



ANNUAL REPORT

2015/2016

FINANCIAL YEAR



***Boxing
South
Africa***

CONTENTS

ANNUAL REPORT

2015/2016 FINANCIAL YEAR

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PART A

GENERAL INFORMATION

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I. Public entity's general

INFORMATION

**REGISTERED NAME:
PHYSICAL ADDRESS:**

Boxing South Africa
66 Regent Place
Cnr. Madiba & Queen
Pretoria

POSTAL ADDRESS:

PO Box 1347
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Auditor-General South Africa
ABSA Bank

2. List of abbreviations/

ACRONYMS

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

3. FOREWORD BY THE CHAIRPERSON

The state and stature of boxing in South Africa is on an upward trajectory. The financial year 2015/2016 laid solid foundations towards the objective of placing boxing at the nucleus of nation building and social cohesion.

Boxing activity has increased and this is reflected by an increase in the number of licensees in the period under review from 901 in 2014/15 to 1085 2015/16. The international profile of South African boxing has also been raised by the participation of our boxers such as Zolani Tete in world championships.

The return of boxing to the screens of the public broadcaster through the popular mantra “boxing is back” has added the much needed impetus and verve to the nation’s consciousness and undying love for boxing.

We have developed and implemented a woman in boxing development programme aimed at paying dedicated attention to the development needs of women in boxing. This flagship is supported by the National Lotteries Commission. The uptake and response from women licensees has been positive, enthusiastic and uplifting.

We have put systems in place aimed at improving our regulatory environment for the sport and have improved dispute resolution mechanisms.

As part of a process of stabilising the functioning of the organisation, we have now appointed the Chief Executive Officer, Chief Finance Officer and Director Operations. The organisation is thus well poised to focus on its business and a full implementation of the turnaround plan and its Strategic Plan.

The policy environment remains strong as most policies have been reviewed by the Board.

The focus now going forward will be heightened implementation and the promotion and development of the sport in partnership with our licensees and the boxing fraternity.

I wish to thank the continued unwavering support from the Director General of SRSA and the exceptional leadership that has been provided by the Minister to the Board.

Working in partnership with our stakeholders, the pathway to reclamation is possible and boxing will be on a sustainable development course and thus occupying its rightful place in the choice sport.

Muditambi Ravele

Muditambi Ravele

Chairperson

Boxing South Africa

31 May 2016



BOXING SOUTH AFRICA BOARD

Appointed by the Minister in terms of chapter 2 section 9 of the South African Boxing Act, Act 11 of 2001



Chairperson of the Board

Muditambi Ravele



Board Member

Adv. Mzamo Gumbi



Board Member

Dr. Peter Ngatane



Board Member

Mr. Zoyisile Gcilitshana



Board Member

Mr. Luthando Jack



Board Member

Mr. Khulile Radu



Board Member

Ms. Zandile Kabini

4. Chief executive officer's OVERVIEW

During the period under review the entity has moved from a position of instability to stability which was brought about by various factors. The middle management of BSA comprising the HR Manager and Finance Manager were dismissed from the entity in June 2015 followed shortly thereafter by the dismissal of the then CEO Mr. Moffat Qithi and the then CFO Mr. Kgosiemang Mosupa, the departure of the four senior management and middle management managers created a vacuum which had a significant negative impact on the administration of the entity. The situation was however stabilized by the appointment of the new middle managers and lower level staff which was later on complimented by the appointment of the CFO in March 2016. The organization functioned with some degree of stability with the result that some perennial problems were eliminated and proper records were kept.

One of the major activities during the year under review was the relocation of our operations to the Department of Sport and Recreation South Africa (SRSA) premises in Pretoria around April 2015.

It was expected that the move will not only add to the already existing team efforts in providing the very high level of professional service that our licensees and the boxing fraternity are anticipating but to bring about stability in the entity as well. While our operating costs dropped significantly after the relocation, it is worth noting that the project and the timing thereof had a dreadful impact on our document management thus resulting in a negative audit outcome of a qualified audit opinion. It also gives me great pleasure

to report that management has established an action plan to address the previous audit findings raised by the AGSA. The department further seconded an official to assist with SCM matters.

The entity was fortunate to receive lottery funding specifically geared at advancing the participation of women in boxing. In this regard, the funding was directed at achieving certain deliverables most importantly in the actual participation of women in tournaments and capacity building workshops. Of the allocated funding of R7.9 million, two-thirds has been used to host two tournaments one in Gauteng and one in KwaZulu Natal. Specific mention must be made of the fact that only female promoters, boxers and officials were allowed to participate in the tournaments. Both tournaments attracted huge interest from the public as well as the radio and television audiences. The capacity building part did not look only at empowering females but also to use scientific methodologies to assess the emotional and physical challenges experienced by female licensees. Lastly, the female boxers fought for both South African and International Titles.

BSA participated in two important exhibitions. The first one was in parliament during May 2015 and the second one took place at SuperSport Park in Centurion. BSA invited its national and international champions to grace the occasions by participating at the exhibitions engaging with the general members of the public and taking photographs with them.

Highlights

During the year under review BSA had the following achievements:

- The hosting of the two tournaments and workshops for women licensees.
- The exhibitions in Cape Town and Centurion (Johannesburg).



Tsholofelo Lejaka

Chief Executive Officer

Boxing South Africa

(Appointed on 13 June 2016)

5. Statement of responsibility and confirmation of accuracy for the Annual Report

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

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2016.



Muditambi Ravele

Muditambi Ravele

Chairperson
Boxing South Africa



A handwritten signature in black ink, appearing to read 'Tsholofelo Lejaka'.

Tsholofelo Lejaka

Chief Executive Officer
Boxing South Africa

Strategic Overview

Mission

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

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

Vision

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

BSA Vision

Our vision is to be a leading sport code in South Africa and a World Class boxing authority



Values

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

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



Professionalism

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

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.

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

4. 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.

4.1. Constitutional mandate

The functionality of Sport and Recreation South Africa (SRSA) is premised on the Constitution of the Republic of South Africa, Act 108 of 1996 hereafter referred to as the Constitution, which guarantees the right to social security in Schedule 27. The

Constitution affirms the democratic values of human dignity, equality and freedom. In line with these Constitutional imperatives, SRSA has been assigned the powers and functional to develop and implement national policies and programmes regarding sport and recreation in the country.

4.2. Legislative Mandate

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

- Provide a new structure for professional boxing in the Republic,
- Ensure effective and efficient administration of professional boxing in the Republic,
- Recognise amateur boxing,
- Create synergy between professional and amateur boxing, and
-

Promote interaction between associations of boxers, managers, promoters, trainers, officials and Boxing SA.

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

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

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

Basic Conditions of Employment Act 1997	Act 75 of 1997
Labour Relations Act 1995	Act 66 of 1995
Occupational Health and Safety Act 1993	Act 85 of 1993
Preferential Procurement Policy Framework Act 2000	Act 5 of 2000
Promotion of Equality and Elimination of Unfair Discrimination	Act 4 of 2000
Public Finance Management Act 1999	Act 1 of 1999
Promotion of Access to information Act 2000	Act 2 of 2000
Skills Development Act 1998	Act 97 of 1998
Government Immovable Asset Management Act 2007	Act 19 of 2007
National Environmental Management Act of 107	Act 107 of 1998
Protected Areas Act 57 of 2003	Act 57 of 2003
Safety at Sport and Recreation Events Act	Act 2 of 2010
South African Boxing Act	Act 11 of 2001

4.3. Policy Mandates

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

National Development Plan

The National Development Plan (NDP) recognizes that sport plays an important role in promoting wellness and social cohesion, and treats sport as a crosscutting issue, with related proposals in the chapters on education, health and nation building. The NDP sets out five long-term nation building imperatives for South Africa. These are as follows:

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

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

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

Government Outcomes

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

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.

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

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

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

The White paper pronounces five strategic outcomes orientated goals:

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

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

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

Strategic goal 4: Sport and recreation sector adequately transformed.

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

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

National Sport and Recreation Plan

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

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

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

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

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

The BSA is geared to delivering on the NSRP imperatives especially on the responsibility to creating an enabling environment for all licensees to participate equally in the sport and for opening avenues for the broadcasting of tournaments across the lengths and breadths of the country. These objectives are part of this Strategic Plan for 2015/16 - 2019/20.

Medium Term Strategic Framework

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

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

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

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

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



4.4. Relevant Court Rulings

None

4.5. Planned Policy Initiatives

During the strategic implementation period, BSA is planning to facilitate and develop the following policy measures in order to improve the overall administrative capacity to deliver on the mandate.

- Sanctions policy
- Marketing policy
- Communications policy
- Related parties policy
- Finance lease policy
- Fruitless and wasteful expenditure policy
- Journals policy
- Bonuses policy
- Insurance asset policy
- Insurance claim policy
- Bank accounts policy

4.6. International Sanctioning Bodies Rules and Regulations

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

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

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

4.7. The Consolidated Mandate of BSA

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

Table I - BSA Mandate

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

4.8. The BSA Functions

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

4.8.1. Core Functions

- To undertake the registration and licensing of all the licensees in the professional boxing fraternity and to maintain a reliable data base at all times,
- To sanction the staging of professional boxing tournaments based on the rules and regulations of BSA,
- To promote and recognize good talent, outstanding performance and exemplary behaviour by boxing licensees (especially boxers) through the presentation of performance awards nationally and in all provinces,
- To rate boxers in each division within provinces and nationally based on their performance in the ring,
- To facilitate and coordinate the training and development of licensees to ensure compliance with norms and standards, the promotion of health and safety and the general improvement of the sport,
- To liaise with stakeholders in the boxing fraternity and manage their expectations and interests in a way that advances the interests of the sport,
- To ensure the accreditation and the enforcement of relevant regulations by specialist professionals such as medical and legal practitioners, and
- To be the point of reference and liaison with international boxing associations for purposes of promoting the involvement of South African athletes at the international level.

- To promote and market the activities of BSA and boxing in general in a way that will improve the image of boxing as a brand,
- To increase the profile of boxing as a sport through the sharing of the information about the sport and the developments within the fraternity,

4.8.2. Strategic Support Functions

The following strategic support functions will be performed by BSA:

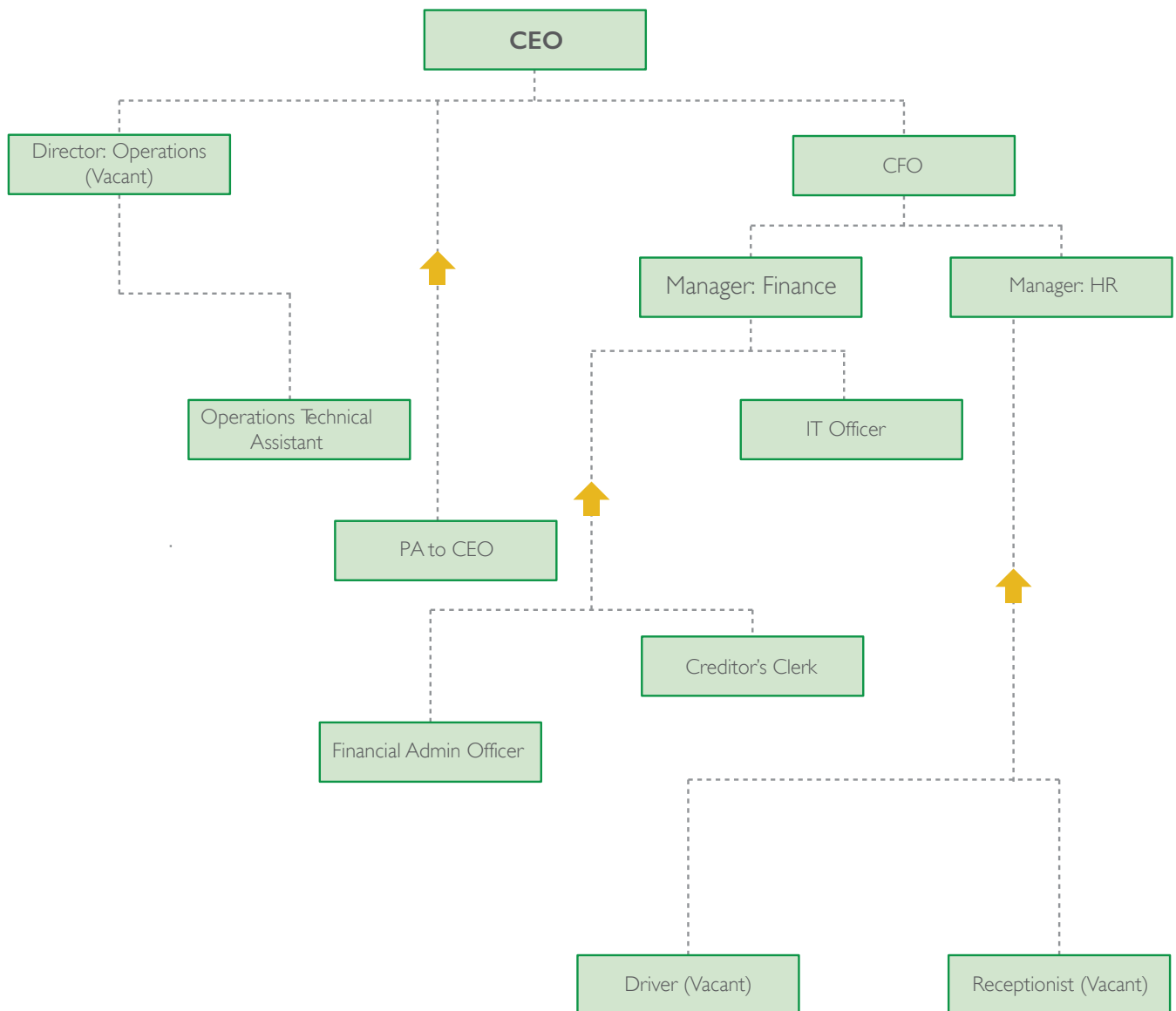
- The collection and disbursements of boxers' payments.
- To ensure proper document management and archival services (including digital recording and archival of boxer information) to ensure their integrity, safe keeping and easy retrieval.
- To use boxing as a vehicle to promote sport tourism in the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



BOXING SOUTH AFRICA



8. THE ESTABLISHMENT



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PART B PERFORMANCE INFORMATION

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I. Auditor's report: predetermined OBJECTIVES

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

Refer to page 56 of the Report of the Auditors Report, published as Part E: Financial Information.

2. Situational Analysis

2.1. Service Delivery Environment

One of the strategic objectives of BSA is to raise the public profile of the entity and boxing as a sport and to increase its brand value. The objective is to encourage general members of the public, boxing spectators and potential sponsors to compete for space to participate in boxing activities and programmes.

The environmental overview of the year under review echoes the extent to which material conditions have affected the realization of the strategic objectives as contained in the Annual Performance Plan that is

linked to the Strategic Plan 2015/16 – 2019/20. In spite of inherent challenges within the entity at the level of finance, material and human resources, BSA has managed to achieve certain strategic objectives and made improvements on certain areas. A synopsis of the achievements/improvements follows hereunder:

In June 2015 after prolonged discussions between Boxing SA, SRSA, SABC and various provincial departments of sport the first televised boxing tournament

took place in Johannesburg at the Birchwood hotel. From that tournament various other tournaments were held across the length and breadth of the country most notably in 7 of the 9 provinces listed below:

- Gauteng
- Northern Cape
- KwaZulu Natal
- Western Cape
- Eastern Cape
- Free State
- Mpumalanga

During the year under review BSA achieved a significant milestone by partnering with SRSA and SABC to ensure that boxing is televised on the SABC 2 channel once every last Friday of the month under the theme of # Boxing is Back. During Fridays when there is no live broadcasting of tournaments, a magazine programme is flighted. A preliminary assessment of the live television broadcasting results indicates that on average over 1.3 million households tune in to watch live boxing. This is a significant step in ensuring that boxing as a sport enjoys popular support and also as a platform to attract sponsors. In comparison to other shows this is a significant viewership.

In furtherance of this noble cause, the entity has set a target of developing and implementing a Communication and Marketing Strategy, however due to capacity

constraints both on finance and human capital, the strategy will be developed and implemented in the 2016/17 financial period. The entity has registered significant improvements with the management of and maintaining cordial relations with the media during the financial year under review, however a clear set of rules, powers and lines of reporting shall be clearly specified and documented in the Communication and Marketing Strategy.

A continued challenge relates to boxing facilities.

This is primarily linked to lack of funding as a result the quality of gyms in across the country remain a major concern particularly in impoverished areas.

The second important issue is the development of boxers and other licensees across the board. In particular reference has to be made for BSA to partner with SANABO in developing a common trajectory for the nurturing of boxing talent in the country. Tentative steps have been taken by BSA and SANABO in that a meeting was held jointly with the department of sport and recreation with the aim of identifying areas for collaboration. In this regard further discussions will take place in the 2015/16 financial year.

Tournaments

For the financial year 2015/16 we staged a total number of 83 tournaments in the following categories:

Categories	Tournaments
Development	31
Provincial Title Fights	5
South African Title Fights	13
International Title Fights	30
World Title Fights	4

Licensing

For the financial year under review we had a total number of 885 licensees in the following categories:

Categories	Males	Females
Boxers	499	33
Managers	68	02
Trainers	59	01
Seconds	71	02
Matchmakers	02	01
Ring Announcers	10	02
Ring Officials	52	09
Promoters	63	11
TOTAL	824	61

During the year under review, BSA secured a sponsorship from the National Lotteries Commission towards the active recruitment and involvement of women in boxing. This is a flagship project which was solely for the participation of women licensees in order to empower them. This was in fulfilment of the objectives of Section 2 of the South African Boxing Act, Act No. 11 of 2001 and the Indaba Resolutions taken on 27 & 28 September 2013.

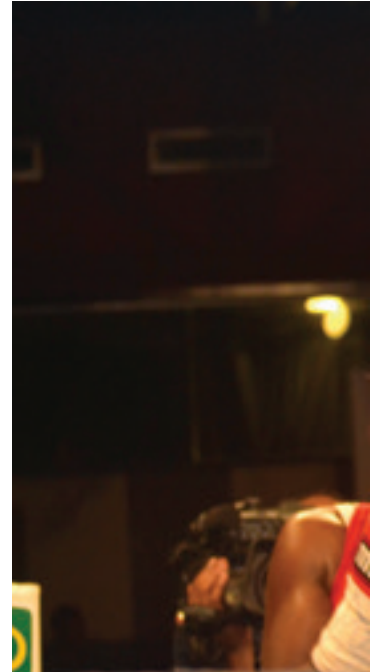
Women in Boxing Tournament and Workshop held in Pretoria, 5 – 6 December 2015

The seminar/workshop was well attended and fruitful as it addressed issues affecting licensees - boxers and promoters – operations, management, finances, health etc. The workshops included 3 commissions of boxers, promoters and officials, having identified that licensees experience varying challenges and resolutions out of this process were adopted by all participants. Different presentations were made by highly established athlete's managers on creating and managing branding issues of an athlete, financial and business management issues by finance and business consultants, women empowerment issues by the BSA chairperson, women in leadership issues by leaders of sporting federations and life skills issues by former women professional athletes.

The workshops were attended by 49 licensees from 9 provinces, 26 Boxers, 8 Ring Officials, 1 Manager and 14 Promoters.

Women in Boxing Tournament and Workshop held in Durban 19- 20 March 2016.

The workshops were held with presentations made by sport personalities on life skills as they shared their life experiences as professional athletes operating in the sporting environment both from boxing and other sporting codes.



The other presentations included financial literacy conducted by a financial expert; we also had two Psychologists and wellness consultants to provide a diagnostic analysis on socio-economic issues affecting women licensees in the boxing environment. The initiative was attended by 52 licensees from all the 9 provinces. The psychological report emanating from the workshop will be used by BSA to highlight the plight of athletes and their background in order to develop more responsive programmes that are based on analytical analysis conducted by experts.

The resolutions from these workshops support the strategic mandate of BSA in ensuring enhancement of professional female

licensees through the evolution of their boxing careers. Boxing South Africa has taken an official position to encourage all professional boxing promoters to include female bouts in their tournaments. They furthermore resolved that all Government funded and SABC Broadcasted tournaments must include at least two female bouts in their bills as part of the Government priorities to improve skills (life skills, financial management, events management and marketing management) of all female licensees, including boxers, managers, promoter etc. This will assist female boxers to operate professionally.

The nature of the sporting environment will remain to be characterised by competing factors such as limited and devoted fan base, highly contestable broadcasting opportunities, and financially constrained sponsorships opportunities. BSA continues

to pursue the same vision of been a leading sport code in South Africa and a world class boxing authority, by increasing its internal operational and management efficiency through effective utilisation of governance, financial and human resources mechanism.

One of the cardinal tasks of BSA is building unity and cohesion amongst all stakeholders. BSA should at all times be favourably disposed towards the side of the underprivileged in boxing and will continue to collaborate and partner with all like-minded forces for the attainment of equality, fairness and integrity in boxing.

2.2. Organisational Environment

The Boxing SA's mandates set out in section 2 of the South African Boxing



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

Boxing SA is addressing critical factors that have affected its reputation negatively in the past. A number of executive managers of the BSA were on suspension and this restricted the organization from carrying out its mandate as prescribed by the

South African Boxing Act No.11 of 2001. The reigning leadership worked tirelessly to resolve the suspensions of managers and to expedite disciplinary proceedings where applicable. Stability is prevailing once more in BSA and this is evidenced by the following:

- a. CFO position has been filled.
- b. Recruitment is being finalised for the position of Director Operations and CEO.
- c. Middle management and lower positions were filled in September 2015.
- d. Improved systems of internal control have been developed and implemented to ensure better financial management.

- e. An internal auditor has been appointed on contract.
- f. Policies are being developed or updated.
- g. Fully functional Audit Committee has been appointed.
- h. In order to motivate staff members in 2015/16 financial introduced an awards and recognition policy which was followed by an awards ceremony on 15 December 2015.

In order to enhance the performance of BSA the organization seeks to prioritise 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.
- The BSA's objectives have been aligned to its core mandate that are prescribed in the Boxing Act. To achieve their objectives BSA has 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.

2.3. Key policy developments and legislative changes

There have been no policy and legislative changes.

3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE



3.1. Programme

I: Governance and Administration

Purpose: To provide strategic leadership, good corporate governance and the overall administration (including finance, HR, ICT, etc) of the boxing.

This programme is designed to provide the leadership of BSA and boxing in general and normal administrative functions that are necessary in modern organisations. Leadership here refers to both the governance and strategic on the one hand and administrative dimension on the other hand.

Programme I comprises of the following sub-programmes:

- The Board
- The Office of Chief Executive Officer and Corporate Services
- Stakeholder mobilization and lobbying

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme I: Governance and Administration					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Strengthened governance and oversight	New Indicator	60% resolutions of the Board executed.	66%	6%	We overachieved because of internal capacity.
Improved administrative capacity	New Indicator	40% vacancies filled	66%	26%	BSA went on an aggressive recruitment campaign to stabilize the entity
Stakeholder engagement framework	New Indicator	Stakeholder engagement framework approved	Not achieved	Not achieved	The document is still under consideration by the Board.



The Board sub-program allocates funds to all the activities of the board, board committees and individual board members.

Sub-programme: The Board					
OBJECTIVE: Strengthened governance and oversight					
Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of policies and procedures reviewed and approved	4	4	2	2	Capacity limitation.
% of Board resolutions executed	New Indicator	60%	66%	6%	We overachieved because of internal capacity.
% of negative audit findings eliminated	New Indicator	80%	63%	17%	The challenges in the implementation of prior year's misstatements and the inconsistencies in the implementations of the existing regulations.
Number of Board meetings held	4	4	12	overachieved	Emerging challenges.

The Office of the Chief Executive Officer and Corporate Services sub-programme allocates funds for the activities and expenditure that relates to office of the CEO and all the corporate services functions covering financial management, human resources, legal services and information technology.

Sub-programme: The Office of the Chief Executive Officer and Corporate Services					
OBJECTIVE: Improved administrative capacity					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
% of vacancies filled	New Indicator	40%	66%	26%	BSA went on an aggressive recruitment campaign to stabilize the entity
Number of capacity building programmes	20	10 Workshops 20 Trainings	2 Workshops	28	Insufficient funding.
Number of systems developed	New Indicator	3	2	1	Insufficient funding.

The Stakeholder mobilisation and lobbying sub-programme is the vehicle and means to stretch and reach out to different constituencies in both the state sector and within civil society in general as well as meaningfully rallying all the boxing role-players to play their full role in the national life of Boxing South Africa.

Sub-programme: Stakeholder mobilisation and lobbying

OBJECTIVE: Stakeholder engagement framework

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Date by when stakeholder framework approved	New Indicator	2nd Quarter	Not achieved	1	The process of engaging stakeholders was delayed.

OBJECTIVE: Partnerships

Number of new agreements or MOUs signed.	New Indicator	4	Not achieved	4	There is a draft MOU with the SABC and SRSA.
Number of existing agreements or MOUs renewed.	1	1	1	0	MOU with the National Lottery Commission signed.

Strategy to overcome areas of under performance

The formalization of the strategy to overcome all the issues under Program 1 was delayed by the employment of the Senior Management. An extensive review of strategic objectives that defines the trajectory moving forward is necessary to ensure that the evolution of a boxer from development to professional requires the involvement of all stakeholders, including but not limited to, the trainer, promoter, manager and regulator to the extent that a complete athlete is produced to operate with a regulated boxing environment.

Due to emerging pressures, the entity has requested assistance from SRSA who have seconded five officials to cover operational matters such as, the Administrator, PA to the administrator, HR Officer, SCM Officer and IT Assistant.

In addition, we have five interns who assist operations unit.

Changes to planned targets

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

Linking performance with budgets

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

Blast from the past



	2014/2015			2015/2016		
Programme 1: Governance and Administration	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	4 500	4 696	(196)	5 107	2 605	2 502
Good & Service	3 348	4 619	(1 271)	10 325	12 895	(2 570)
Total	7 848	9 315	(1 467)	15 432	15 500	(68)

3.2. Programme 2: Boxing Development

Purpose: To ensure compliance with the key aspects of boxing act, and rules regulations and enforce their application where non-compliance is observed. The programme will drive compliance with the licensing of practitioners, sanctioning of BSA events, rating of boxers as well as the coordination of training needs of all licensees to enable them to meet the requirements of the regulations.

Programme 2 comprises of the following sub-programmes:

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



Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme 2: Boxing Development					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Licensees' training and development	New Indicator	250 licensees trained and developed	101 licensees trained and developed	149	Limited financial capacity and inconsistencies in the attendance of workshops.
Compliance and enforcement	20	90 site inspections and compliance reports issued	15 site inspections and compliance reports issued	75	BSA had internal capacity limitations at the beginning of the year. As a result, site inspections and compliance reports were only conducted in the 4th.
Women in Boxing	43	60 women licensed to operate in various aspects of boxing	76 women licensed to operate in various aspects of boxing.	Overachieved	Increased interest for participation.
Ratings	12 number of ratings conducted	12 number of ratings conducted	12 number of ratings conducted	Achieved.	Achieved.
National coverage	New Indicator	900 licenses issued	885 licenses issued	15	Financial and other technical challenges negatively affecting the licensees to meet the deadline.
Associations assisted	New Indicator	20 new associations established	0	Not achieved	Lack of funding and human capacity.

Key performance indicators, planned targets and actual achievements

The Licensing, sanctioning and ratings sub-program accommodates the activities and expenditure that relates to the potential licensing (boxers, promoters, managers and trainers) based on their fulfillment of the requirements of their respective categories.



Sub- programme: Licensing, sanctioning and ratings

OBJECTIVE: Ratings and sanctioning

Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of tournaments sanctioned	90	100	83	17	Some tournaments were cancelled and others postponed to future dates.
Number of ratings conducted	12	12	12	-	-

OBJECTIVE:
Associations assisted

Number of associations formed	New Indicator	20	0	Not achieved	Lack of funding
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Licensees training and development sub-program coordinates and affect the training of all the categories of licensees to ensure that they meet the standards of their professional categories.

Sub- programme: Licensees training and development

OBJECTIVE: Licensees' training and development

Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of licensees trained and developed	New Indicator	250	101	149	Limited financial capacity and inconsistencies in the attendance of workshops.

The Regulations compliance and enforcement sub-programme will duly drive the activities of ensuring compliance by the respective role-players to the rules and regulations nationally.

BOXING FAST FACT

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

Sub-programme: Regulations compliance and enforcement**OBJECTIVE: Compliance and enforcement**

Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of site inspections conducted	85	90	15	75	BSA had internal capacity limitations at the beginning of the year. As a result, site inspections and compliance reports were only conducted in the 4th.
Number of compliance reports	85	90	15	75	BSA had internal capacity limitations at the beginning of the year. As a result, site inspections and compliance reports were only conducted in the 4th.
OBJECTIVE: Women in boxing					
Number of women licensed	43	60	61	Overachieved	Increased interest for participation.
OBJECTIVE: National coverage					
Number of licensees	840	900	885	Not achieved	Financial and other technical challenges negatively affecting the licensees to meet the deadline.
% of licensees per province	840	10%	10%	Not achieved	Lack of participation in five provinces which are below the set target.

Strategy to overcome areas of under performance

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

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

Changes to planned targets

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

Linking performance with budgets

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

	2014/2015			2015/2016		
Programme 2: Boxing Development	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation				851	434	417
Good & Service				2 766	2 149	617
Total				3 617	2 583	1 034

3.3. Programme 3: Boxing Promotion

Purpose: To promote and market boxing to improve its public profile, increase its brand value as well as coordinate premium BSA events across the country.

Programme 3 comprises of the following sub-programmes:

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

Programme 3: Boxing Promotion					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Marketing and communication strategy	New Indicator	Develop and approve marketing and communication strategy	0	1	Lack of resources.
Boxing sponsorships	2 sponsorships secured to fund programmes of the organisation	2 sponsorships secured to fund programmes of the organisation	1	1	BSA was still in negotiations with a prospective sponsor.
Events coordination	5	5	9	4	National and provincial government has sponsored promoters to host tournaments in their respective provinces.
Revenue generation strategy approved and implemented	New Indicator	Alternative revenue generation strategies implemented and finance collection systems strengthened	0	1	In the absence of the CFO, the staff could not develop the revenue generation strategy.

The **Marketing and branding** sub-programme develops a marketing strategy and plan to attract sponsorship and increase the support base of boxing in the very competitive environment and to improve the overall brand position of boxing.

The **Communication** sub-programme develops and delivers on a communication strategy with expressed purpose of putting BSA on a public pedestal by communicating its programmes nationwide on a sustained basis.

Sub-programme: Marketing and Branding

OBJECTIVE: Marketing and Communication strategy

Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Date by which the Marketing and communication strategy is developed and approved	I	2nd Quarter	Not achieved	I	Lack of human and financial resources.

BOXING FAST FACT

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



The **Events coordination** sub-programme coordinates all the premium boxing events of under the jurisdiction of BSA and ensures that all the BSA sanctioned events are staged in a manner befitting the image and stature of BSA.

Sub-programme: Events Coordination

OBJECTIVE: Premium boxing events

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of premium boxing events promoted	5	5	9	4	National and provincial government has sponsored promoters to host tournaments in their respective provinces.

The **Revenue generation** sub-programme explores different options for funding the revenue shortfalls and proposes strategies for funding the growth and sustainability of the BSA.

Sub-programme: Revenue generation

OBJECTIVE: Revenue generation

Performance Indicator	Actual Achievement 2014/2015	Planned Target	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
System for controlling and collecting revenue approved	New Indicator	1st quarter	0	I	Lack of financial and human resources.
Business and funding model approved	Draft developed	1st quarter	Not achieved	I	Lack of financial and human resources.
OBJECTIVE: Boxing sponsorship					
Number of sponsorships secured	2	2	1	I	Lack of funding

Strategy to overcome areas of under performance

The overall purpose and goal of this programme is to raise the public profile of BSA and boxing and to increase its brand value to such an extent that the general public and sponsors will compete for a space boxing programmes

and enlist their support and resources for its development further. BSA has an urgent need of ensuring that the programme is enable by deploying appropriate resources and establishing it fully to a world class and well run entity.

Changes to planned targets

The public entity must provide reasons per performance indicator if the indicators or targets have been changed in-year. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

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

	2014/2015			2015/2016		
Programme 3: Boxing Promotions	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	1 924	1 565	359	851	434	417
Good & Service	419	1 536	(1 117)	2 766	2 149	617
Total	2 343	3 101	(758)	3 617	2 583	1 034

4. Revenue Collection

	2014/2015			2015/2016		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sanctioning fees	1 717	1 099	618	1 803	2 435	(632)
Licence fees	468	562	(94)	491	587	(96)
Fines Penalties and Forfeit	22	90	(68)	23	78	(52)
Interest	38	65	(27)	40	92	(52)
Sport & Recreation: Grant	7 945	11 253	3 308	10 468	15 025	(4 557)
Other Income	-	-	-	-	5 284	(5 284)
Total					23 501	(10 621)

The Grant from Sport and Recreation was received 100%, the addition of R4, 56 million resulted from the Legal fees and payment made to three (3) officials, who are seconded to BSA.

In 2015/16 Financial Year BSA had agreement of R7 925 500 with National Lottery for development of women in Boxing, but it was not included on approved budget. And we only received and utilized R5 283 667 of the total amount during 2015/16 another R2 641 833 will be transferred this financial year 2016/17

Other revenue has increased from previous financial year, because the Boxing is back on TV

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PART C GOVERNANCE

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1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. Executive Authority

Provide commentary on the reports submitted to the Executive Authority and the dates submitted.
Discuss any issues raised by the executive authority.

3. The Accounting Authority / BOARD

Introduction

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

The role of the Board is as follows:

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

Board Charter

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

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Muditambi Ravele	Chairperson	08 May 2014	Active	Btech Business Admin. Executive Sport Management Programme, Strategic Executive Marketing Programme, Diploma in Sport Management, Diploma in Education, Athletes Management	Sports Management, Strategic Marketing, Communications, Education and Training, Business Administration, Athletes Management, Transformation and Women empowerment	Brand SA, Gauteng Tourism, Laureus Sport for Good Foundation, SSISA and Stack n Pack	SA Women and Sport Foundation, National Loteries Commission	12
Luthando Jack	Board Member	08 May 2014	Active	National Diploma: Public Management & Admin. BTech Public Management. Bachelor of Philosophy: Information and Knowledge Management. Masters in Commerce	Strategy and Leadership Knowledge and Project Management Monitoring and Evaluation	N/A	HRFIN Committee	10
Mangisinde Gcilitshana	Board Member	08 May 2014	Active	BA Degree Communication Science	Marketing and Communication	N/A	HRFIN Committee	10
Zandile Kabini	Board Member	08 May 2014	Active	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	ICT, Corporate Governance, Strategy and Planning, Project Management, Business Analysis	N/A	HRFIN Committee	11
Peter Ngatane	Board Member	08 May 2014	Active	MBCHB	Doctor/ Medicine	N/A	Sanctioning Committee	8
Khulile Radu	Board Member	08 May 2014	Active	N/A	Boxing	N/A		8
Mzamo Gumbi	Board Member	08 May 2014	Active	Diploma Juris B Juris LLB Honors LLM Diploma in Sport Management	Advocate	N/A		12

Committees

Committee	No. of meetings held	No. of members	Name of members
Sanctioning committee	1	3	Dr. Peter Ngatane Mr. Sakhile Sodo Ms. Magwaca
Ratings Committee	2	3	Mr. Willie Saayman Ms. Gloria Masipa Mr. Archie Jonas
HRFIN Committee	1	3	Ms. Zandile Kabini Mr. Mandisinde Gcilitshana Mr. Luthando Jack

Remuneration of board members

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

Name	Remuneration	Other allowance	Other re-imbursements	Total
Ntambi Ravele	R 116 015.78	R 22 876.48		R 138 892.26
Luthando Jack	R 80 448.00	-		R 80 448.00
Mangisinde Gcilitshana	R 77 216.00	R 5 979.30		R 83 195.30
Zandile Kabini	R 86 880.00	R 6 798.04		R 93 678.04
Peter Ngatane	R 49 536.00	-		R 49 536.00
Khulile Radu	R 64 992.00	-		R 64 992.00
Mzamo Gumbi	R 81 504.00	R 1 685.00		R 83 189.00
	R 556 591.78	R 37 338.82		R 593 930.60

4. Risk Management

Nature of risk management

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

Every employee within Boxing South Africa has a part to play in ensuring effective management of risks.

Risk assessments

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

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

The Audit Committee advises the entity on risk management activities and monitors the effectiveness of the system of risk management on a quarterly basis.

The entity has improved on the management of risks by embracing risks into its operations and performance. Management provides quarterly progress reports on the implementation of the risks mitigation strategies which are linked to the key performance indicators of the entity.

5. Internal Control Unit

Boxing South Africa effected a process of internal control within an entity to provide a reasonable assurance regarding the achievement of the objectives set for the Entity relating to operations, reporting and compliance. Although the Entity currently does not have the Internal Control Unit responsible for the internal controls, however all the processes relating to internal control are addressed by the Entity, and they are aligned to the five elements of COSO framework, which are control environment, control activities, risk assessment, information and communication and monitoring.

The Entity has policies and procedures in place which guide all the processes within the Entity. The policies are reviewed as and when the need arises. The Department of Sport and Recreation South Africa has mandated Internal Audit and Risk Management unit to provide internal audit and risk management services for the Boxing South Africa.

6. Internal Audit and Audit Committees

The Internal Audit Directorate of Department of Sport and Recreation South Africa (SRSA) has been mandated to provide internal audit services for the Boxing South Africa (BSA). The Internal Audit Directorate is an independent, objective assurance and consulting activity which adds value and improves the operations of the Entity provide internal audit services for the Boxing South Africa (BSA). The Internal Audit Directorate is an independent, objective assurance and consulting activity which adds value and improves the operations of the Entity It helps the Entity in accomplishing its set objectives by instituting a systematic, disciplined approach in evaluating and improving the effectiveness of governance processes, risk management and internal control.

The Internal Audit Directorate has been functioning effectively during the year under review. It has six (6) officials working within the directorate.

The Chief Audit Executive reports administratively to the Director-General and functionally to the Audit Committee. Internal Audit during the year under review had developed a three-year strategic plan and annual operation plan based on the results of the risk assessment. These plans were recommended by the Chief Executive Officer and approved by the Audit Committee. The Internal Audit Directorate reports the progress on the audits performed and progress on the approved internal audit plans to the Management and to the Audit Committee on a quarterly basis. Management ensures that comments are provided to all the findings raised by the internal audit, and action plans to address those findings are implemented.

The Internal Audit Directorate operates within the terms of reference which were approved by the Audit Committee. The Audit Committee of the Boxing South Africa is the governance committee charged with the oversight role over the governance processes, risk management and controls, the internal and external audit functions, quality of the Entity's financial reports and performance (non-financial reports). The Audit Committee of the Entity consists of five (5) external members which were appointed by the Accounting Authority in December 2012. Out of these three (3) members who resigned are Audit Committee Members of Boxing South Africa thus left the entity with two (2) Audit Committee Members who were not forming a quorum. These posed a serious challenge for the entity in having it audit committee meetings and impacted on the work of the internal audit unit as well. In February 2016 three (3) members were appointed by the Accounting Authority to fill in the vacancy of the three (3) members who resigned during the financial year under review. The Audit Committee has terms of reference they are operating within. The Audit Committee during the year under review did not managed to fulfill its responsibilities as outlined in their terms of reference due to the committee which was not forming a quorum after the resignation of the three (3) members.

The Audit Committee of Boxing South Africa reports to the Accounting Authority via the Chairperson of the Audit Committee on the activities and fulfilment of their roles and responsibilities as well as on the issues that need the Minister's immediate attention. The Chairperson of the Audit Committee has a standing invitation in the Board meetings of the Boxing South Africa to report on the issues of the Audit Committee.

The activities of the Audit Committee are outlined in their terms of reference approved by the Accounting Authority. The Audit Committee performs the following key activities but not limited to them:

- Internal Auditing
- External Auditing
- Financial statements
- Compliance
- Internal Controls
- Performance information
- Financial reporting
- Combined assurance

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



- Accounts Receivables and Accounts Payable
- Performance information
- Follow-up of previous audit findings
- Asset Management

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

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms. Phumla Mzizi (Chairperson)	BBusSci finance, BCom Honours, BCom Honours Transport Economics	External	None	November 2012	31 July 2015	0
Mr. Zanoxolo Koyana	BCom, Professional Accountant SA	External	None	November 2012	08 September 2015	0
Mr. Mxolisi Matshamba	BCom (NUL Roma & Articles Accountancy, Petroleum Economics Cert, Directorship Program IODS)	External	None	November 2012	04 December 2015	0
Ms. Mohelo Nkomo	MCom, BCom Honours, Bcom	External	None	November 2012	Active	1
Mr. Phumlani Zwane	BCom, BCom Honours, CA (SA)	External (seconded by SRSA)	None	November 2012	Active	1
Ms Precious Khosi Mvulane (Chairperson)	Bachelor of Commerce. Bachelor of Commerce Honours (Accounting). Chartered Accountant and Registered Auditor. Specialist Diploma in Auditing	External	None	February 2016	Active	1
Adv Frans Westhuizen	Diploma in IURIS B proc in IURIS LLB	External	None	February 2016	Active	1
Mr. Deenadayalan Moodley	B. Acc Degree Diploma in Accounting (Dipacc) Chartered Accountant (SA) Masters in Business Leadership	External	None	February 2016	Active	1



7. Compliance with Laws and Regulations

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

8. Fraud and Corruption

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

9. Minimising Conflict of Interest

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

10. Code of Conduct

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

11. Health Safety and Environmental Issues

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



12. Audit Committee Report

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) 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. Audit Committee was not operational throughout the financial year under review due to the resignation of three (3) members resulting to the committee not forming quorum.

New members to replace the resigned members were only appointed in February 2016. The first committee meeting for the financial year under review was held on the 07th of March 2016.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the cyclical audits 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:

- Follow-up on AGSA previous audit findings
- Annual Financial Statement Review
- Quarterly Performance Information Audit
- Annual Report Audit Review
- Review of Internal Audit Charter
- Review of Audit Committee Charter

The following were areas of concern:

- Misstatements on the following:
 - o Sanctioning fees
 - o Licensing fees
 - o Motor vehicle disclosure
 - o Finance lease disclosure
 - o Cash and Cash equivalent not agreeing to bank statement
- Lack of supporting documents for the following account balances:
 - o Payables
 - o Receivables

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 not reviewed the public entity's implementation plan for audit issues raised in the prior year as the audit committee only started to be operational from the 07th March 2016 and we are therefore not in a position to comment on the implementation thereof.

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:



Ms. Precious Mvulane
Chairperson of the Audit Committee
Boxing South Africa
31 July 2016

“PART D HUMAN RESOURCE MANAGEMENT”

Introduction

During the financial year under review Boxing SA has seen an exodus of staff members and this included the following:

- Mr M Qithi dismissed on the 22 July 2015,
- Mr M Malingo dismissed on the 08 June 2015,
- Ms T Kekana dismissed on the 08 June 2015,
- Mr K Mosupa dismissed on the 16 June 2015,
- Ms L De Wee resigned on the 05 June 2015,

The dismissed employees have variously lodged disputes with the CCMA and subsequently the Labour Court. Currently there is one case at the CCMA and three cases at the Labour Court. Only the CCMA case has confirmed dates in April 2016 but none of the Labour Court matters except for the Malingo matter which had a preliminary sitting late last year.



CEO, Tsholofelo Lejaka

CFO, Thabang Moses

2. Human Resource Oversight

STATISTICS

Personnel Cost by programme/ activity/ objective

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Governance and Administration	15 500	3 039	20%	11	289
Boxing Development	2 583	434	17%	3	109
Boxing Promotion	2 583	0	0%	0	0

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	702	20%	3	351
Management	411	12%	2	206
Skilled	1 826	53%	6	260
Semi-skilled	534	15%	3	89
TOTAL	3 473	100%	14	204

Performance Rewards

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

Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
PASTEL	204	18	9	5	4

Employment and vacancies

Programme	2014/2015 No. of Employees	2015/2016 Approved Posts	2015/2016 No. of Employees	2015/2016 Vacancies	% of vacancies	Number of employees additional to the establishment
Government and Administration	11	11	6	5	20	0
Boxing Development	3	3	2	1	5	6
Boxing Promotion	0	0	0	0	0	0

Programme	2014/2015 No. of Employees	2015/2016 Approved Posts	2015/2016 No. of Employees	2015/2016 Vacancies	% of vacancies	Number of employees additional to the establishment
Top Management	2	2	1	1	50	0
Management	2	3	2	1	33	0
Skilled	3	7	5	2	29	0
Semi-skilled	7	8	7	1	13	6
TOTAL	19	20	15	5	25	6

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	1	2	1
Management	2	2	2	2
Skilled	2	3	0	5
Semi-skilled	2	0	1	1
Total	8	6	5	9

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	1	13%
Dismissal	4	50%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	5	63%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	4

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Management	2	0	0	0	0	0	0	0
Skilled	2	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
TOTAL	5	0	0	0	0	0	0	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Management	0	0	0	0	0	0	0	0
Skilled	2	0	1	0	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0
TOTAL	3	0	1	0	0	0	0	0

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
TOTAL	0	0	0	0

- NOTE:* Additional to the establishment are the positions of six (6) provincial managers who are appointed on contract basis.
- * Boxing SA does not have the Employment Equity Policy and Plan that informs the appointment targets on its vacancies.



“

PART E

FINANCIAL INFORMATION

”

Report of the auditor-general to Parliament on Boxing South Africa

Report on the financial statements Introduction

1. I have audited the financial statements of Boxing South Africa set out on pages 63 to 96, which, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Boxing South Africa as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the GRAP prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the entity at, and for the year ended, 31 March 2015.

Impairment

9. As disclosed in note 6 to the financial statements, impairments to the amount of R245 106 were provided for as a result of irrecoverable receivables.

Significant uncertainties

10. With reference to note 22 to the financial statements, the entity is the defendant in various lawsuits. The ultimate outcome of the matters cannot presently be determined.

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:
- Programme 1: Governance and administration on pages 29 to 32
 - Programme 2: Boxing development on pages 32 to 36
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. My material findings in respect of the selected programmes are as follows:

Programme 1: Governance and administration

Usefulness of reported performance information

16. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.

Reliability of reported performance information

17. Because of the significance of the matter described in the basis for disclaimer of conclusion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for conclusion. Accordingly, we do not express a conclusion on the reliability of governance and administration.

Programme 2: Boxing development

Usefulness of reported performance information

18. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.

Reliability of reported performance information

19. In our opinion, except for the effects of the disagreement misstatements of the matters described in the basis for qualified conclusion paragraph, the reported performance information of Boxing development is useful, in all material respects, in accordance with the identified performance management and reporting framework.

Additional matter

20. I draw attention to the following matter:

Achievement of planned targets

21. Refer to the annual performance report on pages 29 to 32; 32 to 36 and 36 to 39 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 13; 16 and 18 of this report.

Compliance with legislation

22. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements, performance and annual reports

23. The accounting authority did not submit the financial statements for auditing within two months after the end of the financial year, as required by section 55(1)(c)(i) of the PFMA.
24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

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

26. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.

Expenditure management

27. Effective steps were not taken to prevent irregular expenditure, amounting to R 2 691 100 as disclosed in note 29 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R 235 264 disclosed in note 28 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
29. Payments were made in advance of the receipt of goods or services, in contravention of treasury regulation 31.1.2(c).

Revenue management

30. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA and treasury regulations 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

Internal control

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

32. The entity did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.
33. There is a lack of oversight responsibility with regard to compliance with applicable laws and regulations and internal control.

Financial and performance management

34. Information was not always readily available on request, especially information relating to predetermined objectives.
35. The entity did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.
36. The financial statements and other information to be included in the annual report were not adequately reviewed for accuracy and completeness by management, while monitoring of compliance with laws and regulations was inadequate.

Pretoria
5 August 2016

Auditor-General


AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence



**Boxing
South
Africa**

**BOXING
SOUTH AFRICA
ANNUAL FINANCIAL
STATEMENTS FOR
THE YEAR ENDED
31 MARCH 2016**

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Accounting Authority's Responsibilities and Approval

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of Boxing SA for the year ended 31 March 2016.



Ms M Ravele (Chairperson)

Ms M Ravele (Chairperson)

Pretoria, Tuesday, 31 May, 2016



Mr. M Maake (Senior Manager - Admin)

Statement of Financial Position as at 31 March 2016

Figures in Rand		2016	2015 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	6	3 177 128	1 253 244
Cash and cash equivalents	7	4 725 233	2 789 948
		7 902 361	4 043 192
Non-Current Assets			
Property, plant and equipment	3	126 765	136 476
Intangible assets	4	28 409	28 020
Other financial assets	5	1 002 918	830 560
		1 158 092	995 056
Total Assets		9 060 453	5 038 248
Liabilities			
Current Liabilities			
Finance lease obligation	8	-	34 461
Payables from exchange transactions	11	3 958 923	2 232 069
Deferred income	9	406 583	252 551
Provisions	10	134 449	320 875
		4 499 955	2 839 956
Total Liabilities		4 499 955	2 839 956
Net Assets		4 560 498	2 198 292
Accumulated surplus		4 560 498	2 198 292

Statement of Financial Performance

Figures in Rand		2016	2015 Restated*
Revenue	12	23 451 568	13 521 168
General expenses	18	(17 508 547)	(5 948 291)
Employee cost	16	(3 566 783)	(6 260 515)
Depreciation, amortisation and impairments	3&4	(80 067)	(171 942)
Operating surplus		2 296 171	1 140 420
Investment revenue	13	92 147	64 846
Finance costs	17	(26 114)	(35 039)
Surplus for the year		2 362 204	1 170 227

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2014	1 028 065	1 028 065
Changes in net assets		
Surplus for the year	1 170 227	1 170 227
Total changes	1 170 227	1 170 227
Opening balance as previously reported	1 680 709	1 680 709
Adjustments		
Prior year adjustments	517 585	517 585
Restated* Balance at 01 April 2015 as restated*	2 198 294	2 198 294
Changes in net assets		
Surplus for the year	2 362 204	2 362 204
Total changes	2 362 204	2 362 204
Balance at 31 March 2016	4 560 498	4 560 498



Blast from the past BSA Awards 2009 Carnival City

Cash Flow Statement

Figures in Rand		2016	2015 Restated*
Cash flows from operating activities			
Receipts			
Grants		11 680 251	9 949 322
Interest income		92 147	64 846
Other receipts		5 273 571	300 410
		17 045 969	10 314 578
Payments			
Employee costs		(3 566 783)	(6 260 515)
Suppliers		(11 200 215)	(3 966 738)
Finance costs		(1 215)	(10 140)
		(14 768 213)	(10 237 393)
Net cash flows from operating activities	20	2 277 756	77 185
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(82 826)	(42 172)
Purchase of other intangible assets	4	(21 836)	(2 063)
Net movement in financial assets		(178 449)	(158 030)
Net cash flows from investing activities		(283 111)	(202 265)
Cash flows from financing activities			
Finance lease payments		(59 360)	(22 949)
Net increase/(decrease) in cash and cash equivalents		1 935 285	(148 029)
Cash and cash equivalents at the beginning of the year		2 789 948	2 937 978
Cash and cash equivalents at the end of the year	7	4 725 233	2 789 949

Statement of Comparison of Budget and Actual Amounts

Figures in Rand	Approved budget
Statement of Financial Performance	
Revenue	
Revenue from exchange transactions	
Sanctioning fees	1 803 000
Forfeit fees	23 000
licence fees	491 000
Interest received - investment	40 000
Total revenue from exchange transactions	2 357 000
Revenue from non-exchange transactions	
Transfer revenue	
Government grants & subsidies	10 468 000
Public contributions and donations	-
Total revenue from non- exchange transactions	10 468 000
Total revenue	
Expenditure	
Personnel	(4 810 000)
Administration	-
Depreciation and amortisation	-
Impairment loss/ Reversal of impairments	-
Finance costs	-
Lease	(113 000)
R&M and MV expenses	(67 000)
General Expenses	(7 835 000)
Total expenditure	(12 825 000)
Surplus before taxation	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	

	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	-	1 803 000	2 549 603	746 603	31a
	-	23 000	78 015	55 015	
	-	491 000	586 532	95 532	31b
	-	40 000	92 147	52 147	
	-	2 357 000	3 306 297	949 297	
	-	10 468 000	15 041 862	4 573 862	31d
	5 284 000	5 284 000	5 195 556	(88 444)	31c
	5 284 000	15 752 000	20 237 418	4 485 418	
	12 825 000	5 284 000	18 109 000	23 543 715	5 434 715
	-	(4 810 000)	(3 566 783)	1 243 217	31e
	-	-	(14 374)	(14 374)	
	-	-	(80 067)	(80 067)	
	-	-	(33 917)	(33 917)	
	-	-	(26 114)	(26 114)	
	-	(113 000)	(73 603)	39 397	
	-	(67 000)	(24 974)	42 026	
	(5 284 000)	(13 119 000)	(17 361 679)	(4 242 679)	31f
	(5 284 000)	(18 109 000)	(21 181 511)	(3 072 511)	
	-	-	-	2 362 204	2 362 204
	-	-	-	2 362 204	2 362 204

Accounting Policies

I. 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 122(3) of the Public Finance Management Act (Act of 1999).

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

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

These accounting policies are consistent with the previous period.

I.1 Presentation currency

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

I.2 Going concern assumption

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

I.3 Significant judgements and sources of estimation uncertainty

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

Allowance for doubtful debts

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

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

An intangible asset is recognised when:

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

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

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

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

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	5 - 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 an intangible assets is included in surplus or deficit when the asset is derecognised.

1.6 Financial instruments

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

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

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Momentum investment	Financial asset measured at amortised cost
Receivables 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

Initial recognition

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

Boxing SA recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

Gains and losses

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future

cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

Derecognition

Financial assets

Boxing SA derecognises financial assets using trade date accounting.

Boxing SA derecognises a financial asset only when:

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

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

Financial liabilities

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

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

Presentation

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

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

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

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

I.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 Boxing SA'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.

I.8 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by Boxing SA; or
- (b) the number of production or similar units expected to be obtained from the asset by Boxing SA.

1.9 Employee benefits

Employee benefits are all forms of consideration given by Boxing SA in exchange for service rendered by employees.

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

Post-employment benefits: Defined contribution plans

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

I.10 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 a 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.

I.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 Boxing SA;
- 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.

I.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.

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 Boxing SA.

When, as a result of a non-exchange transaction, Boxing SA 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.

Transfers

Apart from Services in kind, which are not recognised, Boxing SA recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Boxing SA recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

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.

I.13 Investment income

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

I.14 Comparative figures

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

The Investment in Momentum has been reclassified from current assets to non-current assets in the current year as Management realised that it is not expecting to realise the asset within twelve months after the reporting date.

Investment in Momentum amounts to R 1 002 918 (2015:R 830 560)

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 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 Prepayments

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

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

I.18 Budget information

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

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

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

The approved budget covers the fiscal period from 2015/04/01 to 2016/03/31.

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

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 30.

I.19 Related parties

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

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

I.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

Figures in Rand	2016	2015
2. New standards and interpretations		
2.1 Standards and interpretations issued, but not yet effective		
Boxing SA has not applied the following standards and interpretations, which have been published and are mandatory for Boxing SA's accounting periods beginning on or after 01 April 2016 or later periods:		
Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 18: Segment Reporting	01 April 2017	None
• GRAP 20: Related parties	01 April 2017	Not yet determined
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2016	None
• GRAP 108: Statutory Receivables	01 April 2016	Not yet determined
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016	None
• GRAP 16 (as amended 2015): Investment Property	01 April 2016	None
• GRAP 17 (as amended 2015): Property, Plant and Equipment	01 April 2016	Not yet determined
• GRAP 109: Accounting by Principals and Agents	01 April 2017	Not yet determined
• GRAP 21 (as amended 2015): Impairment of non-cash-generating assets	01 April 2017	Not yet determined
• GRAP 26 (as amended 2015): Impairment of cash-generating assets	01 April 2017	Not yet determined
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Not yet determined

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Boxing SA's accounting periods beginning on or after 01 April 2016 or later periods but are not relevant to its operations:

3. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	156 435	(123 325)	33 110	156 435	(116 522)	39 913
Motor vehicles	141 119	(132 981)	8 138	141 119	(132 981)	8 138
Office equipment	8 292	(7 621)	671	134 272	(111 945)	22 327
IT equipment	381 512	(301 736)	79 776	352 953	(293 391)	59 562
Scales	7 330	(2 260)	5 070	7 330	(794)	6 536
Communication equipment	-	-	-	13 264	(13 264)	-
Total	694 688	(567 923)	126 765	805 373	(668 897)	136 476

Reconciliation of property, plant and equipment - 2016

Figures in Rand					
	Opening balance	Additions	Depreciation	Write offs	Total
Furniture and fixtures	39 913	-	(6 803)	-	33 110
Motor vehicles	8 138	-	-	-	8 138
Office equipment	22 327	-	(21 656)	-	671
IT equipment	59 562	82 826	(28 694)	(33 918)	79 776
Scales	6 536	-	(1 466)	-	5 070
	136 476	82 826	(58 619)	(33 918)	126 765

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Write Offs	Total
Furniture and fixtures	47 028	-	(7 115)	-	39 913
Motor vehicles	20 752	-	(12 614)	-	8 138
Office equipment	43 681	-	(21 354)	-	22 327
IT equipment	131 336	38 763	(34 667)	(75 870)	59 562
Scales	3 911	3 409	(784)	-	6 536
	246 708	42 172	(76 534)	(75 870)	136 476

Pledged as security	2016	2015
Carrying value of assets pledged as security:		
Office equipment - Finance lease	-	21 298
The office equipment with the book value of (2015: R 21 298) are held as security for the finance lease disclosed in note 8.		

4. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	132 273	(103 864)	28 409	110 436	(82 416)	28 020

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	28 020	21 836	(21 447)	28 409

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software	45 493	2 063	(19 536)	28 020

Figures in Rand	2016	2015
5. Other financial assets		
At amortised cost		
Momentum investment	1 002 918	830 560
The Momentum investment has been taken for the purpose of boxers' injuries claims. Funds may only be withdrawn from this account when the funds in the Benevolent bank account is insufficient to pay boxers' claims. Therefore, this investment is held by Boxing SA, but it is not available for use by Boxing SA for other use other than injury claims.		
Non-current assets		
At amortised cost	1 002 918	830 560
Financial assets at cost		
Financial assets at amortised cost		
6. Receivables from exchange transactions		
Trade debtors	3 101 222	587 003
Other receivables	64 355	605 567
Prepaid expenses	11 551	60 674
	3 177 128	1 253 244
Trade and other receivables		
Trade receivable relates to amounts owing by promoters for tournament held		
The provision for doubtful debts are provided for on trade receivables and staff debtors, total amount of R 245 106 (2015: R 245 106) has been provided for in the current year.		
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	3 862	3 862
Bank balances	4 721 371	2 786 086
	4 725 233	2 789 948

Cash and cash equivalents held by the entity that are not available for use by Boxing SA
Purse account
Boxers insurance

I 124 827	I 100 321
I 073 991	I 042 109
50 836	76 212

Cash and cash equivalent held by Boxing SA that is available for use is R 3 600 406 (current year) and R 1 671 627 (prior year).

8. Finance lease obligation

Minimum lease payments due

- within one year

less: future finance charges

Present value of minimum lease payments

Present value of minimum lease payments due

- within one year

-	34 461
-	34 461
-	(24 899)
-	9 562
-	9 562

Finance leases relate to office equipment with lease term of 5 years. The office equipment lease was settled in August 2015. It is Boxing SA policy to lease office equipment under finance leases. The average lease term was 5 years and the average effective borrowing rate was 10% (2015: 10%).

The annual incremental is levied at 15% per annum. Boxing SA's obligations under finance leases are secured by the lessor's charge over the leased assets.

9. Deferred income

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts
Unallocated deposits

300 662	252 551
105 921	-
406 583	252 551

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

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

See note 23 for reconciliation of grants from National Government.

10. Provisions**Reconciliation of provisions - 2016**

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

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Legal claims	500 000	-	(500 000)	-
Leave pay	88 196	232 679	-	320 875
	588 196	232 679	(500 000)	320 875

11. Payables from exchange transactions

Figures in Rand	2016	2015
Trade payables	217 073	266 219
Safety fund and Public liability	1 590 728	1 254 910
Sundry payables	164 920	132 791
Accrued expense	1 791 933	171 555
Tournament accruals	73 294	73 294
Board Members' Honorarium	-	141 408
License fees	120 975	191 892
	3 958 923	2 232 069

Trade payables relates to amounts owing to promoters for tournaments held.

Safety fund and Public liability relates to funds accumulated during the current and prior period for the purpose of boxers claims and public liability insurance

12. Revenue

Sanctioning fees
Insurance income
Forfeit fees
License fees
Interest received - investment
Government grants & subsidies
Public contributions and donations

2 549 603	1 616 763
-	6 200
78 015	83 577
586 532	561 776
92 147	64 846
15 041 862	11 252 852
5 195 556	-

23 543 715	13 586 014
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The amount included in revenue arising from exchanges of goods or services are as follows:

Sanctioning fees
Insurance income
Forfeit fees
License fees
Interest received - investment

2 549 603	1 616 763
-	6 200
78 015	83 577
586 532	561 776
92 147	64 846

3 306 297	2 333 162
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The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies
Public contributions and donations

15 041 862	11 252 852
5 195 556	-

20 237 418	11 252 852
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13. Investment revenue

Interest revenue

Momentum investment

92 147	64 846
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14. Government grants and subsidies

Operating grants

Grant income - Sport and Recreation South Africa

15 041 862	11 252 852
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15. Public contributions and donations

Figures in Rand	2016	2015
National Lotteries Board Grant	5 195 556	-
Reconciliation of conditional contributions		
Current-year receipts	5 283 667	-
Conditions met - transferred to revenue	(5 195 556)	-
Closing unspent at end of year	(88 111)	-
	-	-

On 09 April 2015 the National Lotteries Board agreed to provide Boxing South Africa with a grant to the value of R7,925,500.00. The grant amount is allocated be paid into a bank account of Boxing South Africa in three equal payments. According to the agreement, the payments are released on condition that the National Lotteries Board is satisfied with:

- The fulfilment of the terms and conditions of the agreement; and/or
- Annual financial statements of Boxing South Africa; and/or
- The compliance with the application; and/or
- Any side visit report; and/or
- Progress reports.

The amount reflected above represents two (out of the three) allocated payments received by Boxing South Africa during the current financial period. The total amount received has not been fully utilised in compliance with the agreement.

16. Employee related costs

Basic	2 821 410	4 300 082
UIF SDL PAYE	690 577	1 547 766
Leave pay provision charge	(118 571)	232 678
Provident fund contribution-Post employent benefits	173 367	179 791
Other salary related costs	-	199

3 566 783	6 260 516
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17. Finance costs

Trade and other payables	1 215	10 140
Finance leases	24 899	24 899

26 114	35 039
---------------	---------------

18. General expenses

Figures in Rand	2016	2015
Advertising	235 320	1 602
Auditors remuneration	932 583	390 801
Bank charges	33 394	49 871
Computer expenses	143 855	71 743
Consulting and professional fees	1 417 406	376 735
Donations	5 528 288	52 121
Entertainment	-	188
Insurance	95 205	44 466
Conferences and seminars	106 417	131 456
Fleet	8 748	6 738
Marketing	25 388	-
Postage and courier	74 709	48 433
Printing and stationery	143 213	97 840
Security (Guarding of municipal property)	-	185 619
Staff welfare	69 388	-
Subscriptions and membership fees	27 232	51 782
Telephone and fax	202 475	283 906
Training	35 214	15 507
Travel - local	1 717 404	370 541
Utilities	5 766	147 822
Board and sub-committee fees	522 184	364 198
Boxing Belts	38 009	-
Sparring sessions	23 404	37 473
Other	62 212	21 670
Repairs and maintenance	11 602	13 064
Lease rentals	73 603	875 475
Legal expenses	5 907 774	296 656
Momentum expense	6 091	-
Administration fee	14 374	-
Motor vehicle expenses	13 372	-
P/L on sale of assets	33 917	-
Contributions to debt impairment provision	-	12 583
	17 508 547	5 948 290

19. Auditors' remuneration

Fees

932 583	390 801
---------	---------

20. Cash generated from operations

Surplus	2 362 204	1 170 227
Adjustments for:		
Depreciation and amortisation	80 067	96 068
Momentum expense	6 091	-
Finance costs - Finance leases	24 899	24 899
Assets written off	33 917	75 874
Movements in provisions	(186 426)	(267 321)
Changes in working capital:		
Receivables from exchange transactions	(1 923 884)	(594 082)
Payables from exchange transactions	1 726 856	(428 480)
Deferred income	154 032	-
	2 277 756	77 185

21. Financial instruments disclosure**Categories of financial instruments**

Figures in Rand	At amortised cost	Total
2016		
Financial assets		
Other financial assets	1 002 918	1 002 918
Trade and other receivables from exchange transactions	3 177 128	3 177 128
Cash and cash equivalents	4 725 233	4 725 233
	8 905 279	8 905 279
Financial liabilities		
Trade and other payables from exchange transactions	3 958 923	3 958 923
2015		
Financial assets		
Other financial assets	830 560	830 560
Trade and other receivables from exchange transactions	1 253 244	1 253 244
Cash and cash equivalents	2 789 948	2 789 948
	4 873 752	4 873 752

Financial liabilities

Trade and other payables from exchange transactions

At amortised cost	Total
2 232 069	2 232 069

22. Contingencies

At year end Boxing SA had contingent liabilities as a result of cases listed below. No provision has been raised at year end and the matters were not finalised as at 31 March 2016.

- a) Mabuthi Malingo is suing Boxing SA for an amount of R590 766 excluding costs which will be on the high court scale for a matter relating to CCMA case of unfair discrimination.
- b) CCMA case of unfair dismissal of Moffat Qithi, is likely to result in a loss of R 1 200 000 should Boxing SA lose the case.
- c) Tumelo Kekana is suing Boxing SA for an amount of R874 638 excluding costs which will be on the high court scale for a matter relating to CCMA case of breach of contract.
- d) Kgosi Mosupa is suing Boxing SA for an amount of R775 680 excluding costs which will be on the high court scale for a matter relating to CCMA case of breach of contract.
- e) Xolisani Ndongeni is suing PBL Operations for an amount of R 1 000 000 and BSA is being joined in the application herein as the second defendant in the matter. Estimated costs for attorney and legal counsels is an amount of R 300 000

23. Related parties

Relationships

Parent Department

Fellow controlled entriy

Department of Sports and Recreation SA

South Africa Institute for Drug Free Sport

BSA is a 3A non-trading public entity in terms of the PFMA and reports under the Department of Sports and Recreation SA.

Related party transactions**Grant received from related parties**

Department of Sports and Recreation SA

10 468 000 7 945 000

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

Department of Sports and Recreation SA

4 571 685 3 163 978

Outstanding balance receivable from related parties

Department of Sports and Recreation SA

- 333 345

Administration fees paid to (received from) related parties

Department of Sports and Recreation SA

2 176 -

Remuneration of management**Key management personnel****2016****Position**

Chief Executive Officer

Chief Financial Officer

Basic salary	Total
505 001	505 001
251 388	251 388
756 389	756 389

2015**Position**

Chief Executive Officer

Chief Financial Officer

Basic salary	13th cheque	Total
1 421 647	112 811	1 534 458
842 016	64 640	906 656
2 263 663	177 451	2 441 114

24. Member's and prescribed officer's emoluments**Board emoluments****2016**

	Emoluments	Other benefits	Total
M Ravele (Chairperson)	91 224	19 359	110 583
MP Ngatane	35 552	-	35 552
M Gcilitshana	51 712	4 688	56 400
M Gumbi	58 176	1 685	59 861
L Jack	54 944	-	54 944
Z Kabini	61 408	6 798	68 206
K Radu	42 016	-	42 016
	395 032	32 530	427 562

2015

	Member's fees	Total
M Ravele (Chairperson)	60 816	60 816
MP Ngatane	29 088	29 088
M Gcilitshana	35 552	35 552
M Gumbi	35 552	35 552
L Jack	35 552	35 552
Z Kabini	38 784	38 784
K Radu	32 320	32 320
	267 664	267 664

Audit Committee fees**2016**

	Member's fees	Total
Ms P Mzizi	3 584	3 584
Ms P Mvulane (Chairperson)	3 584	3 584
Ms M Nkomo	2 176	2 176
D Moodley	2 176	2 176
F vd Westhuizen	2 176	2 176
Mr. P Zwane	2 176	2 176
	15 872	15 872

2015

Ms P Mzizi (Chairperson)
 Ms M Nkomo
 Mr. D Matshamba
 Mr. Z Koyana

Members' fees	Total
30 944	30 944
14 432	14 432
12 376	12 376
12 256	12 256
70 008	70 008

25. Prior period errors

A promoter is required within 7 days after staging a tournament to submit to Boxing SA under oath a written statement setting forth the broadcast income and other income derived from the tournament. However, not all sworn affidavits are received with 7 days after the tournament. Boxing SA can only account for sanctioning fees once the sworn affidavits are received.

During 2015 year end, sworn affidavits that were not received in time were displaced and not included in the tournament files which resulted the related sanctioning fees not to be accounted for in the financial statements.

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

Statement of financial position

Receivables from exchange transactions
 Payables from exchange transactions
 Opening Accumulated Surplus or Deficit

-	35 246
-	482 339
(517 585)	-

Statement of Financial Performance

Sanctioning fees

-	(517 585)
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26. Risk management**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Boxing SA treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

Market risk**Interest rate risk**

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

27. Going concern

We draw attention to the fact that at 31 March 2016, Boxing SA had accumulated surplus of R 2 755 366 (2015: R 652 644) and that the Boxing SA's total assets exceed its liabilities by R 4 560 498 (2015: R 1 680 709).

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

28. Fruitless and wasteful expenditure

Opening Balance	2 300 611	1 914 268
Interest on overdue account	1 215	9 962
Legal fees	-	21 089
Compensation of employees	-	351 552
Finance lease	136 837	3 740
Salary overpayment	3 639	-
Provident fund	58 530	-
Prepayment for consulting	14 125	-
Telephone lines	20 921	-
	2 535 878	2 300 611

29. Irregular expenditure

Opening balance	4 382 103	2 461 331
Add: Irregular Expenditure - current year	2 691 100	1 920 772
	7 073 203	4 382 103

30. Reconciliation between budget and statement of financial performance

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

Net surplus per the statement of financial performance

Adjusted for:

Increase in revenue from exchange transactions
 Increase/(Decrease) in revenue from non-exchange transactions
 Saving in employee related costs
 Non-cash items
 Increase in finance costs
 Increase in repairs and maintenance
 Increase/(Decrease) in general expense

Net Surplus per approved budget

2 362 204	1 170 227
(949 297)	(87 735)
(4 485 418)	(3 307 855)
(1 243 217)	(163 395)
113 984	171 940
26 114	21 438
(42 026)	-
4 217 656	2 368 130
-	172 750

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

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

- 1. Sanctioning fees** - More fees were received which is attributable to more tournaments held by promoters with TV rights and International tournaments held.
- 2. License fees** - Boxing SA received more license applications/renewal than anticipated during the year.
- 3. Public contributions** - Receipts relates to the Lottery grant which was signed after the budget was approved.
- 4. Grant** - The annual allocation received from Department of Sports and Recreation SA was higher than anticipated.
- 5. Employee cost** - Employee cost are lower than budgeted due to the termination of the CFO and the vacancy not being filled during the financial period.
- 6. General expenses** - General expenses are more than what was budgeted due to consultants utilised after the termination of the CFO and Finance Manager. Legal fees were also high due to the ongoing cases against BSA.

Please refer to Statement of Comparison of Budget and Actual Amounts.

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