Authority.

EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity.

AUDITOR'S REPORT

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- Supply Chain Management Unit
- Irregular Expenditure

The Audit Committee concurs and accepts the conclusions of the external auditor 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.



Mr. Deenadayalan Moodley

Chairperson of the Audit and Risk Management Committee
31 May 2022

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. Boxing SA had ten (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. In the past year, the entity continued to manage and stabilize the Human resources in terms of staff retention and management of conflicts.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY R'000	PERSONNEL EXPENDITURE R'000	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE R'000	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Program 1	13 910	5 167	37%	10	517
Program 2	4 651	2 130	46%	4	532
Program 3	1 245	0	0%	0	-

PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE R'000	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST R'000	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Management	4 816	54%	4	1 204
Skilled	3 924	44%	6	654
Semi-skilled	169	2%	1	164
Unskilled		0%	0	-
TOTAL	8 909	100%	11	809

PERFORMANCE REWARDS

PROGRAMME	PERFORMANCE REWARDS R'000	PERSONNEL EXPENDITURE R'000	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST R'000
Management	0	0	0%
Skilled	0	0	0%
Semi-skilled	0	0	0%
Unskilled	0	0	0%
TOTAL	0	0	0%

Note: No performance rewards were paid out during the financial year.

TRAINING COSTS

LEVEL	PERSONNEL EXPENDITURE R'000	TRAINING EXPENDITURE R'000	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVERAGE 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

Note: No training costs were incurred during the financial year

EMPLOYMENT AND VACANCIES

LEVEL	NO. OF EMPLOYEES AS AT 1 APRIL 2021 R'000	APPROVED POSTS FOR 2021/2022 FINANCIAL YEAR R'000	NO. OF EMPLOYEES AS AT 31 MARCH 2022	2021/2022 VACANCIES	% OF VACANCIES
Program 1	10	12	10	2	17%
Program 2	4	4	4	0	0%
Program 3	0	0	0	0	0%

LEVEL	NO. OF EMPLOYEES AS AT 1 APRIL 2021 R'000	APPROVED POSTS FOR 2021/2022 FINANCIAL YEAR R'000	NO. OF EMPLOYEES AS AT 31 MARCH 2022	2021/2022 VACANCIES	% OF VACANCIES
Management	5	6	5	1	17%
Skilled	7	8	6	2	25%
Semi-skilled	2	2	1	1	50%
Unskilled	0	0	0	0	0%
TOTAL	13	16	12	3	25%

Due to structural gaps in the BSA approved structure, it is challenging to fill vacant senior management positions with internal staff. The position of the CEO remains vacant, no attempts were made to fill this position as there is a litigation at the Labour Court against the former CEO. BSA has a staff retention policy which outlines all that can be done to retain staff.



EMPLOYMENT CHANGES

LEVEL	EMPLOYEES AS AT 1 APRIL 2021	APPOINTMENTS	TERMINATIONS	EMPLOYEES AS AT 31 MARCH 2022
Management	5	1	1	5
Skilled	7	0	1	6
Semi-skilled	2	0	0	2
Unskilled	0	0	0	0
Total	14	1	2	14

REASONS FOR STAFF TURNOVER

No staff turnover was recorded during the financial year.

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

LABOUR RELATIONS

Misconduct and Disciplinary Action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0
Total	0

Notes: Boxing SA still has the following pending cases from the 2015/2016 financial year:

- i. **BSA vs. Mr. Qithi**
 The matter remains at the Labour Court for review and the status remains unchanged at the end of the financial year under review. BSA is currently negotiating an out of court settlement with Mr. Qithi.
- ii. **BSA vs. Mr. Khambule**
 BSA has offered Mr. Khambule a settlement of six (6) months of his salary he received at the time of his dismissal. Mr. Khambule accepted the offer, and the matter was officially closed.

PART E

FINANCIAL INFORMATION



Report of the Auditor-General

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 the Boxing South Africa set out on pages 58 to 90 which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as 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 Boxing South Africa as at 31 March 2022, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Emphasis of matters

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

Impairments – trade debtors

4. As disclosed in note 8 to the financial statements, material impairments amounting to R7 937 380 (2021: R7 823 398) were incurred as a result of the provision for doubtful debts.

An uncertainty relating to the future outcome of exceptional litigation or regulatory action

5. With reference to note 25 to the financial statements, the public entity is the defendant in a labour lawsuit that has been referred to the Labour Court for review. The public entity is opposing the outcome of a CCMA matter that ruled in favour of the applicant. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating

to going concern and using the going concern basis of accounting unless the appropriate governance structure 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

8. 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.
9. 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

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
12. 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 public entity’s annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 – boxing development	27 – 28

13. 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.

14. The material findings on the usefulness and reliability of the performance information of the selected programmes are as follows:

Number of boxing practitioners trained

15. The achievement reported in the annual performance report for the following indicator materially differed from the supporting evidence provided as some practitioners that are not licensed have been reported on number of boxing practitioners trained.

Output indicator	Reported achievement
Number of boxing practitioners trained	105

Draft document with proposed sub regulations identified for amendments

16. The planned indicator of *Draft document with proposed sub regulations identified for amendments*, as per the approved initial annual performance plan and the performance against the planned target was not reported in the annual performance report.

17. The actual performance against the planned target for the planned indicator was not reported in the annual performance report.

Other matters

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 25 to 29 for information on the achievement of planned targets for the year [and management’s explanations provided for the under/over achievement 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 paragraph(s) 15 to 18 of this report.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

22. The financial statements submitted were not prepared in accordance with the SA standards of GRAP, as required by section 55(1)(b) of the PFMA.

23. Material misstatements of unallocated deposits disclosure identified by the auditors in the submitted financial statements were corrected and resulted in the financial statements receiving an unqualified opinion.

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 542 899,00 as disclosed in note 34 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure identified was due to contravention of supply chain management regulations on various quotations and contracts.

Revenue management

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

Procurement and contract management

26. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1, paragraph 3.3.1 of Practice Note 8 of 2007/08 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22.

27. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Treasury Regulation 16A8.4 and paragraph 4.1.2 of Practice Note 7 of 2009/2010.

28. Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2017.

Consequence management

29. 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 because investigations into irregular expenditure were not performed.

30. 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 because investigations into fruitless and wasteful expenditure were not performed.

Other information

31. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes 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.
32. 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 on it.
33. 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.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, 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

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual of performance report and the findings on the compliance with legislation included in this report.
36. The accounting authority and senior management did not exercise oversight responsibility to review and monitor financial and performance reporting and compliance management as well as related internal controls. Furthermore, action plan to address identified control deficiencies were not properly implemented and monitored closely.
37. Controls to ensure regular, accurate and complete financial and performance reports were not effective in preventing and detecting control deficiencies and non-compliance to ensure accurate reporting on financial statements and performance reporting.
38. Management did not always implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.

Other reports

39. We draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation. The summarised other reports will be included in the auditor's report as follows:
40. An independent consultant investigated allegations of irregularities on the Peter "Terror" Mathebula Tribute Tournament Tender at the public entity at the request of Boxing South Africa, which covered the period November 2021 to December 2021. The investigation was concluded on 13 of January 2022 and resulted in suspension and resignation of the senior officials. The implementation of the some of the recommendations was in progress at the date of this auditor's report.

Auditor-General

Pretoria
29 July 2022



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 accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Boxing South Africa 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 my 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 operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Statement of Financial Position

AS AT 31 MARCH 2022

	NOTE(S)	2022 R	2021 R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	8	577 438	356 245
Prepayments	7	109 991	31 365
Cash and cash equivalents	9	11 655 239	7 236 654
		12 342 668	7 624 264
NON-CURRENT ASSETS			
Property, plant and equipment	3	891 921	1 116 333
Intangible assets	4	602 327	784 571
		1 494 248	1 900 904
Total Assets		13 836 916	9 525 168
LIABILITIES			
CURRENT LIABILITIES			
Current Liabilities	10	1 185	2 338
Finance lease obligation	5	45 903	-
Operating lease liability	6	2 782 685	2 090 209
Payables from exchange transactions	11	2 450 643	1 450 643
Unspent conditional grants and receipts	12	468 308	607 640
Provisions	13	955 245	368 290
		6 703 969	4 519 120
NON-CURRENT LIABILITIES			
Finance lease obligation	10	-	4 972
Total Liabilities		6 703 969	4 524 092
Net Assets		7 132 947	5 001 076
Accumulated surplus		7 132 947	5 001 076
Total Net Assets		7 132 947	5 001 076

Statement of Financial Performance

FOR THE YEAR ENDED 31 MARCH 2022

	NOTE(S)	2022 R	2021 R
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Sanctioning fees	14	768 161	546 083
Safety & Public Liability	14	239 512	108 290
Licence fees	14	657 920	658 676
Application fees	14	20 250	8 550
Profit/(loss) on momentum investment	29	112 070	183 526
Interest received	15	579 801	521 060
Total revenue from exchange transactions		2 377 714	2 026 185
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfer revenue			
Government grants & subsidies	16	19 163 000	18 041 000
Public contributions and donations	17	-	1 549 357
Total revenue from non-exchange transactions		19 163 000	19 590 357
Total revenue	14	21 540 714	21 616 542
EXPENDITURE			
Employee related costs	18	(8 909 207)	(7 296 529)
Transfer payments - SANABO		(173 703)	-
Depreciation and amortisation	3&4	(461 179)	(313 347)
Finance costs		(331)	(1 186)
Write off	20	(366 921)	-
General Expenses	21	(9 497 502)	(9 777 243)
Total expenditure		(19 408 843)	(17 388 305)
Surplus for the year		2 131 871	4 228 237

Statement of Changes In Net Assets

FOR THE YEAR ENDED 31 MARCH 2022

	Accumulated surplus R	Total net assets R
Balance at 01 April 2020	772 839	772 839
<i>Changes in net assets</i>		
Surplus for the year	4 228 237	4 228 237
Total changes	4 228 237	4 228 237
Restated* Balance at 01 April 2021	5 001 076	5 001 076
<i>Changes in net assets</i>		
Surplus for the year	2 131 871	2 131 871
Total changes	2 131 871	2 131 871
Balance at 31 March 2022	7 132 947	7 132 947

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2022

	NOTE(S)	2022 R	2021 R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Grants		19 163 000	18 041 000
Interest income		579 801	521 060
Other receipts		2 350 668	4 034 393
		22 093 469	22 596 453
PAYMENTS			
Employee costs		(8 909 207)	(7 296 529)
Suppliers		(9 252 282)	(9 779 115)
Finance costs		(331)	(1 186)
Finance charges		(39 369)	(14 048)
		(18 201 189)	(17 090 878)
Net cash flows from operating activities	22	3 892 280	5 505 575
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(43 352)	(988 238)
Purchase of other intangible assets	4	(11 172)	(881 193)
Proceeds from sale of property, plant and equipment		-	14 045
Net cash flows utilised in investing activities		(54 524)	(1 855 386)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in unallocated deposits		586 955	(90 380)
Movement in claim advances		-	651
Finance lease payments		(6 126)	(7 652)
Net cash flows from/(utilised in) financing activities		580 829	(97 381)
Net increase in cash and cash equivalents		4 418 585	3 552 808
Cash and cash equivalents at the beginning of the year		7 236 654	3 683 846
Cash and cash equivalents at the end of the year	9	11 655 239	7 236 654

Statement of Comparison of Budget and Actual Amounts

FOR THE YEAR ENDED 31 MARCH 2022

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
Revenue from exchange transactions						
Sanctioning fees	1 696 000	-	1 696 000	768 161	(927 839)	a
Other income: Insurance, Safety & Public Liabilities	408 000	-	408 000	239 512	(168 488)	b
License fees	699 000	-	699 000	657 920	(41 080)	
Application fees	31 000	-	31 000	20 250	(10 750)	
Profit / (loss) on momentum investment	-	-	-	112 070	112 070	c
Interest income	721 000	-	721 000	579 801	(141 199)	d
Total revenue from exchange transactions	3 555 000	-	3 555 000	2 377 714	(1 177 286)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	19 163 000	-	19 163 000	19 163 000	-	
Total revenue	22 718 000	-	22 718 000	21 540 714	(1 177 286)	
EXPENDITURE						
Personnel	(8 933 000)	-	(8 933 000)	(8 909 207)	23 793	
Transfer payments - SANABO	(173 703)	-	(173 703)	(173 703)	-	
Depreciation and amortisation	(85 000)	(405 000)	(490 000)	(461 179)	28 821	
Finance costs	-	(1 000)	(1 000)	(331)	669	
Debt Impairment	-	(370 000)	(370 000)	(366 921)	3 079	
General Expenses	(13 526 297)	776 000	(12 750 297)	(9 497 502)	3 252 795	e
Total expenditure	(22 718 000)	-	(22 718 000)	(19 408 843)	3 309 157	
Surplus for the year	-	-	-	2 131 871	2 131 871	

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

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

- | | |
|--|---|
| <p>a. Sanctioning fees - The sanctioning fees relates to tournaments delivery revenue. The unfavourable variance was due to the fact that during the financial year under review there were few tournaments as results of Covid-19 regulations.</p> <p>b. Other income: Insurance, Safety & Public Liabilities - This is a tournaments delivery revenue, and during the financial year under review there were few tournaments as results of Covid-19 regulations.</p> | <p>c. Application fees - The application fees relates to tournaments delivery revenue. The unfavourable variance was due to the fact that during the financial year under review there were few tournaments as results of Covid-19 regulations.</p> <p>d. Interest income - Interest charged on trade debtors for overdue account.</p> <p>e. General Expenses - The underspending was mainly due to the fact that there were less contractors utilised for events during the year due to the COVID-19 restrictions.</p> <p>f. Variance between Approved Budget and Final Budget - The National Treasury approved a budget of R22.718Mil for the period 1 April 2021 to 31 March 2022. There was however a reallocation of funds between various expenditures.</p> |
|--|---|

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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

1.1 PRESENTATION CURRENCY

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

1.2 GOING CONCERN ASSUMPTION

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

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

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 12 - Provisions.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives assessment

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset's future economic benefits or services potential are expected to be consumed. Management will decrease the depreciation charge where useful lives is more than previously estimated useful lives.

Allowance for doubtful debts

The provision for doubtful debts is provided for tournaments and other receivables older than twelve months based on management's assumptions, management will also assess the debtors individually and other receivables of similar nature will be assessed collectively.

Accounting by principals and agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied to determine Boxing SA is the principal are as follows:

- The other entity undertakes transactions with third parties for the benefit of Boxing SA.
- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit. It is not exposed to variability in the results of the transaction.

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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.

1.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

Item	Depreciation method	Average useful life
Leased asset	Straight-line	2 - 5 years
Furniture and fixtures	Straight-line	8 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	2 - 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.

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 entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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	Amortisation method	Average useful life
Computer software	Straight-line	1 - 10 years

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 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 entity 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 equivalents	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
Unallocated deposit	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Initial recognition

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

1.6 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Derecognition

Financial assets

Boxing SA derecognises financial assets using trade date accounting.

Boxing SA derecognises a financial asset only when:

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

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

Financial liabilities

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

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

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.

1.6 FINANCIAL INSTRUMENTS (CONTINUED)

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.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

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

1.8 EMPLOYEE BENEFITS

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

1.8 EMPLOYEE BENEFITS (CONTINUED)

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 measures 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 benefit 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 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.11 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

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

Measurement

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

Rendering of services

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

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

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

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

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

1.12 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.

1.12 REVENUE FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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 entity.

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

Fines

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

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

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

Gifts and donations, including goods in-kind

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

1.13 INTEREST

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

1.14 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 is reclassified. The nature and reason for the reclassification is disclosed.

1.15 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.

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

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

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

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

1.17 BUDGET INFORMATION

Entity 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 entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

Boxing SA considers the difference of more than 10% between budget and actual to be material and it will be explained in note.

1.18 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 those family members who may be expected to influence, or be influenced by that person 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.

1.19 EVENTS AFTER REPORTING DATE

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

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

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

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

1.20 CONDITIONAL GRANTS AND RECEIPTS

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

Notes to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised): Employee Benefits	Not yet set	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	Not yet set	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	Not yet set	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
GRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Furniture and fixtures	515 199	(269 015)	246 184	515 199	(220 612)	294 587
Motor vehicles	618 190	(242 546)	375 644	618 190	(144 959)	473 231
Office equipment	222 766	(162 705)	60 061	200 803	(135 874)	64 929
IT equipment	751 478	(550 572)	200 906	730 090	(464 631)	265 459
Leased assets	57 258	(55 582)	1 676	57 258	(49 493)	7 765
Scales	20 650	(13 200)	7 450	20 650	(10 288)	10 362
Total	2 185 541	(1 293 620)	891 921	2 142 190	(1 025 857)	1 116 333

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2022

	Opening balance R	Additions R	Depreciation R	Total R
Furniture and fixtures	294 587	-	(48 403)	246 184
Motor vehicles	473 231	-	(97 587)	375 644
Office equipment	64 929	21 964	(26 832)	60 061
IT equipment	265 459	21 388	(85 941)	200 906
Leased assets	7 765	-	(6 089)	1 676
Scales	10 362	-	(2 912)	7 450
Total	1 116 333	43 352	(267 764)	891 921

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	115 589	215 855	-	(36 857)	294 587
Motor vehicles	14 247	476 670	-	(17 686)	473 231
Office equipment	69 404	34 500	-	(38 975)	64 929
IT equipment	97 570	244 467	(14 045)	(62 533)	265 459
Leased assets	14 376	7 017	-	(13 628)	7 765
Scales	2 919	9 729	-	(2 286)	10 362
	314 105	988 238	(14 045)	(171 965)	1 116 333

PLEGGED AS SECURITY

The entity does not have any asset(s) that have been pledged as security.

REPAIRS AND MAINTENANCE

The following amount included in Repairs and Maintenance relating to service of Assets	2022 R	2021 R
Property, plant and equipment	-	2 257

4. INTANGIBLE ASSETS

	2022 Cost / Valuation R	2022 Accumulated amortisation and accumulated impairment R	2022 Carrying value R	2021 Cost / Valuation R	2021 Accumulated amortisation and accumulated impairment R	2021 Carrying value R
Computer software	1 147 762	(545 435)	602 327	1 136 589	(352 018)	784 571

RECONCILIATION OF INTANGIBLE ASSETS - 2022	Opening balance R	Additions R	Amortisation R	Total R
Computer software	784 571	11 172	(193 416)	602 327

RECONCILIATION OF INTANGIBLE ASSETS - 2021	Opening balance R	Additions R	Amortisation R	Total R
Computer software	44 757	881 193	(141 379)	784 571

PLEGGED AS SECURITY

The entity does not have any asset(s) that have been pledged as security.

5. OPERATING LEASE

	2022 R	2021 R
Current operating lease	45 903	-

The operating lease liability is related to the lease agreement for the rental of the office premises:

Boxing SA entered into a lease agreement for the rental of the office premises with Delta Property Fund Ltd. The lease was signed on the 1st April 2021 and is effective from 1st April 2021 until 31 March 2024. The agreement includes an escalation clause of 5.5% per year in rental payments. The agreement provides for an option to renew for a further period of 3 years if written notice is provided prior to the termination date.

Further details on the total of future minimum lease payments are provided on note 24.

6. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1 694 560	657 437
Accrued expense	1 088 125	979 582
Prepaid License fees	-	453 190
	2 782 685	2 090 209

The accrued expenses mainly consists of travel agent, consultants' fees, employees tax, board member fees and other accruals.

7. PREPAYMENTS

Prepayments were on the subscription of Pastel evolution which are renewed in the month of November on yearly basis. This amounted to R37 756 in the current year and R31 365 in prior year. The other prepayment relates to the Caseware annual subscription which amounted to R72 235 in current year.

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	8 514 818	8 179 643
Provision for doubtful debts	(7 937 380)	(7 823 398)
	577 438	356 245

RECONCILIATION OF PROVISION FOR DOUBTFUL DEBTS

Balance at the beginning of year	7 823 398	7 242 943
Contributions to provision	113 982	580 455
	7 937 380	7 823 398

AGE ANALYSIS	120 Days + R	90 Days R	60 Days R	30 Days R	Current R	TotalR
Customers	8 072 372	134 146	10 223	105 240	192 837	8 514 818
	8 072 372	134 146	10 223	105 240	192 837	8 514 818

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2022, 310 147 (2021: 422 500) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:	2022 R	2021 R
1 month past due	9 831	328 256
2 months past due	87 753	45 037
3 months past due	212 563	49 207

The entity does not have any receivables that have been pledged as security.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Bank balances	8 895 525	4 845 460
Netcash	571 328	466 437
Momentum Investment	2 188 386	1 924 757
	11 655 239	7 236 654

CASH AND CASH EQUIVALENTS HELD BY ENTITY COMPRISE THE FOLLOWING:

Purse account	4 529 093	3 715 651
Boxers benevolent fund	71 886	73 686
Savings account	2 115 239	1 457
Main account	2 179 307	1 054 666
	8 895 525	4 845 460

NETCASH RECONCILIATION

Opening balance	466 437	-
License paid	632 440	42 420
Transfer received	(708 592)	(25 356)
Service fee	(22 842)	(3 832)
Interest received	-	15
Refunds	118 800	-
License payables	(453 190)	453 190
Unallocated deposits	538 275	-
	571 328	466 437

MOMENTUM INVESTMENT RECONCILIATION

Opening balance	1 924 757	1 569 868
Contribution	120 000	120 000
Interest income	69 260	84 347
Administration fees	(37 701)	(32 984)
Profit / Loss on investment	112 070	183 526
	2 188 386	1 924 757

9. CASH AND CASH EQUIVALENTS (CONTINUED)

2022
R

2021
R

Netcash is a payment solution used for payments of online license system.

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 are 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 than injury claims.

Total cash and cash equivalent	11 655 239	7 236 654
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The entity does not have any cash and cash equivalents that have been pledged as security.

10. FINANCE LEASE OBLIGATION

Minimum lease payments due		
- within one year	1 185	2 338
- in second to fifth year inclusive	-	4 972
Present value of minimum lease payments	1 185	7 310
Non-current liabilities	-	4 972
Current liabilities	1 185	2 338
	1 185	7 310

It is Boxing SA policy to lease cell phones under finance leases.

The average lease term was 1-2 years and the average effective borrowing rate was 7% (2021: 7%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments.

11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants	2 450 643	1 450 643
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MOVEMENT DURING THE YEAR

Balance at the beginning of the year	1 450 643	-
Additions during the year	1 000 000	3 000 000
Income recognition during the year	-	(1 549 357)
	2 450 643	1 450 643

Boxing SA received an amount of R 3 000 000 from the Department of Sport, Arts, Culture and Recreation: Gauteng Provincial Government for purpose of hosting the Boxing tournaments, thanksgiving dinner: BSA board and Gauteng Boxing Convention in prior year.

During current financial year Boxing SA received an amount of R 1 000 000 from the Department of Sport, Arts, Culture and Recreation: Eastern Cape Provincial Government for purpose of hosting the Boxing tournaments.

12. PROVISIONS

RECONCILIATION OF PROVISIONS - 2022	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Leave pay	468 149	341 655	(277 479)	(190 669)	341 656
Provision service bonus	139 491	126 652	(139 491)	-	126 652
	607 640	468 307	(416 970)	(190 669)	468 308

RECONCILIATION OF PROVISIONS - 2021	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Leave pay	363 250	468 149	(162 885)	(200 365)	468 149
Provision service bonus	127 145	139 491	(127 145)	-	139 491
	490 395	607 640	(290 030)	(200 365)	607 640

13. UNALLOCATED DEPOSITS

	2022 R	2021 R
Opening balance	368 290	458 670
Amount reversed/claimed from opening balance	(2 220)	(90 380)
Amount reversed/claimed during the year	-	(20 000)
Addition: Unapproved Licence applications SA	538 275	-
Addition: Unapproved Licence applications foreign	17 260	-
Addition: Other	33 640	20 000
	955 245	368 290

14. REVENUE

Sanctioning fees	768 161	546 083
Insurance, safety & public liability	239 512	108 290
License fees	657 920	658 676
Application fees	20 250	8 550
Profit/(loss) on momentum investment	112 070	183 526
Interest income	579 801	521 060
Government grants & subsidies	19 163 000	18 041 000
Sponsorship	-	1 549 357
	21 540 714	21 616 542

THE AMOUNT INCLUDED IN REVENUE ARISING FROM EXCHANGES TRANSACTIONS ARE AS FOLLOWS:

Sanctioning fees	768 161	546 083
Safety & public liability	239 512	108 290
License fees	657 920	658 676
Application fees	20 250	8 550
Profit/(loss) on momentum investment	112 070	183 526
Interest income	579 801	521 060
	2 377 714	2 026 185

14. REVENUE

2022
R

2021
R

THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

Transfer revenue

Government grants & subsidies	19 163 000	18 041 000
Sponsorship	-	1 549 357
	19 163 000	19 590 357

15. INTEREST INCOME

INTEREST REVENUE

Interest income	579 801	521 060
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Interest income for current year includes R 107 782 interest received from the bank, R 69 260 from Momentum investment and R 402 759 interest charged on long outstanding trade debtors.

The interest rate for Momentum equals to 3.5% p.a. and interest charged on trade debtors is as per National Treasury instruction and for the period (7% from April until December 2021, 7.25% January & February and 7.5% in March 2022).

16. GOVERNMENT GRANTS & SUBSIDIES

OPERATING GRANTS

Government grant - Sport, Arts and Culture	19 163 000	18 041 000
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17. PUBLIC CONTRIBUTIONS AND DONATIONS

Sponsorship	-	1 549 357
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RECONCILIATION OF CONDITIONAL CONTRIBUTIONS

Current-year receipts	1 000 000	3 000 000
Conditions met - transferred to revenue	-	(1 549 357)
Unspend balance at the end of the year	(1 000 000)	(1 450 643)
	-	-

Conditions still to be met - remain liabilities (see note 11)

The R 3 000 000 received from Department of Sport, Art, Culture and Recreation: Gauteng, the two projects were hosted and only Gauteng Boxing still to be hosted.

The R 1 000 000 received from Department of Sport, Arts, Culture and Recreation: Eastern Cape for hosting of tournaments, those tournaments will be hosted in the next financial year (2022/23).

18. EMPLOYEE RELATED COSTS

Basic	6 237 157	4 463 060
Employees tax – UIF SDL PAYE	1 801 880	1 739 989
Leave pay provision charge	150 986	377 470
Provident fund contribution-Post employee benefits	719 184	716 010
	8 909 207	7 296 529

19. AUDITORS' REMUNERATION

	2022 R	2021 R
Fees	873 847	864 711

20. WRITE OFF

Write off for the year	366 921	-
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The write off is for deceased debtors.

21. GENERAL EXPENSES

Advertising	252 974	427 496
Auditors remuneration	873 847	864 711
Bank charges	39 369	14 048
Administration fee	37 701	32 984
Computer expenses	283 646	192 512
Consulting and professional fees	716 348	826 848
Sponsorship expenses	406 000	1 300 000
Insurance	199 059	152 533
Conferences and seminars	193 283	92 997
Fuel & Oil Expenses	48 771	44 048
Marketing	53 183	22 660
Lease rentals	880 518	693 299
Postage and courier	10 379	1 139
Printing and stationery	196 152	188 582
Repairs and maintenance	28 121	2 257
Subscriptions and membership fees	145 588	101 227
Telephone and fax	233 508	204 275
Training	100 363	-
Travel - local	1 230 669	665 552
Electricity & Water	492 284	339 738
Board and sub-committee fees	1 469 333	988 645
Legal expenses	1 126 960	1 508 714
Boxing materials	-	7 088
Sparring sessions	27 368	-
Other (General Exp & Office Removal)	-	1 446
Cleaning Materials	4 115	293 819
Laboratories	333 981	230 170
(Decrease)/Increase in provision on doubtful debts	113 982	580 455
	9 497 502	9 777 243

22. CASH GENERATED FROM OPERATIONS

	2022 R	2021 R
Surplus	2 131 871	4 228 237
Adjustments for:		
Depreciation and amortisation	461 179	313 347
Movement in operating lease	45 903	(29 735)
Movements in provisions	(139 332)	117 245
Movement in bad debts provision	113 982	580 456
Movement in bad debts provision	113 982	580 456
Changes in working capital:		
Receivables from exchange transactions	(335 175)	(289 583)
Prepayments	(78 626)	(31 365)
Payables from exchange transactions	692 478	(833 670)
Unspent conditional grants and receipts	1 000 000	1 450 643
	3 892 280	5 505 575

23. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

2022

FINANCIAL ASSETS	At amortised cost R	Total R
Trade and other receivables from exchange transactions	577 438	577 438
Cash and cash equivalents	11 655 239	11 655 239
	12 232 677	12 232 677

FINANCIAL LIABILITIES

Unallocated deposit	955 245	955 245
Trade and other payables from exchange transactions	2 749 945	2 749 945
Finance lease obligation	1 185	1 185
	3 706 375	3 706 375

2021

FINANCIAL ASSETS

Trade and other receivables from exchange transactions	356 245	356 245
Cash and cash equivalents	7 236 654	7 236 654
	7 592 899	7 592 899

FINANCIAL LIABILITIES

Unallocated deposit	368 290	368 290
Trade and other payables from exchange transactions	2 090 206	2 090 206
Finance lease obligation	2 338	2 338
	2 460 834	2 460 834

24. COMMITMENTS

2022
R

2021
R

AUTHORISED OPERATIONAL EXPENDITURE

Total commitments

For operating commitments refer to below and for capital commitments refer to note 10.

Operating leases - as lessee (expense)

Minimum lease payments due

• within one year	866 773	-
• in second to fifth year inclusive	912 205	-
	1 778 978	-

Operating lease payments represent rentals payable by the entity for certain of its office properties. 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	1 778 978	-
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25. CONTINGENCIES

At year end Boxing SA had contingent liabilities as result of cases listed below. No provision has been raised at year end and the matters were not finalised as at 31 March 2022.

- Boxing SA vs Mr. Qithi - The matter has been to the CCMA since 2015 and was finalised in December 2018. The outcome of the CCMA was in favour of the applicant. Boxing SA was not satisfied with the outcome and then referred the matter to the Labour Court for review. Currently the matter is under review at the Labour Court. Boxing SA will pay R 8 790 261 if Boxing SA loses the case.
- The momentum investment has been taken for the purpose of boxers' injuries and death as result of participation in boxing, the claims are limited to the maximum of R50 000 if boxer is a champion and R 25 000 for other boxers.

26. RELATED PARTIES

RELATIONSHIPS

Parent Department Department of Sport, Arts and Culture

RELATED PARTY TRANSACTIONS

Grant received from related parties

Department of Sport, Arts and Culture	19 163 000	18 041 000
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Remuneration of management	Basic salary R	Acting Allowance R	Post- employment benefits R	Other benefits received R	Total R
Executive management: 2022					
Mr. E Sithole (Acting Chief Executive Officer)	-	318 000	-	6 600	324 600
Mr. T Moses (Chief Financial Officer)	1 264 176	-	94 813	20 400	1 379 389
Ms. C Nkomo (Acting Chief Executive Officer)	841 669	316 643	63 125	19 800	1 241 237
Mr. M Ntlanganiso (Director of Operations)	268 297	-	20 122	5 100	293 519
	2 374 142	634 643	178 060	51 900	3 238 745

26. RELATED PARTIES

Remuneration of management	Basic salary	Acting Allowance	Post-employment benefits	Other benefits received	Total
Executive management: 2021	R	R	R	R	R
Mr. T Lejaka (Chief Executive Officer)	539 777	-	27 131	11 000	577 908
Mr. T Moses (Chief Financial Officer)	1 253 161	-	60 810	14 859	1 328 830
Ms. C Nkomo (Director Operations)	1 100 607	258 017	53 795	22 064	1 434 483
	2 893 545	258 017	141 736	47 923	3 341 221

Other benefits includes cell phone, medical and travelling allowance.

Ms. C Nkomo was appointed as the Acting Chief Executive Officer, from 5 August 2020 until 31 December 2021. Prior to that she had been serving as the Director of Operations.

Mr. Mandla Ntlanganiso was appointed as the Director of Operations from 1 January 2022.

Mr. T Moses served as the Chief Financial Officer for the 2021/2022 financial year.

Mr. E Sithole was appointed as the Acting Chief Executive Officer from 01 January 2022.

27. MEMBERS' EMOLUMENTS

BOARD AND SUB COMMITTEE	Emoluments	Other benefits	Total
Board Emoluments 2022	R	R	R
Mr. L Jack (Chairperson)	194 164	8 400	202 564
Mr. M Sodo	116 640	16 444	133 084
Dr. S Nthangeni	69 984	7 191	77 175
Mr. G Martins	129 646	7 134	136 780
Mr. S Maharaj	160 098	6 713	166 811
Ms. Z Kabini	121 870	7 030	128 900
Mr. E Sithole (Acting CEO from Jan 2022)	112 752	12 202	124 954
	905 154	65 114	970 268

Board Emoluments 2021

Dr. MP Ngatane (Chairperson Until Nov 2020)	70 536	-	70 536
Mr. L Jack (Chairperson from Dec 2020)	105 390	-	105 390
Ms. Z Kabini	105 252	464	105 716
Dr. S Nthangeni	34 992	715	35 707
Mr. S Sodo	31 104	-	31 104
Mr. S Maharaj	45 452	1 362	46 814
Mr. E Sithole	42 768	-	42 768
Mr. K Radu	117 982	-	117 982
Mr. G Martins	97 200	541	97 741
Ms. L Tungamirai	11 664	-	11 664
	662 340	3 082	665 422

Other benefits comprise cell phone and travel allowance benefits.

Mr. G Martins and Mr. S Maharaj serves as Audit committee members. Mr. S Maharaj is also serving as Chairperson of ICT, Governance, Finance and Resource Mobilisation committee other members are Mr. G Martins and Mr. E Sithole who served until 31 December 2021 when he was appointed as Acting CEO. Mr. S Sodo serve as Chairperson of Sanctioning committee. Ms. Z Kabini serves as Chairperson of Woman in Boxing Committee, other member is Dr. S Nthangeni.

27. MEMBERS' EMOLUMENTS (CONTINUED)

AUDIT COMMITTEE FEES: 2022	Member's fees R	Other benefits R	Total R
Mr. D Moodley (Chairperson)	92 817	-	92 817
Adv. F vd Westhuizen	28 809	-	28 809
Mr. S Maharaj	19 968	-	19 968
Mr. G Martins	13 095	-	13 095
Ms. S Mzizi	5 238	-	5 238
	159 927	-	159 927
AUDIT COMMITTEE FEES: 2021			
Mr. D Moodley (Chairperson)	47 487	-	47 487
Adv. F vd Westhuizen	15 714	-	15 714
Mr. S Maharaj	2 619	-	2 619
Mr. G Martins	13 095	-	13 095
	78 915	-	78 915
RATINGS COMMITTEE: 2022			
Mr. A de Vries (Chairperson)	62 760	-	62 760
Mr. M Zifo	46 656	-	46 656
Mr. T Tutu	46 656	-	46 656
	156 072	-	156 072
RATINGS COMMITTEE: 2021			
Mr. A de Vries (Chairperson)	57 530	-	57 530
Mr. M Zifo	7 776	-	7 776
Mr. T Tutu	7 776	-	7 776
	73 082	-	73 082
SANCTIONING COMMITTEE: 2022			
Mr. M Sodo (Chairperson)	62 760	-	62 760
Mr. I Buhlalu	46 656	-	46 656
Mr. B Magasela	46 656	-	46 656
Mr. M Ntlanganiso (Until Dec 2021)	38 880	-	38 880
	194 952	-	194 952
SANCTIONING COMMITTEE: 2021			
Mr. K Radu (Apr-Nov 2020) (Chairperson)	41 840	-	41 840
Mr. M Sodo (Feb & Mar 2021) (Chairperson)	10 460	-	10 460
Mr. TD Qobose (Apr-Nov 2020)	31 104	-	31 104
Mr. I Buhlalu (Feb & Mar 2021)	7 776	-	7 776
Mr. M Ntlanganiso (Feb & Mar 2021)	7 776	-	7 776
Mr. B Magasela	38 880	-	38 880
	137 836	-	137 836

27. MEMBERS' EMOLUMENTS (CONTINUED)

	Member's fees R	Other benefits R	Total R
MEDICAL COMMITTEE: 2021			
Dr. R Selepe (Chairperson)	20 920	-	20 920
Dr. L Bayeni	3 888	-	3 888
Dr. V Ndlovu	3 888	-	3 888
Dr. RSL Moipolai	3 888	-	3 888
Dr. Shilobo	3 888	-	3 888
	36 472	-	36 472
RENEW, GROW & TRANSFORM COMMITTEE: 2022			
Mr. K Radu (Chairperson)	15 552	-	15 552
Mr. S Christodoulou	7 776	-	7 776
Mr. L Mtya	7 776	-	7 776
	31 104	-	31 104
WOMEN IN BOXING COMMITTEE: 2022			
Ms. Z Kabini (Chairperson)	10 460	-	10 460
Ms. L Motsœeli	7 776	-	7 776
Dr. S Nthangeni	7 776	-	7 776
	26 012	-	26 012

28. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

The useful life of certain IT and Office equipments was estimated in 2016 to be 6 and 5 years respectively. In the current period management have revised their estimate to 9 and 8 years respectively.

The impact on this has affected the depreciation for the current year on IT equipment by an amount of R261 and on Office equipment by R2 494.

29. RECLASSIFICATION

The Profit/(loss) on the momentum investments was reclassified from general expenses to other income.

The reclassification did not affect the profit for the current and prior year.

30. 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. Boxing SA only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

30. RISK MANAGEMENT (CONTINUED)

MARKET RISK

Interest rate risk

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

31. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies 1.2 applicable to a going concern. This basis presumes that funds in note 9 will be available to finance future operations and that the realisation of assets in note 8 and settlement of liabilities in note 6 & 13 & 12, contingent obligations in note 25 and commitments in note 10 will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on support of the National Department of Sport, Arts and Culture as per note 26.

32. EVENTS AFTER THE REPORTING DATE

Mr. T Moses the Chief Financial Officer have resigned from the entity effective from 23 May 2022, Mr K Mamosadi was appointed as Acting Chief Financial Officer until further notice.

33. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance as previously reported	2 558 778	2 558 778
Add: Fruitless and wasteful expenditure identified - current	-	-
Less: Amount written off - current	-	-
Closing balance	2 558 778	2 558 778

Fruitless and wasteful expenditure is presented inclusive of VAT

34. IRREGULAR EXPENDITURE

Opening balance as previously reported	10 294 489	8 216 398
	10 294 489	8 216 398
Add: Irregular Expenditure - current	813 108	-
Add: Irregular Expenditure - prior period	-	2 078 091
Less: Amount condoned - current	-	-
Closing balance	11 107 597	10 294 489

Current year Irregular expenditure is on Advertising, Travelling, IT Software, Venue and Repairs for not complying with Treasury Regulations 16.

34. IRREGULAR EXPENDITURE (CONTINUED)

2022
R

2021
R

CASES UNDER INVESTIGATION

The following were possible Irregular expenditure identified by the AGSA during prior year waiting for further investigations by National Treasury. After the discussion between Boxing SA, National Treasury and Auditor General the total amount of R778 091 were confirmed as Irregular expenditure and total amount of R2 986 688 were confirmed not to be Irregular expenditure. The confirmed amount of R778 091 have increased prior year irregular expenditure to total amount of R2 078 091.

Procurement for PPE for Covid-19 prevention for BSA office (Confirmed Not Irregular Expenditure)	-	82 777
PPE items for Covid-19 (Confirmed Irregular Expenditure)	-	71 415
Procurement of PPE for Boxing Gyms (Confirmed Irregular Expenditure)	-	378 002
Legal representation (Confirmed Not Irregular Expenditure)	-	942 375
Legal representation: Disciplinary & Arbitration for Licensees (Confirmed Not Irregular Expenditure)	-	145 775
Legal services (Confirmed Not Irregular Expenditure)	-	552 688
Annual Subscription for Case Ware (Confirmed Not Irregular Expenditure)	-	65 541
Annual Subscription for Pastel (Confirmed Not Irregular Expenditure)	-	47 048
APP and SP design (Confirmed Not Irregular Expenditure)	-	17 620
High level review of AFS and Performance information (Confirmed Irregular Expenditure)	-	182 908
Service to transcribe the proceedings of the CCMA (Confirmed Irregular Expenditure)	-	10 350
Procurement of Scales, ring dong and digital timer (Confirmed Not Irregular Expenditure)	-	16 817
Procurement of office furniture (Confirmed Not Irregular Expenditure)	-	59 317
Video recording and editing Covid-19 (Confirmed Irregular Expenditure)	-	55 000
Design and layout: Boxing awards rulebook and forms (Confirmed Irregular Expenditure)	-	15 000
Video recording and editing of Covid-19 measures (Confirmed Irregular Expenditure)	-	15 000
Procurement of 12 gift set for board strategy (Confirmed Irregular Expenditure)	-	30 924
Designing of annual performance plan (Confirmed Not Irregular Expenditure)	-	47 552
Procurement of Venue and Facilities (Confirmed Not Irregular Expenditure)	-	5 575
Procurement of ITC Software (Confirmed Not Irregular Expenditure)	-	491 000
Procurement of Promotional items (Confirmed Not Irregular Expenditure)	-	4 094
BSA Branded T-shirts (Confirmed Not Irregular Expenditure)	-	20 032
BSA Branded T-shirts (Confirmed Not Irregular Expenditure)	-	29 278
Maintenance and support for the Central License Management System (Confirmed Not Irregular Expenditure)	-	273 050
Branding of the BSA vehicle (Confirmed Irregular Expenditure)	-	18 228
BSA Branded T-shirts (Confirmed Not Irregular Expenditure)	-	4 407
Cell phone contract (Confirmed Not Irregular Expenditure)	-	152 904
Website host (Confirmed Not Irregular Expenditure)	-	1 767
Telephone contract (Confirmed Not Irregular Expenditure)	-	28 335
	-	3 764 779

35. ACCOUNTING BY PRINCIPALS AND AGENTS

Boxing SA is a party to a principal-agent arrangement. Netcash is a payment solution.

There are binding arrangements in which Netcash collects the License revenue on behalf of the Boxing SA.

Boxing SA is the principal. The significant judgements applied in making the assessment have been disclosed on the accounting policy number 1.3 (Significant judgements and sources of estimation uncertainty).

Netcash is charging Boxing SA for these services. For more details refer to Note no 9.

The purpose of the principal-agent relationship is mainly to reduce collection costs and there are no significant risks to this arrangement and benefits associated with the relationship are cost reduction on Boxing SA as there is no need to employ more employees for the revenue department.

36. THE IMPACT OF COVID-19

Following the emergence of Covid-19 and the declaration of state of emergency by the President, the entity had to implement preventative measures to protect its staff from contracting the virus. Boxing was not declared essential services.

This had an impact of decreasing on number of tournaments hosted and also affecting tournament delivery revenue by R 1 148 157. Various preventative personnel protecting clothing (PPE) items as directed by the Department of Health had to be procured for the staff which includes Sanitizers, Masks, Gloves, Soap and Thermometers. Augmented services were also procured on an as and when basis at a unit price. During the financial year, the entity incurred the total of R382 281 on PPE items such as Sanitizers, Masks and Test for Licensees.



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