

BOXING SOUTH AFRICA ANNUAL REPORT 2018/2019 FINANCIAL YEAR



**Boxing
South
Africa**

BOXING SOUTH AFRICA

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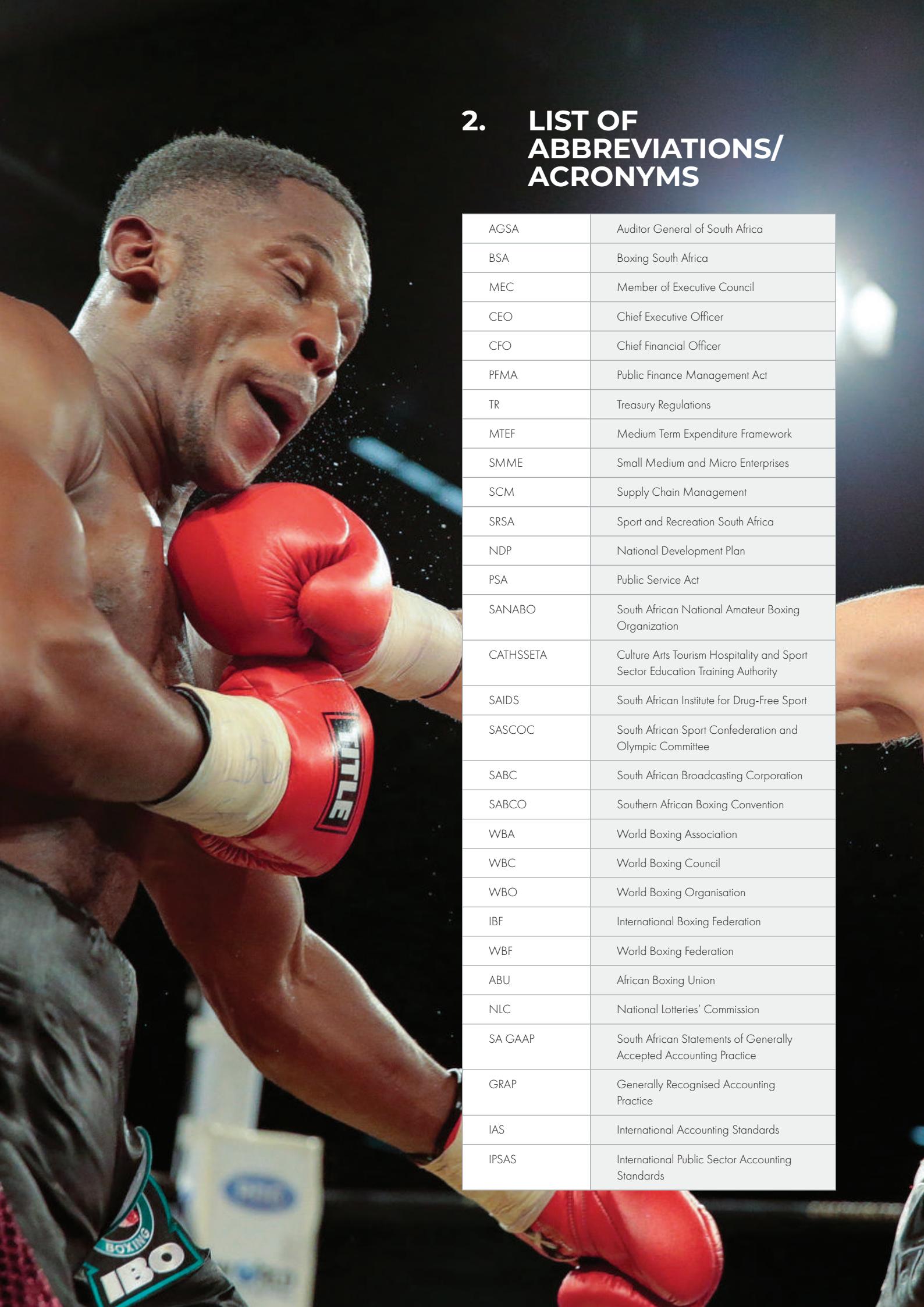
This period has not been without its weaknesses.
It has however, remained a period of hope and
momentum to progress.

DR. MALEFETSANE PETER NGATANE

PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Boxing South Africa
PHYSICAL ADDRESS:	Hatfield Forum East 1077 Arcadia Street Hatfield Pretoria
POSTAL ADDRESS:	PO Box 1347 Southdale 2135
TELEPHONE NUMBER/S:	+27 012 765 9600
EMAIL ADDRESS:	mail@boxingsa.co.za
WEBSITE ADDRESS:	www.boxingsa.co.za
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	ABSA Bank



2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
BSA	Boxing South Africa
MEC	Member of Executive Council
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SRSA	Sport and Recreation South Africa
NDP	National Development Plan
PSA	Public Service Act
SANABO	South African National Amateur Boxing Organization
CATHSSETA	Culture Arts Tourism Hospitality and Sport Sector Education Training Authority
SAIDS	South African Institute for Drug-Free Sport
SASCOC	South African Sport Confederation and Olympic Committee
SABC	South African Broadcasting Corporation
SABCO	Southern African Boxing Convention
WBA	World Boxing Association
WBC	World Boxing Council
WBO	World Boxing Organisation
IBF	International Boxing Federation
WBF	World Boxing Federation
ABU	African Boxing Union
NLC	National Lotteries' Commission
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards



3. FOREWORD BY THE CHAIRPERSON

The year 2019 marked a significant milestone in the democratic dispensation of South Africa. Not only did 2019 mark the 25th Anniversary of South Africa's democracy but it also marked the end of the electoral term for the 5th Administration of national and provincial government. For Boxing South Africa the implication was therefore that this year also marked the end of the five-year strategic plan which was approved by the Minister and Parliament back in 2014.

Further implication for Boxing South Africa was that Boxing South Africa had to spend time to reflect not only on the past financial year but also on the past five years of its Medium Term Strategic Framework period. Needless to mention, this reflection exercise was not an easy exercise. The reflection told a story of an unfolding journey towards a set horizon. The evaluation revealed a journey punctuated by moments of bumpy rides and uphill battles. The assessment showed episodes of downward slides coupled with surges through flat and fast terrains where milestones were reached even ahead of schedule. In its characterisation of this period under review, the board pronounced that this remains an unfolding story of a journey in motion... the unfolding journey to recovery.

As it is now common knowledge, the Boxing Indaba of 2013 marked the beginning of a renewal period for the sport of boxing in our country. Of course this period has not been without its weaknesses. It has however, remained a period of hope and momentum to progress. A period that was to be affectionately known as the '**Boxing is Back**' period. The upshot of this period led to a number of milestones, including amongst others:

- a) Stabilisation of BSA governance and administration and Improvement in audit outcomes
- b) increase in Boxing South Africa budget baseline, even though the shortfall still remain high
- c) Return of boxing broadcast, albeit with inconsistency and other challenges
- d) Return of the South African Boxing Awards
- e) Development of Women in Boxing Program
- f) Renewed focus on the development of the sport of boxing
- g) Rising profile of boxing locally and international recognition of South African boxers.

The board articulated the key focus of the current juncture as that of having to continue on the momentum of the unfolding journey to recovery, mindful of the reality that we are not there yet! Our defined strategic goal is to make the circle of success even bigger, cognisant of the truth that not all are included yet! What the Board's annual and MTSF review confirms with certainty though, is that five years later, Boxing South Africa can proudly say that boxing is indeed both on track and on target.

A focused assessment of the previous financial year gives happiness with the workload accomplished. It gives confidence that our collective capacity and unitary determination is equal to the task at hand. We say so bolstered by these highlights in our boxing sector in the past financial year:

- * South African Referees and Judges continue to enjoy recognition and confidence of the world boxing community resulting in increased invitations for them to officiate fights abroad.
- * 6 new champions won world title belts (Xolisani Ndongeni, Hekkie Budler, Thulani Mbenge, Moruti Mthalane, Deejay Kriel and Nozipho Bell)
- * Hekkie Budler rewrote his history with his win against Ryoichi Taguchi and brought home three world title belts, (IBF, WBA and elusive Ring Magazine belt)
- * Zolani Tete made African history by earning himself a spot in the Bantamweight division of the 2nd edition of the World Boxing Super Series and manage to cruise to the Semi-Finals after he defeated Mikhael Aloyan while Hekkie Budler also made history by being the first South African boxer in the democratic dispensation to win the elusive Ring Magazine belt.

Notwithstanding these accomplishments, we remained modest and inspired in our course to rebuild and reposition of pugilist sport of boxing. We can't afford to be clouded by these humble attainments because the workload ahead is still equally massive. For that reason though, our commitment still remains to work even harder and ensure that we double our efforts into the future!

We thank you.



DR. MALEFETSANE PETER NGATANE

CHAIRPERSON
BOXING SOUTH AFRICA
28 AUGUST 2019



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

The 2018/2019 financial year commenced under command of the new board which was appointed by the Minister on 14 December 2017. The new board hit the ground running and didn't delay to breath in new ideas and facilitated the review of business processes. What is commendable is that this change in guard was impeccably seamless and a true demonstration of the maturity of our organization and stability of our systems across the entire operations.

Stability in our governance and administration was signified by yet another unqualified external audit outcome. Of course, there are still some setbacks which equally need to be mentioned. One of those is the number of litigations matters which Boxing South Africa is facing. This matter of litigations remains a huge risk which the organization is monitoring very closely.

Our two flagship programs are the South African Boxing Award and the Women in Boxing in Program. The hard work of our Women in Boxing Committee, did outstanding work and enabled us to reach the minimum target number of 100 female licensees!

Adding to our flagship programs, in 2018 we were also able to introduce a new program when we hosted the inaugural regional convention of all professional boxing commission in SADC titled, 'Southern African Boxing Convention (SABCO). For the first time ever, seven boxing commissions in the region converged in South Africa under their own banner to discuss African solutions for African problems in boxing. This was held in May 2018 to coincide with the Africa month celebrations.

Boxing South Africa unveiled the newly designed South African National Title belts on 2 November 2018. This is part of the work we are doing to bring glory and prestige to the South African National Title belts. Part of the major focus during the 2019/2020 financial year will go towards:

- * **Licensee training program:-** previously our focus was mainly on Anti-doping education for our boxers. In 2019 focus will include ring officials and promoters.
- * **Licensee registration process:-** Most critically, to ensure that we accept into our ranks, the right people with the right qualities into our respective licensee categories.
- * **Intersectoral dialogue:-** There's a lot of documentation we have generated in 2018 which we now need licensees'

inputs and buy-in on (Revenue Generation Strategy, The new proposed sanction fees model, proposed amendments on Boxing Regulations, etc.)

- * **Boxing Convention:-** In 2019 we will begin earnest with preparations for the Boxing Convention which we intend to host in February 2020.

In the 2019/2020 financial year, we shall continue to build on these attainments and consolidate our agenda of repositioning boxing back among the five priority sporting codes in South Africa.

We thank you.



TSHOLOFELO LEJAKA

CHIEF EXECUTIVE OFFICER
BOXING SOUTH AFRICA
28 AUGUST 2019

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2018.

Yours faithfully



CHIEF EXECUTIVE OFFICER

NAME: TSHOLOFELO LEJAKA

DATE: 31 MARCH 2019



CHAIRPERSON OF THE BOARD

NAME: DR. MALEFETSANE PETER NGATANE

DATE: 31 MARCH 2019

6. STRATEGIC OVERVIEW

6.1 Vision

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

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

6.2 Mission

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

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

6.3 Values

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

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



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PROFESSIONALISM

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

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

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

7. LEGISLATIVE AND OTHER MANDATES

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

7.1 Constitutional Mandate

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

7.2 Legislative Mandate

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

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

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

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

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

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

7.3 Policy Mandates

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

7.4 National Development Plan

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

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

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

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

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

7.5 Government Outcomes

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

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

The White Paper on Sport and Recreation 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.

7.7 National Sport and Recreation Plan

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

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

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

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

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

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

7.8 Medium Term Strategic Framework

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

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

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

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

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

7.9 Relevant Court Ruling

None

7.10 Planned Policy Initiatives

During the period under review, BSA facilitated and developed several policy measures to improve the overall administrative capacity to deliver on the mandate. BSA developed and/or reviewed 10 policies and procedures in the period under review.

7.11. International Sanctioning Bodies Rules And Regulations

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

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

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

During the period under review, Boxing South Africa also received an application for recognition from a newly established Boxing Control Board, Legends Boxing Foundation (LBF). A final determination on the application process for recognition by LBF is yet to be made but provisional recognition has already been granted.

7.12 The Consolidated Mandate of BSA

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

KEY MANDATE AREAS	THE SPECIFIC AREAS
Boxing development in South Africa	<p>To facilitate the establishment and effective coordination of all boxing structures (associations of licensees).</p>
Being a Regulatory Body for professional boxing in South Africa	<p>To provide administrative support to all the associations and practitioners in the boxing fraternity of South Africa.</p>
	<p>To promote and market the activities of boxing as a leading brand.</p>
	<p>To champion the development of boxing infrastructure for recreational and competitiveness purposes.</p>
	<p>To facilitate and coordinate the skills development programmes amongst the licensees within the boxing fraternity.</p>
	<p>To develop appropriate norms and standards for the effective management and administration of professional boxing in furtherance of the legislation.</p>
	<p>To ensure the compliance and enforcement of the norms and standards by all the individual licensees and their associations.</p>
	<p>To establish effective dispute resolution mechanisms and to mitigate all disputes that may arise amongst the licensees within the boxing fraternity.</p>
	<p>To develop the skills development framework and foster partnerships with relevant stakeholders for its realisation and implementation.</p>
	<p>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.</p>

The BSA Functions

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

Core Functions

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

- * To be the point of reference and liaison with international boxing associations for purposes of promoting the involvement of South African athletes at the international level.
- * To promote and market the activities of BSA and boxing in general in a way that will improve the image of boxing as a brand.
- * To increase the profile of boxing as a sport through the sharing of the information about the sport and the developments within the fraternity.

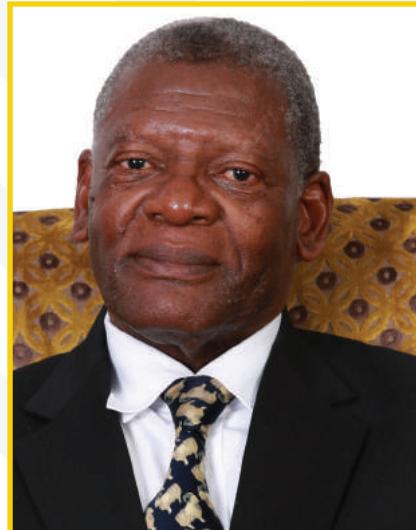
Strategic Support Functions

The following strategic support functions will be performed by BSA:

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



SOUTH AFRICAN BOXING BOARD



BOXING SA CHAIRPERSON
DR MALEFETSANE NGATANE



BSA BOARD MEMBER
MS ZANDILE KABINI



BSA BOARD MEMBER
**LETLHOGONOLO
NOGE-TUNGAMIRAI**



BSA BOARD MEMBER
GILBERTO MARTINS



BSA BOARD MEMBER
ADV. MZAMO GUMBI



BSA BOARD MEMBER
MR LUTHANDO JACK

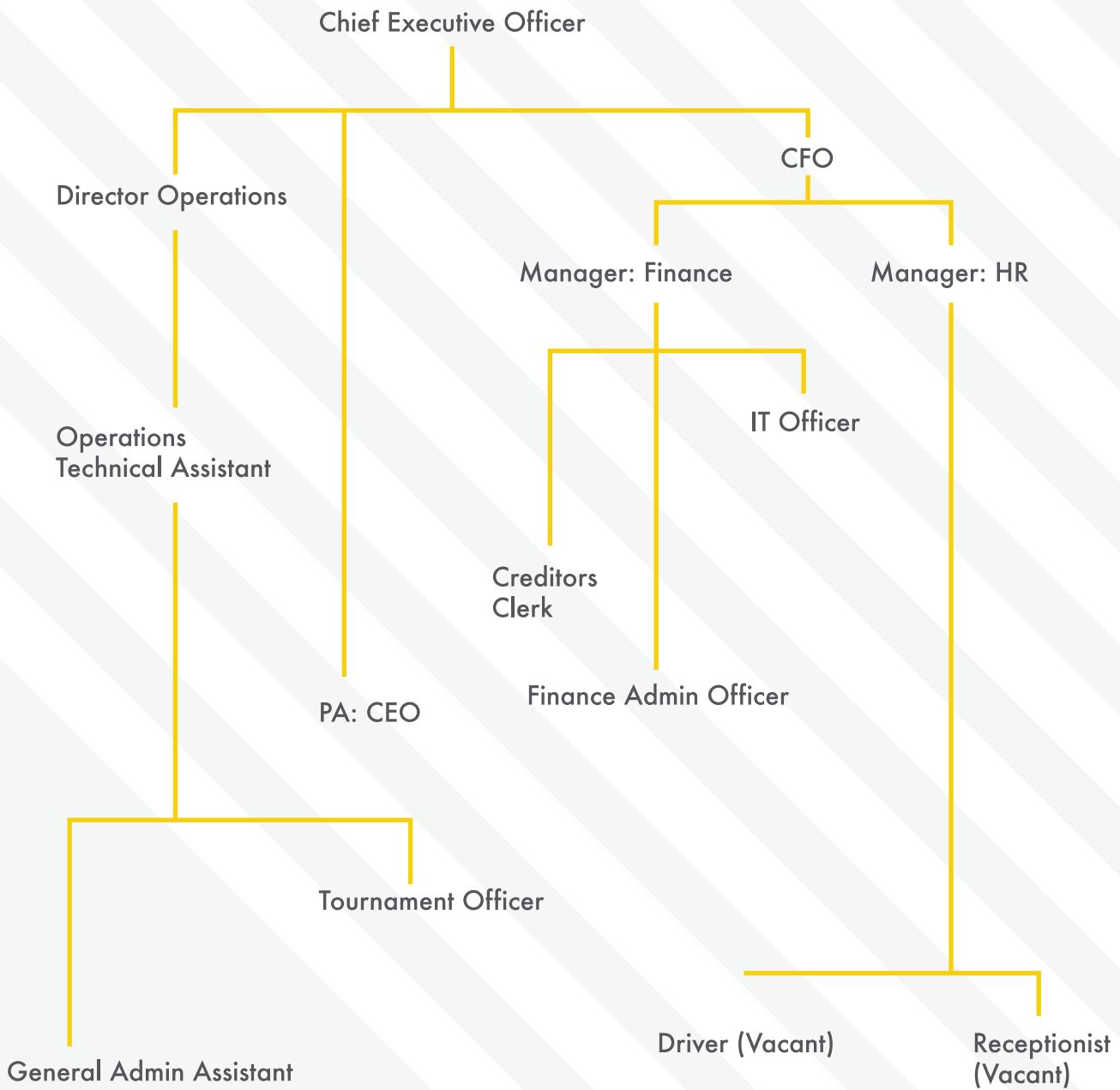


BSA BOARD MEMBER
MR KHULILE RADU

8. ORGANISATIONAL STRUCTURE

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

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





We shall consolidate our agenda of repositioning
boxing back among the five priority sporting codes
in South Africa.

TSHOLOFELO LEJAKA

3

PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 66 of the Report of the Auditors Report, published as Part E: Financial Information

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

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

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

2.2 Core Function

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

2.3 Legal Issues

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

2.4 Boxing! The People's Sport

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

To achieve this, our approach to programme implementation going into the 2018/2019 financial year will have to reflect this. We might not necessarily need to include new programmes to achieve this, but our business process will certainly need to be repositioned. Existing programmes through which this will have to find expression are the following:

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

2.5 Revenue Generation

A need for Boxing South Africa to increase its resource base and strengthen its capacity to respond to its legislative mandate and programmatic requirements can never be over emphasized. At the moment, the organization's sole long-term revenue base is its annual allocation from the National Department of Sport and Recreation, coupled with additional revenue streams from licensing & sanctioning levies, penalties and interests from the investment revenue.

This allocation alone will not suffice to drive all the programmatic and activity needs of the organization to optimally respond to its mandate. On the other hand, the effects of the current economic climate on our public sector at large can also not be ignored. It is for that reason that urgent, creative efforts are required to unlock additional resources through commercialization ideas, partnerships, sponsorships and programme syndication initiatives.

During the period under review, the organisation prioritized implementation of its revenue generation strategy, more especially the debt collection pillar of the strategy. Coupled with that, the organisation also worked on a long-term mechanism by through legislative proposals to amend the specific part of the South African Boxing Regulations which were identified as impediments to optimal revenue generation process. Among the identified areas in the regulations were the provision on the sanctioning model used by Boxing South Africa which. Proposals to amend this part of the regulations have been integrated into the draft Boxing Regulations Amendment document.

2.6 Organisational Environment

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

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

2.7 Financial Year 2017/2018 Annual Report

On 1 October 2018 Boxing South Africa had a bilateral meeting with the Minister of Sport and Recreation South Africa to present its annual report ahead of its presentation to the Portfolio Committee. On 09 October 2018, Boxing South Africa then presented its annual report of 2017/2018 to the Sport and Recreation Portfolio Committee on Sport and Recreation. The committee noted that BSA has continued to maintain a steady trajectory and retain the unqualified audit opinion it received in the prior year.

2.8 Key Policy Developments and Legislative Changes

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

Strategic Outcome Oriented Goals

GOALS	STRATEGIC OUTCOMES ORIENTED GOALS	GOAL STATEMENT
GOAL 1	Effective and sustainable environment	To ensure an effective, efficient and sustainable organization.
GOAL 2	Transformed and regulated environment	To ensure the development and transformation of boxing and create synergy between professional and amateur boxing
GOAL 3	Marketing, Communications and stakeholder managed	To ensure that there is marketing of boxing and to promote interaction between associations of boxers, managers, promoters, trainers and BSA Officials

3. PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/OBJECTIVE

3.1 Overview

Boxing South Africa has three areas that are focused on three specific strategic objectives in line with the Strategic Plan 2015-2020, i.e. (1) Governance and Administration, (2) Boxing Development and (3) Boxing Promotion. Over the past years a lot of focus has been going towards the governance and administration programme due to the situational factors that existed around that time. In the year preceding 2018/2019 the entity had to generally prioritize strengthening its administrative processes and internal controls so that it is better positioned to execute its functions as a regulator and sanctioning commission of boxing in South Africa.

The previous year was however the first year that BSA really started casting its focus beyond the sole emphasis on only governance and administration issues but mostly on boxing development and boxing promotion. However, this had to commence with developing the necessary strategic frameworks, project plans, operating procedures and systems to enable BSA to start making direct impact on its mandate to develop and promote the sport of boxing. Most of strategic resolutions adopted by the Board during the period under review were mainly focused on boxing development areas.

BSA also prioritized its interaction and engagements with the licensees particularly the critical issue of establishment of association of licensees as outlined in the Boxing Act. Establishment of associations is not only important for assisting licensees to share a common platform but it is also important to enable BSA to have coordinated engagements with licensees and have a swifter and easier channel through which to canvass consensus on boxing operational issues decision and for licensees to escalate their issues to BSA.

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

3.2 The Period at a Glance

Looking back at the 2018/2019 financial year, the following major developments stand out as highlights:

- * We continued with the enforced our compliance requirements in respect of licensing, tournament application and sanctioning and have seen much improvement.
- * We strengthened our internal controls and prioritized addressing the gaps arising from prior year audit.
- * We conducted various workshops for our licensees in partnership with various provincial departments of sports on

Boxing Act & Regulations as well as anti-doping in partnership with the South African Institute of Drug-Free Sport (SAIDS).

- * We hosted the National Promoters Meeting in Gauteng aimed at addressing gaps in the regulatory framework and drafting of proposed amendments thereof.
- * On the ringside, 79 tournaments were sanctioned in the period under review and the year closed off with all of the 17 categories having national champions.
- * On 18 May 2018 Boxing South Africa in partnership with the Gauteng Department of Sport, Arts & Culture hosted the Arnold Africa Boxing Tournament in Sandton Convention Centre.
- * On 24-26 May 2018 Boxing South Africa hosted the inaugural Southern African Boxing Convention at Birchwood Conference Centre in Ekurhuleni, Gauteng.
- * On 14 July 2018 Boxing South Africa hosted the medical seminar addressed by Dr. Paul Wallace, the WBC Medical Commission Advisor from California.
- * The BSA Board held its mid-term strategic review session to reflect on its journey into the 2018/2019 financial year on the weekend of 27-28 October 2018 and took stock of accomplishments against set targets. This culminated into the press conference of 2 November 2018.
- * There were interactions with the various provincial government, i.e. North-West, Gauteng, and Limpopo in strengthening relationships.

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

- * Much work is still needed in the Annual Performance Plan to ensure alignment with the BSA 5 year Strategic Plan as well as the PFMA.
- * The need to secure a long term and reliable solution for our challenges with audit fees, particularly the much-required capacity for internal audit function.

3.3 Programmes at a glance

3.3.1 Governance & Administration

3.3.1.1 Strengthened governance and oversight

Annual Performance Plan 2019/2020

The Annual Performance Plan (APP) 2019/2020 was finalized and duly tabled at Parliament by the Minister of Sport and Recreation on 24 March 2018. BSA further made a presentation to the Portfolio Committee on the Annual Performance Plan on 17 April 2018 and the Annual Performance Plan is currently duly published and under implementation.

Annual Report 2017/2018

The Annual Report 2017/2018 was finalized and duly presented to the Executive Authority on 28 August 2018 for tabling to Parliament. BSA further made a presentation to the Portfolio Committee on the Annual Report on 9 October 2018.

3.3.1.2 Improved administrative capacity

Review of Policies and Procedures

As part of Boxing South Africa's ongoing work to strengthen its internal controls and administrative environment, during the period under review, a total of fourteen (14) policies and procedures were reviewed and approved by the Board.

3.3.1.3 Funded Posts Filled

BSA has an approved and funded organizational structure of fourteen positions. In terms of the Annual Performance Plan, the acceptable vacancy rate for BSA is a minimum of 80% of the approved and funded posts, which translates to no more than 3 vacancies at any given point. As at 31 March 2019 BSA had three vacancies which translate to 20% vacancy rate in terms of the Technical Indicator Description used by BSA.

The two positions of Driver and Receptionists have been vacant for quite a while and the view is not to fill these two positions until the HR Planning process has been fully completed because this might result in a need to review the organisational structure of BSA.

3.3.1.4 Performance Management and Development

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

3.3.1.5 Legislative Review

Boxing South Africa Regulations of 2004

The National Boxing Indaba of 2013, declared among others that, 'The process to kick start the process of amending the Boxing Regulations with the view to strengthen the enforcement capacity and application of the Act by BSA. The regulations will help in closing the identified loopholes and gaps and streamline the operations of BSA as a regulatory and statutory body governing the Sport of Professional Boxing in the country.'

The National Boxing Indaba further noted that there are misinterpretations and contradictions between the Boxing Act and its Boxing Regulations and hence resolved that:

- * That we cannot amend the Boxing Act at this stage as the department is currently in the process of circulating the South African Combat Sport Bill for comment, which will in any event repeal the Boxing Act and its Regulations and it will be enacted approximately 2 years (that two years passed in 2015) from now; and
- * That we can, however, in the meantime amend the Boxing Regulations to address and refine issues which need to be amended or inserted, alternatively which are at logger heads with the Boxing Act and circulate same to all stakeholders for their comments and inputs where-after the Minister can promulgate the amended Regulations.

In line with the above resolution of the Boxing Indaba of 2013, during the period under review, Boxing South Africa developed the draft amended South African Boxing Regulations. In the 2019/2020 financial year, the process will then be to ensure that stakeholder inputs into this regulations amendment process are duly canvassed through a consultative process led by Sport and Recreation South Africa.

Sport Broadcast Regulations of 2018

Boxing South Africa made submission to ICASA regarding amendment of the Sport Broadcast Regulations of 2010. BSA's submission also incorporated the input document of SASCOC because on 7 March 2019 BSA together with other sporting codes mentioned under the various groups listed in the draft regulations, was invited by SASCOC for a discussion and formulation of common perspective on the regulations.

3.3.2 Boxing Development

3.3.2.1 Licensee's training and development

Training

During the period under review, BSA had a target of training 300 licensees across different categories and provinces. In partnership with the South African Institute of Drug-Free Sport (SAIDS), BSA rolled out a roadshow nationally targeting mainly licensed boxers, trainers and managers. The workshops titled "Critical Things Boxers Need to Know About Anti-Doping" were hosted in five (5) cities with most attendants being Boxers. In total BSA trained 301 licensees in the period under review inclusive of other workshops aimed at Promoters from various provinces. Details of workshops which took place are as follows:

Date	Place
23 June 2018	East London
24 June 2018	Port Elizabeth
14 July 2018	Johannesburg
10 November 2018	Cape Town
23 March 2019	Durban

Women in Boxing

During the period under review, BSA was successful to register 100 women licensees. This achievement however came after the BSA Board took a decision to indefinitely open the licensing period for females wanting to come into the sport of boxing in various categories. This is a significant milestone in comparison to the preceding years. The challenges of lack of activity by the female boxers remains a deterrent in females coming into the sport especially in the Boxers category and thus interventions to unlock opportunities for our female licensees still need to be explored. Through Women in Boxing other initiatives such as marketing and profiling of women in boxing have been undertaken and are work-in-progress.

In the period under review there were 16 tournaments out of a total of 79 nationally which staged female bouts. These tournaments and activities were hosted both under the banner Women in Boxing and by other Promoters with details as follows.

Date	Venue	Promoter	Bill
18 May 2018	Sandton Convention Centre	KM Sports	Millisa Miller vs. Thema Zuma
25 May 2018	Turffontein Portuguese Hall	Kalakoda Promotions	Simangele Hadebe vs. Ellen Simwaka
			Matshediso Mokebisi vs. Sindisiwe Ncube
09 June 2018	Turffontein Portuguese Hall	Unleashed Combat Sports	Hedda Wolmarans vs Kholosa Ndobayini
30 June 2018	Turffontein Portuguese Hall	Boxing 5	Simangele Hadebe vs. Ellen Simwaka
22 July 2018	WSU Hall - Mthatha	Last Born Promotions	Sheradine Fortuin vs. Asandiswa Nxokwana
27 July 2018	Dr. Molemela Indoor	Dream Team Promotions	Millisa Miller vs. Sindisiwe Ncube
	East London ICC - East London	Xaba Events & Promotions	Nozwelethu Mathonsi vs. Tshepang Majola
11 August 2018	YMCC Hall - Soweto	TLB Promotions	Bukiwe Nonina vs. Ellen Simwaka
22 September 2018	KwaXimba Sport Centre	Mvelo Boxing Promotion	Thema Zuma vs. Cynthia Mthembu
20 October 2018	Klerksdorp Banquet Hall	Kalma Sport Promotions	Tshepang Majola vs. Nontuthuzelo Cithani
20 October 2018	SBS Tanks - Pine Town	White Buffalo Promotions	Mpume Sibiya vs. Nothando Ndlovu
21 October 2018	Madadeni TVET	Starline Boxing Promotions	Shimeji Matthews vs. Fikile Dube
15 December 2018	Steadville Community Hall	Starline Boxing Promotions	Mpume Sibiya vs. Nothando Ndlovu
15 December 2018	Msobomvu Hall - Butterworth	Supreme Boxing Promotions	Simangele Hadebe vs. Nozwelethu Mathonsi
16 December 2018	Willowvale Indoor Sports Centre	Isizwe Boxing Promotions	Bukiwe Nonina vs. Babalwa Noqonqotho
23 February 2018	Msane Hall - Mtubatuba	Starline Boxing Promotions	Shimeji Matthews vs. Ennelies Nkhwani
24 February 2018	Msane Hall - Mtubatuba	Starline Boxing Promotions	Mpume Sibiya vs. Bonita Van Jaarsveldt

3.3.2.3 Sanctioning and Ratings

Sanctioning

In 2018/2019 Boxing South Africa sanctioned a total of seventy-nine (79) tournaments. Gauteng led with a total of thirty (30) tournaments, Eastern Cape in second with twenty-four (24) tournaments and KwaZulu-Natal in third with nine (9) tournaments. For a second consecutive year Northern Cape had no boxing activity and Mpumalanga also suffered the same demise.

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

PROVINCE	GP	EC	WC	KZN	LP	FS	MP	NW	NC	TOTAL
2016/2017	25	24	11	8	4	2	0	1	0	75
2017/2018	32	13	14	7	4	6	1	1	0	78
2018/2019	30	24	8	9	4	1	0	3	0	79

2018/2019 Year-to-Date Tournaments per Province:

YEAR-TO-DATE TOURNAMENTS PER PROVINCE														
PROVINCE	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	
Gauteng	4	4	3	2	3	4	2	0	2	0	2	4	30	
Eastern Cape	4	1	3	3	1	0	2	2	5	0	0	3	24	
Western Cape	0	0	2	0	1	1	0	0	1	1	1	1	8	
Kwa-Zulu Natal	0	1	1	0	0	1	2	1	1	0	2	0	9	
Free State	0	0	0	1	0	0	0	0	0	0	0	0	1	
Limpopo	0	1	0	0	0	1	0	1	1	0	0	0	4	
Mpumalanga	0	0	0	0	0	0	0	0	0	0	0	0	0	
North West	0	0	0	1	0	0	1	0	0	0	1	0	3	
Northern Cape	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	8	7	9	7	5	7	7	4	10	1	6	8	79	

2018/2019 Sanctioned Tournaments Categories

SANCTIONED TOURNAMENTS CATEGORIES	
Development	21
Provincial	12
National	16
International	34
World Title	6

2018/2019 tournaments by promotion company

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
Golden Gloves	8	08 April 2018	Johannesburg, Gauteng
		23 June 2018	
		10 August 2018	
		01 September 2018	
		21 October 2018	
		08 December 2018	
		24 February 2019	
		16 March 2019	
Kalakoda Promotions	7	28 December 2018	Cape Town, Western Cape
		28 September 2018	
		25 January 2019	
		22 February 2019	
		29 March 2019	
		25 May 2018	Johannesburg, Gauteng
		29 June 2018	
Xaba Events & Promotions	6	17 March 2019	East London, Eastern Cape
		27 July 2018	
		06 April 2018	
		17 June 2018	
		12 October 2018	
		07 December 2018	
		08 April 2018	East London, Eastern Cape
		30 June 2018	
		29 July 2018	
		21 October 2018	
		09 December 2018	
Supreme Boxing Promotions	5	02 September 2018	Johannesburg, Gauteng
		10 March 2019	
		31 March 2019	
		22 April 2018	
		15 December 2018	Butterworth, Eastern Cape

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
Sentata / Fox Sport	5	15 February 2019	Hammanskraal, North-West
		21 September 2018	Polokwane, Limpopo
		27 June 2018	Durban, KwaZulu-Natal
		20 July 2018	Johannesburg, Gauteng
		23 November 2018	
5th Element	3	26 August 2018	Pretoria, Gauteng
		21 October 2018	
		10 February 2019	
Boxing 5	3	30 June 2018	Johannesburg, Gauteng
		06 May 2018	
		02 December 2018	
TK Promotions	3	23 September 2018	Johannesburg, Gauteng
		27 July 2018	Rustenburg, North West
		27 May 2018	Polokwane, Limpopo
Team Dida Promotions	3	07 April 2018	Johannesburg, Gauteng
		28 July 2018	
		30 March 2019	
TLB Promotions	2	11 August 2018	Johannesburg, Gauteng
		06 April 2018	Pretoria, Gauteng
Last Born Boxing Promotions	2	22 July 2018	Mthatha, Eastern Cape
		02 December 2018	East London, Eastern Cape
Real Steel Promotion	2	31 May 2018	Johannesburg, Gauteng
		21 September 2018	
Dream Team	1	27 July 2018	Bloemfontein, Free State
Hlanganisa Sport	1	24 November 2018	Malamulele, Limpopo
Kalma Sport	1	20 October 2018	Klerksdorp, North West
KK Production	1	29 April 2018	East London, Eastern Cape
KM Sport Production	1	18 May 2018	Sandton, Gauteng
Lightning Boxing Promotion	1	21 October 2018	Madadeni, KwaZulu-Natal
Ludonga Boxing Promotions	1	06 May 2018	Mtubatuba, KwaZulu-Natal
Maxim Boxing Promotions	1	24 August 2018	Cape Town Western Cape
MMT Boxing Promotion	1	26 August 2018	East London, Eastern Cape
Mvelo Promotions	1	22 September 2018	Kwaximba, KwaZulu-Natal
Nyusa Boxing Promotion	1	31 March 2019	Port Elizabeth, Eastern Cape
Nzhelele Women Sport Promoters	1	28 December 2018	Venda, Limpopo

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
Pound for Pound	1	08 June 2018	Cape Town, Western Cape
Sind K Promotion	1	24 June 2018	East London, Eastern Cape
TZ Promotions	1	01 April 2018	East London, Eastern Cape
Unleashed Combat Sport	1	09 June 2018	Johannesburg, Gauteng
White Buffalo	1	20 October 2018	Pine Town, KwaZulu-Natal
Zantsi's Showtime Promotions	1	30 March 2019	Port Elizabeth, Eastern Cape
Zuko W Boxing Promotions	1	04 November 2018	Queenstown, Eastern Cape
Zulu Sports Promotions	1	10 November 2018	Port Alfred, Eastern Cape

Ratings

The integrity and credibility of any ratings system in professional boxing is yardstick of the integrity attributed to that boxing commission itself. In order to improve the credibility of our ratings system, BSA developed a ratings system guided by a transparent criterion which is well understood by all the licensees and practitioners.

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

South African National Title Fights 2018/2019

During the period 2018/2019, BSA sanctioned a total of 16 South African National title fights, fifteen (15) of which were in the male divisions while six (1) was in the female division.

South African Male National title Fights in 2018/2019

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- MARCH	TITLE FIGHTS
Heavy	Ruann Visser	Ruann Visser	Ruann Visser	Ruann Visser	0
Junior Heavy	Thabiso Mchunu	Thabiso Mchunu	Thabiso Mchunu	Thabiso Mchunu	1
Light Heavyweight	VACANT	Nicholas Radley	Nicholas Radley	Nicholas Radley	1
Super Middle		Rowan Campbell	Rowan Campbell	Rowan Campbell	1
Middleweight	Barend van Rooyen	Barend van Rooyen	Walter Dlamini	Walter Dlamini	3
Junior Middle	Nkululeko Mhlongo	Nkululeko Mhlongo	Nkululeko Mhlongo	Nkululeko Mhlongo	0
Welterweight	Thulani Mbenge	Mziwoxolo Ndwayana	Mziwoxolo Ndwayana	Mziwoxolo Ndwayana	2
Junior Welterweight	Xolani Mcotheli	Xolani Mcotheli	Xolani Mcotheli	Xolani Mcotheli	1
Lightweight	Thompson Mokwana	Thompson Mokwana	Thompson Mokwana	Thompson Mokwana	0
Junior Lightweight	Phila Mpontshana	Phila Mpontshana	Phila Mpontshana	Phila Mpontshana	2
Featherweight	Azinga Fuzile	Khanyile Bulane	Khanyile Bulane	Khanyile Bulane	1
Junior Featherweight	Ludumo Lamati	Ludumo Lamati	Ludumo Lamati	Ludumo Lamati	0
Bantamweight	Toto Helebe	Ronald Malindi	Ronald Malindi	Ronald Malindi	1
Junior Bantamweight	Yanga Sigqobo	Athenkosi Dumezweni	Athenkosi Dumezweni	Athenkosi Dumezweni	2
Flyweight	Thembelani Nxoshe	Thembelani Nxoshe	Thembelani Nxoshe	Thembelani Nxoshe	0
Junior Flyweight	Bongani Silila	Bongani Silila	Bongani Silila	Nhlanhla Tyirha	1
Mini Flyweight	Xolisa Magusha	Xolisa Magusha	Xolisa Magusha	Xolisa Magusha	0

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- MARCH	TITLE FIGHTS
TOTAL TITLE FIGHTS IN ALL DIVISIONS DURING 2018/2019					15

South African Female National Title Fights in 2018/2019

DIVISION	APR- JUNE	JUL- SEP	OCT- DEC	JAN- FEB	TITLE FIGHTS
Heavy	VACANT				0
Junior Heavy	VACANT				0
Light Heavy	VACANT				0
Super Middle	Nwabisa Mbopha	VACANT			0
Middle	Mapule Ngubane				0
Junior Middle	Esther Mashiya				0
Welter	Julie Tshabalala				0
Junior Welter	Sandra Almeida				0
Lightweight	Kholosa Ndobayeni				0
Junior Light	Nozipho Bell				0
Feather	Asandiswa Nxokwana				0
Junior Feather	Matshidiso Mokebesi				0
Bantam	Millisa Miller				1
Junior Bantam	VACANT				0
Flyweight	Noxolo Makhanavu				0
Junior Fly	Nozwelethu Mathonzi				0
Mini Fly	VACANT				0
TOTAL TITLE FIGHTS IN ALL DIVISIONS DURING 2018/2019					1

South African World Champions during 2018/2019

Between the period 1 April 2018 until 31 March 2019 South Africa has had twelve world champions, three of whom were female boxers. What is most exciting is that six of these world champions were actually crowned during the period under review. This means that in the 2018/2019 South African commenced the financial year with only seven world champions and the number was able to rise to twelve because at some point the other champion lost their world titles. The World Champions who were crowned during the period under review are:

- Xolisani Ndogeni won the vacant WBF Lightweight World title against Abraham Ndauendapo of Namibia on 6 April at Sun Arena, Pretoria.
- Hekkie Budler rewrote history when he won the IBF, WBA and Ring Magazine belt after defeating Ryoichi Taguchi of Japan on 20 May 2018 at Ota City General Gymnasium in Tokyo, Japan.
- Thulani Mbenge won the vacant IBO Welterweight World title against Diego Gabriel Chaves of Argentina on 23 June 2018 at Emperors Palace, Ekurhuleni.
- Moruti Mthalane the IBF Flyweight World Title against Mohammed Waseen of Pakistan on 15 July 2018, in Axiana Arena in Kuala Lumpur, Malaysia.
- Deejay Kriel won the IBF Mini Flyweight title against Carlos Licona of America on 16 February 2019 at Microsoft Theatre in Los Angeles, California.
- Nozipho Bell won the WBF Featherweight World title on 29 March 2019 at Nangoza Jebe Hall in Port Elizabeth.

Male South African World Champions during 2018/2019

BOXER	WEIGHT	DATE WON	WBF	IBO	FOUR MAJOR WORLD BODIES				STATUS
					WBA	WBC	WBO	IBF	
Kevin Lerena	Cruiserweight	09.09.2017							Current Champion
Thulani Mbenge	Welterweight	23.06.2018							Current Champion
Xolisi Ndon-geni	Lightweight	06.04.2018							Lost Championship 1.02.2019
Zolani Tete	Bantamweight	22.04.2017							Current Champion
Gideon Buthelezi	Super Flyweight	18.12.2015							Current Champion
Moruti Mthalane	Flyweight	15.07.2018							Current Champion
Hekkie Budler	Junior Flyweight	20.05.2018							Lost championship 31.12.2018
Deejay Kriel	Mini Flyweight	16.02.2019							Current Champion
Simphiwe Konkco	Mini Flyweight	11.06.2016							Current Champion

Female South African World Champions during 2018/2019

BOXER	WEIGHT	DATE WON	WBF	IBO	FOUR MAJOR WORLD BODIES				STATUS
					WBA	WBC	WBO	IBF	
Noni Tenge	Welterweight	08.09.2017							Current Champion
Unathi Myekeni	Featherweight	08.09.2017							Lost 29.03.19
Nozipho Bell	Featherweight	29.03.2019							Current Champion
Bukiwe Nonina	Bantamweight	01.03.2017							Current Champion

3.3.2.4 National Coverage

Total licensees per category

In 2018/2019 BSA licensed a total of 1 081 licensees. 600 of these licensees were boxers and 100 being women across different categories of licensees.

CATEGORIES	MALES	FEMALES	TOTAL
Boxers	594	47	641
Managers	94	5	99
Trainers	67	0	67
Ring Officials	49	14	63
Seconds	91	3	94
Agents	0	0	0
Promoters	62	29	91
Matchmakers	4	0	4
Ring Announcers	12	2	14
TOTAL	973	100	1 081

Licensing of non-South African citizens

In what was widely received as a long overdue yet ground breaking move, in October 2018 the Board took a decision to increase the scope of licensees to include the following categories which were previously disallowed to hold full licenses, (1) Non-citizen, permanent residents and (2) asylum seekers who have permit to work in South Africa.

In this regard the Board emphasised that these new licensees will have to comply with the applicable criteria for eligibility and other concomitant legislative and regulations applicable on non-South Africans. This is part of the broader commitment of Boxing South Africa to remove barriers of participation into the sport of boxing, more especially among the poor and the marginalised.

3.3.2.5 Compliance

In October 2018 the board further introduced additional measures to optimize compliance with tournament application process as per section 11 of the SA Boxing Regulations. Three key resolutions being:

- * Where purse money is not paid at least 14 days before tournament, such tournament shall be automatically cancelled.
- * Where tournament is cancelled due to whatever reason, such cancellation shall be publicised, including on BSA website.
- * No request for review of cancelled and publicised tournaments shall be entertained.

These additional measures to the tournament application and sanctioning policy were introduced to ensure that incidents of boxers participating in tournaments at a risk of their purse money not being paid by promoters are eliminated completely. A commendable development is that since April 2016 such incidents of boxers not being paid their purse money have never again occurred in our sport of boxing.

In addition, and in compliance with the recommendations of the Internal audit, we have strengthened the process of ensuring that all of sanctioned tournaments venues undergo inspection prior tournament date. This is done to ensure that the tournament venues are safe and compliant with the various health and safety regulatory requirements and that all risk to spectators and boxing participants are mitigated. The inspection of venues has also been extended to cover boxing gymnasium where our licensees are concerned.

3.3.2.6 Associations Assisted

In the 2018/2019 financial year the BSA Board got involved in various roadshows specifically with Promoters and Promoters' Association with the view of addressing various concerns related to interpretation of Boxing Act and Regulation as well as the establishment and operations of an Association as per requirements of the Act.

a) Gauteng Boxing Promoters Association

In July 2018 the Gauteng Boxing Promoters Association held its Annual General Meeting which was also an elective general meeting. The Association emerged from this Annual General Meeting with a coherent leadership collective and an impressive program of action which was presented to Boxing South Africa in August 2019. During the period under review, this Association has been the most stable one among all associations and has also had a number of empowerment programmes which it did for its members.

b) Eastern Cape Promoters Association

On 16 June 2018, the Board, represented by the chairperson and two other members along with the CEO met with the Eastern Cape Boxing Promoters Association (ECBPA) to discuss the unity and cohesion in the Eastern Cape Boxing Promoters Association and key decisions taken by the Board that impact directly on promoters and generally on all licensees. The meeting came following protracted episodes of infightings and public spats among members of the leadership collective of the Eastern Cape Promoters Association.

This meeting was followed by a number of other interactions between Boxing South Africa and this Promoters Association aimed at assisting the association to overcome its challenges and for its leadership to come to terms with each other on the identified areas of diversion. Fortunately by the end of the financial year unity and cohesion among the promoters in the Eastern Cape province was fully restored and all incidents of infightings and public spats had been brought to a halt.

c) National Promoters Association

On 20 February 2019 Boxing South Africa held a national meeting with all Promoters at Boxing South Africa Premises in Hatfield. The meeting covered a broad range of issues and considered a number of tangible proposals for discussion and resolution. By request of the promoters, the meeting could however not exhaust the entire agenda and no concrete decisions were made since the promoters requested that there should be a follow up session to allow Promoters to go back, reflect on the proposed issues and then come back with their input.

What was commendable about the issues flagged out for discussion with promoters is that by testimony of promoters themselves, the identified issues constituted the first formal engagement to process issues which were last discussed at the Boxing Indaba of 2013. These issues also lay a firm basis for conversations leading to the Boxing Convention of 2020.

3.3.3 Boxing Promotion

3.3.3.1 BOXING SPONSORSHIP

- During the period under review, BSA secured one sponsorship which was focused specifically towards boxing tournament delivery as part of the Arnold Classic Africa programme.
- The sponsorship was from Gauteng Department of Sport, Arts and Culture and this case Boxing South Africa was sponsored to deliver a tournament in May 2018 as part of the Arnolds Classic Africa programme which took place in Sandton Convention Centre.
- Boxing South Africa also developed a number of sponsorship proposal to try and mobilise resources for its Women in Boxing Programme but unfortunately none of the sponsorship drive efforts was successful.

3.3.3.2 EVENTS COORDINATION

South African Boxing Awards

In line with approved business plan for the 2018/2019 South African Boxing Awards business plan, on the 11th of January 2019 BSA released the Boxing Awards Rulebook and Nominations Forms marking the launch of the nomination period for the 2018 awards edition. The nomination period remained open for public participation till 22 February 2019. The announcement of the final nominees for each of the fifteen (15) categories was made in April.

Due to delays in the negotiation process with the initially identified host province the final ceremony for the Awards was only held on 17 May 2019 which is in this case outside the period under review. The ceremony was however a resounding success and for that reason Boxing South Africa remains highly thankful to the Gauteng Sport, Arts and Culture department for the partnership.

3.3.3.3 MARKETING AND COMMUNICATIONS PLAN

As part of our commitment to create new brand image and reignite adorability in brand Boxing South Africa and all its activities, the board approved the Marketing and Communications Strategy for BSA. The desired outcome of this strategy is to drum up investor and stakeholder enthusiasm in Boxing South Africa and its programmes through focused and measurable activities as outlined in the strategy.

Among these activities are, (1) Brand management, (2) media management, (3) stakeholder management and (4) overall though leadership on professional boxing matters. In overall assessment, the period under review has had isolated incidents of challenges and negative publicity due to specific incidents but in overall terms, the brand of Boxing South Africa is continuing to grow, more especially on account of the increasing accomplishments of our boxers both at home and abroad.

3.3.3.4 BOXING INFORMATION PROVISION

Accurate, timely and relevant information about any sporting code is lifeblood of such sporting code. Central to the mandate of Boxing South Africa as the administrative and regulatory authority of professional boxing in South Africa is to ensure the safe keep and provision of accurate, timely and relevant information to sport participants, practitioners, stakeholders and fans on South Africa boxing matter.

Through this program Boxing South Africa seeks to establish its own reliable electronic system through which it can collect, package, store and disseminate useful information on professional boxing matters. The nature of information to be kept may vary depending on the purpose for which it is kept and disseminated but broadly, the information will cover these three categories, (1) activity records, (2) licensee records and (3) historical records.

During the period under review, Boxing South Africa was able to finalise the specifications of the desired electronic system for this purpose and further conclude the development of a dummy system. In the next financial year, the focus will be to roll-out the system and commence with populating the required DATA so that the system can become available for use.

4. PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

In terms of its Annual Performance Plan, Boxing SA has twenty-one (21) performance indicators located across its three programme areas. During the period under review 70% of the non-financial performance against pre-determined objectives were achieved, i.e. fifteen (15) out of twenty-one (21) target. In a nutshell, our performance per programme area for the year under review can be characterized as follows:

Programme 1: In this program area BSA achieved five (5) out of its six (6) targets. This performance equates 83% achievement.

The only performance indicator which was not achieved is the *Percentage compliance with prescribed regulations and directives*.

This is as a result of the findings raised by the Auditor General which relate to matters of compliance on Risk, Audit and PFMA, amongst others.

Programme 2: This programme area is the most important one in the life of BSA since it relates to Boxing Development. This programme area focuses directly at our licensees. In this program area BSA achieved seven (7) out of its nine (9) targets. This performance equates 78% achievement.

The two indicators which were not achieved in this program area are (1) *Number of Medical Committee meeting held* and (2) *Signed Memorandum of Understanding with other boxing sanctioning bodies*.

Programme 3: A lot of work has gone into this programme area and this included among others, putting together strategic documents for approval by the Board in respect of Marketing and Revenue collection. In this program area BSA achieved three (3) out of its six (6) performance targets. This equates 50% achievement.

4.1 The Dashboard: Overall Performance

Programme 1: Governance and Administration

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
6	5	1	Percentage compliance with prescribed regulations and directives

Programme 2: Boxing Development

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
9	7	2	<ul style="list-style-type: none"> Number of Medical Committee meetings held Signed Memorandum of Understanding with other boxing sanctioning bodies

Programme 3: Boxing Promotion

TOTAL INDICATORS	ACHIEVED	NOT ACHIEVED	COMMENTS
6	3	3	<ul style="list-style-type: none"> Number of sponsorship secured SA Boxing Awards implemented Reports on implementation of Boxing Information Provision program

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

The purpose of this programme is to provide strategic leadership, good corporate governance and the overall administration (including Finance, HR, ICT, etc.) of boxing. It comprises of the following sub-programmes:

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

Performance Overview

This programme area has six (6) indicators. During the period under review five (5) of the six (6) targets were achieved. The under achievement on one indicator, i.e. *Percentage compliance with prescribed regulations and directives* was as a result of non-compliance on matters of compliance related to Risk, Audit and PFMA, amongst others.

Strategic objectives, performance indicators, planned targets and actual achievements

STRATEGIC OBJECTIVE: STRENGTHENED GOVERNANCE AND OVERSIGHT					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Percentage compliance with prescribed regulations and directives	N/A	100%	0%	-100%	
STRATEGIC OBJECTIVE: IMPROVED ADMINISTRATIVE CAPACITY					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Policies and Procedures reviewed and approved	6	6	14	+8	In the period under review a needs analysis in quarter one established that there were policies that needed to be developed and these were later approved in quarter two and four. This resulted in an over achievement of policies by eight.
% of Vacancies filled	80%	80%	80%	0%	N/A
Performance Management and Development reports adopted	New Indicator	2	2	0	N/A
STRATEGIC OBJECTIVE: STAKEHOLDER ENGAGEMENT FRAMEWORK					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of reports on implementation of stakeholder engagement framework	N/A	4	4	0	N/A

STRATEGIC OBJECTIVE: LEGISLATION (AMENDMENTS TO BOXING ACT)					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Consultative document on proposed areas of the Boxing Act and Boxing Regulations developed and approved by the Board	N/A	2	2	0	N/A

Strategy to overcome areas of under performance

A tracking and control system has been developed to ensure that all areas of concern raised by the Auditor General are addressed.

Changes to planned targets

There were no changes made in the 2018/2019 APP to the performance indicators or adjustments to the budget.

Linking performance with budgets

Programme 1: Governance and Administration	2016/2017			2017/2018		
	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	3 834	4 010	(176)	4 804	5 709	(905)
Goods & Services	6 297	11 986	(5 689)	6 692	8 204	(1 512)
Total	10 131	15 996	(5 865)	11 496	13 913	(2 417)

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

Additional financial support from the SRSA for payment of employees who are seconded to BSA has to be recognised as actual expenditure from non-exchange and is disclosed as part of related parties notes in the Annual Financial Statements.

PROGRAMME 2: BOXING DEVELOPMENT

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

- a) Licensing, sanctioning and ratings
- b) Licensees training and development
- c) Regulations compliance and enforcement

Performance Overview

This programme area has nine (9) indicators. During the period under review we managed to achieve seven (7) out of the nine (9) indicators. There has been an under achievement on two indicators, i.e. Number of Medical Committee meetings held & Signed Memorandum of Understanding with other boxing sanctioning bodies.

Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE: LICENSEES TRAINING AND DEVELOPMENT					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Number of Licensees trained and developed	140	300	300	0	N/A
STRATEGIC OBJECTIVE: WOMEN IN BOXING					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Number of women licensed	104	100	100	0	N/A
STRATEGIC OBJECTIVE: COMPLIANCE AND ENFORCEMENT					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Number of site inspections conducted	100	110	110	0	N/A
STRATEGIC OBJECTIVE: RATINGS AND SANCTIONING					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Reports on the tournaments sanctioned	4	4	4	0	N/A
Number of ratings conducted	12	12	12	0	N/A
STRATEGIC OBJECTIVE: NATIONAL COVERAGE					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Number of Licensees	1 207	1 000	1 073	+73	The licensing period was extended to allow licensees who could not meet the deadline of initial applications especially for female licensees.
STRATEGIC OBJECTIVE: ASSOCIATIONS ASSISTED					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Reports on associations assisted	4	4	4	0	N/A

STRATEGIC OBJECTIVE: HEALTH & SAFETY					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Medical Committee meetings held	N/A	2	1	-1	Budget allocated to this target was reallocated to licensees training and development to address pressing matters specifically for Promoters.

STRATEGIC OBJECTIVE: PARTNERSHIP AGREEMENTS WITH OTHER BOXING SANCTIONING BODIES					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Signed memoranda of understanding with other boxing sanctioning bodies	N/A	2	0	-2	The target achievement of this performance indicator is largely dependent on the participation and processes of third-party organisation and thus could not be finalised in the period under review.

Strategy to overcome areas of under performance

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

Changes to planned targets

There were no changes made in the 2018/2019 APP to the performance indicators or adjustments to the budget.

Linking performance with budgets

PROGRAMME 2: BOXING DEVELOPMENT	2017/2018			2018/2019		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	R'000			R'000		
Compensation	1 528	1 528	-	2 241	2 240	1
Goods & Services	388	385	3	1 431	1 431	-
Total	1 916	1 913	3	3 672	3 671	1

PROGRAMME 3: BOXING PROMOTION

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

Marketing and branding

Communication

- a) Events Coordination
- b) Revenue generation

Performance Overview

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

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives:

STRATEGIC OBJECTIVE: MARKETING AND COMMUNICATIONS STRATEGY					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Reports on implementation of marketing and communications strategy	N/A	4	4	0	N/A
Reports on implementation of Boxing Information Provision program	N/A	4	0	4	The target achievement of this performance indicator is largely dependent on third party thus could not be finalised in the period under review.

STRATEGIC OBJECTIVE: BOXING SPONSORSHIP					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on devi- ations
Number of sponsorship secured.	2	2	1	-1	Although various efforts were put in to secure sponsorship for the various BSA programmes and initiatives, especially for Women in Boxing programme, none of these proposals were successful.

STRATEGIC OBJECTIVE: EVENTS COORDINATION					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
SA Boxing Awards implemented	1	1	0	-1	Negotiations for funding and host province for the awards were delayed leading to postponement to the next financial year period.

STRATEGIC OBJECTIVE: REVENUE GENERATION					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Reports on implementation of Revenue Generation Strategy	N/A	4	4	0	N/A

STRATEGIC OBJECTIVE: FUNDING MODEL					
Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
BSA funding and sustainability model developed	N/A	1	1	0	N/A

Strategy to overcome areas of under performance

The biggest challenge to optimum performance in this programme is the absence of dedicated personnel focusing specifically on boxing promotion programme and its activities. In order to mitigate this challenge, during the period under review, a contractor worker an entry level was recruited and this went a long way towards bringing visible change and improvement. There is however still a need to recruit personnel or insource additional capacity at middle management level in order to ensure that there is full time institutional capacity dedicated towards boxing promotion activities.

In the case for additional resources which has been presented to the Executive Authority this is one of the areas that has been flagged out. The hope is therefore that if the increment to Boxing South Africa's budget baseline can be approved, this shall be addressed on a long-term basis by strengthening personnel capacity in programme 3.

Changes to planned targets

There were no changes made in the 2018/2019 APP to the performance indicators or adjustments to the budget.

Linking performance with budgets

PROGRAMME 3: BOXING PRO- MOTION	2017/2018			2018/2019		
	BUDGET	ACTUAL EXPEN- DITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPEN- DITURE	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	905	-	905	-	-	-
Goods & Services	1 011	1 913	(902)	950	948	2
Total	1 916	1 913	3	950	948	2

5. REVENUE COLLECTION

SOURCES OF REVENUE	2017/2018			2018/2019		
	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sanctioning fees	1 988	1 678	310	2 103	1 518	585
Licensing fees	568	683	(115)	572	686	(114)
Fine, Penalties and Forfeits	25	25	-	26	41	(15)
Interest	44	697	(653)	47	695	(648)
Sport & Recreation: Grant	12 028	12 028	-	12 618	12 618	-
Other income	674	1 184	(510)	-	-	-
Total	15 327	16 295	(968)	15 366	15 558	(192)

The declarations made by promoters who were operational during the year under review indicate a marginal decline in the amounts declared and this affect the amount of sanctioning fees calculated. This trend might be that there has been a decrease in the broadcasting fees paid to promoters to the extent that possible revenue is forgone on broadcast fees.

Over collection on licensing fee is as a resulting from additional time provided to female licensing.

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

I did not enjoy the violence of boxing so much as the science of it.

NELSON MANDELA

PART C: GOVERNANCE

1. INTRODUCTION

In line with the provisions of Public Finance Management Act, Act No.1 of 1999, each public entity must have a board. The board becomes the Accounting Authority in terms of PFMA.

On the 14 December 2017, the Minister of Sport and Recreation, in line with the provisions of Section 9(2) of the South African Boxing Act, Act No. 11 of 2001, appointed a seven-member Board of Boxing SA. The responsibility of the Board is among others, to guide and give strategic direction of the entity in line, *inter alia*, with the provisions of the Constitution of the Republic of South Africa Act, Act No. 108, of 1996 as amended, the South African Boxing Act, Act No.11 of 2001 and the Boxing Regulations of 2004.

2. PORTFOLIO COMMITTEE

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

- 24 April 2018; to present the Annual Performance Plan 2018/2019
- 09 October 2018; to present the Annual Report for 2017/2018

3. EXECUTIVE AUTHORITY

The support and guidance which BSA continues to enjoy from Sport and Recreation South Africa and the Ministry in particular, is highly commendable. BSA had a number of engagements with the Executive Authority through his involvement and direct support to various boxing program and active participation in boxing promotion activities.

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

- 17 March 2018, the Board Members and CEO met Minister Tokozile Xasa in an introductory briefing subsequent to her appointment to the Sport portfolio.
- 01 October 2018, the Board Members and CEO met Minister Tokozile Xasa in preparation of the presentation of its Annual Report to Portfolio Committee.
- 08 April 2019, the Board Chairperson and CEO once more met Minister Tokozile Xasa in preparation for the Minister's meeting with national promoters.

4. THE ACCOUNTING AUTHORITY / BOARD

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

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date re-signed	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
Malefetsane Ngatane	Chairperson	14 Dec 2017	Active	MBCHB	Doctor/ Medicine	N/A	-	5
Luthando Jack	Board Member	14 Dec 2017	Active	National Diploma: Public Management & Admin. BTech Public Management. Bachelor of Philosophy: Information and Knowledge Management. Masters in Commerce	Strategy and Leadership Knowledge and Project Management Monitoring and Evaluation	N/A	HR,ICT & FINANCE Committee	5
Lethhongonolo Noge-Tungamirai	Board Member	14 Dec 2017	Active				HR,ICT & FINANCE Committee Women in Boxing	4
Zandile Kabini	Board Member	14 Dec 2017	Active	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	Auditing	N/A	HR,ICT & FINANCE Committee Women in Boxing	5
Gilberto Martins	Board Member	14 Dec 2017	Active	B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Pol, Philos, Econ	Deputy Director General		HR,ICT & FINANCE Committee Audit Committee	5
Khulile Radu	Board Member	14 Dec 2017	Active	N/A	Boxing	N/A	Sanctioning Committee	5
Mzamo Gumbi	Board Member	14 Dec 2017	Active	Diploma Juris B Juris LLB Honors LLM Diploma in Sport Management	Advocate	N/A	LEGAL Committee	4

Board Sub-Committees

Sanctioning Committee

The Sanction Committee is constituted by four members. It is chaired by a Board member but the three other members are external. The committee functions well and during the period under review it has sanctioned a total of 79 tournaments.

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Mr. Khulile Radu (Chairperson)	Internal	Board Member	February 2018	Active	2
Mr. Bongani Magasela	External	N/A	February 2018	Active	2
Dr. Qobose	External	N/A	August 2014	Active	1

Ratings Committee

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

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Mr. Andre de Vries (Chairperson)	External	N/A	October 2017	Active	
Mr. G V Sangweni	External	N/A	March 2017	Active	
Ms. Gloria Masipa	External	N/A	August 2014	Active	

Human Resources, ICT, Governance & Resource Mobilisation Committee

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

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Ms. Zandile Kabini	Internal	Board Member	18 May 2015	Active	4
Mr. Luhando Jack	Internal	Board Member	18 May 2015	Active	3
Mr. Gilberto Martins	Internal	Board Member	February 2018	Active	3
Ms. Leflhogonolo Noge-Tungamirai	Internal	Board Member	February 2018	Active	3

Medical Committee

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

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Dr. Robert Selepe	External	Chief Medical Officer	November 2017	Active	1
Dr. Solly Skhosana	External	Medical Doctor	November 2017	Active	1
Dr. Luvuyo Baleni	External	Medical Doctor	November 2017	Active	1
Dr. Salem Gutta	External	Medical Doctor	November 2017	Active	1
Dr. Buyi Mabasa	External	Medical Doctor	November 2017	Active	1
Dr. Lapale Moipolai	External	Medical Doctor	November 2017	Active	1
Dr. Stanley Rammulla	External	Medical Doctor	November 2017	Active	1

Women in Boxing Committee

The Women in Boxing Commission is constituted by four members. It is chaired by a Board member and the other three members are female licensees. The work of this commission has been very instrumental in the implementation of the Women in Boxing programme, particularly the second leg of this program which entailed training and counselling of female licensees.

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Ms. Zandile Kabini	Internal	Board Member	May 2015	Active	1
Ms. Letlhogonolo Noge-Tungamirai	Internal	Board Member	February 2018	Active	1
Sylvia Mokaila	External	Ring Official	February 2018	Active	0
Esther Mashiya	External	Boxer (Former)	February 2018	Active	1
Liz Butler	External	Former Boxer	May 2015	Active	1

Remuneration of the board members

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

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
Dr. M Ngatane	R 78 450		R 9 636	R 88 086
Mr. G Martins	R 57 118		R 12 386	R 69 504
Ms. Z Kabini	R 65 030		R 5 143	R 70 173
Ms. L Tungamirai	R 50 747		R 453	R 51 200
Mr. K Radu	R 42 768		0	R 42 768
Adv. M Gumbi	R 32 649		R 515	R 33 164
Mr. LJack	R 54 432		0	R 54 432
	R 381 194		R 28 133	R 409 327

5. RISK MANAGEMENT

Boxing South Africa Risk Dashboard and Score Card

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

Effectively managing our risks means we:

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

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

- Risk management framework
- Risk management policy
- Fraud prevention policy with strategy
- Fraud prevention plan with strategy
- Fraud prevention implementation plan
- Disaster recovery plan
- Business continuity plan

- These risks are monitored and their progress and ratings are presented by Management to BSA Board and all its sub-committees throughout the financial year. BSA's Management held a few workshops during the financial year under the review to update and reassess its risks to ensure alignment with its strategic objectives and internal and external factors impacting Boxing administration. These risks are monitored across several broad risk areas: Strengthening Governance & Administration, Operational, Brand and Communication, Government and Stakeholder Management and financial sustainability. Progress is measured against the previous year annual assessment

Strengthening Governance & Administration

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Approved Policies & Procedures	Non-Compliance with relevant laws and regulations and internal controls, policies and procedures	M	On-going compliance monitoring	C	SGO
			On-going training and development to keep abreast of change	C	
Governance at Board Level	Lack of improvement in governance	L	Regular engagements with members on governance and compliance best practices	B	SGO
PFMA	Non-adherence to the Act	L	Annual audits conducted on tabling of approved Strategic plan, APP and Annual Reports	A	SGO
	Non-compliance to Risk Management Process including Fraud Prevention Plan	H	The draft documents have been audited by Internal Audit and prepared for the audit committee and upon recommendation shall be tabled to the Board for approval	C	

Strengthening Governance & Administration

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Image and reputational Management	Negative impact on maintaining and building BSA brand and public image.	M	Maintain good governance and internal control structures. Implement the long-term Communication Strategy. Strategic and transparent communication with all stakeholders	B	MCS

Financial Sustainability

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Going Concern	Insufficient Financial resources to continue as a going concern	H	Management continues to put pressure on their outstanding debtors whilst implementing cost containment measures	B	SGO

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Funding Model	Ineffective/limited competition in domestic and international broadcasting market	M	Strengthen strategic relationships with key regional and world Boxing bodies	B	FM
	Amendments to current tariff structure				
	Changing landscape of the consumption of media from analogue to digital and live streaming		To create and stream more boxing content		
Revenue Generations	Non-compliance to the debtor's collection policy	M	Continuous monitoring and tracking long outstanding debtors. Implemented initiatives such as payment agreements	B	RG
Sponsorship and commercial partners	Insufficient sponsorship and commercial partners	M	Managing the length of Sponsorship contracts. Maintaining good cash reserves for support during the low economic growth	B	BS

Government and Stakeholder relations

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Stakeholder Management	Breakdown in relations between BSA and stakeholders could lead to lack of Government support, reputational risk, diminished prominence with world bodies, lack of trust between licensees, ineffective communication and decisions at Board and licensees' level	M	On-going engagements with key stakeholders	B	SEF

Operational

Risk	Description	Risk Rating	Mitigation Actions	Progress in 2018/2019	Strategic Objective
Human Capital	Non-delivery of strategic objectives due to inadequate human capital	L	Organisational review must be performed to identify structural and operational gaps in BSA	B	IAC
IT Technology	Inadequate expertise to adapt to modern IT systems	M	Implementation of the IT Governance Framework	B	IAC
Budget Administration	Failure to prevent overspending on their respective budgets as approved by the Executive Authority	H	Continuous On-going monitoring of the Budget projections	B	SGO

The total number of risks is 71, with 3 high/ critical risks, 18 of the medium risk and 50 of the low risks

6. INTERNAL CONTROL UNIT

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

7. INTERNAL AUDIT AND AUDIT & RISK MANAGEMENT COM

Boxing SA, during the 2018/19 financial period has outsourced the internal audit and risk management function to an external service provider. The scope of work included but not limited to quarterly performance information, Risk Management and Fraud Implementation processes and any additional ad-hoc service which may be requested by the Audit & Risk Management Committee. The internal audit also included evaluation and audit of root causes on the action plans proposed by management which emanated from audit findings raised by the Auditor General during the previous year regulatory audit.

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

1. Quarterly performance information
2. Quarterly financial information
3. Internal audit reports
 - Quarterly reporting
 - Other internal audit administration (i.e. IA Charter, IA Plans and rolling plans)
 - Audit action plan

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

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

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Retired	No. of Meetings attended
Ms. Precious Mvulane (Chairperson)	Bachelor of Commerce. Bachelor of Commerce Honours (Accounting). Chartered Accountant and Registered Auditor. Specialist Diploma in Auditing	External	None	February 2016	October 2018	4
Adv. Frans van der Westhuizen	Diploma JURIS B JURIS LLB	External	None	February 2016	Active	5
Mr. Deenadayalan Moodley	B.Acc Degree Diploma in Accounting (Dipacc) Chartered Accountant (SA) Masters in Business Leadership	External	None	February 2016	Active	7
Ms. Zandile Kabin	BCom Honors Informatics Diploma in Business Analysis Management Programme Development	External	Board Member	27 October 2016 (Seconded by BSA Board)	February 2018	4
Mr. Gilberto Martins	B Arch (Wits) Arch SA, MI Arch, BA (UNISA), Pol, Philos, Econ	External	Board Member	February 2018	Active	7

8. COMPLIANCE WITH LAWS AND REGULATIONS

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

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

9. FRAUD AND CORRUPTION

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

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

The Fraud Prevention plan with strategy clearly defines:

1. Mechanism and systems to deal with allegation of fraud and corruption;
 - Internal investigations
 - Matters referred to external or another law enforcement agency
2. Recovery of losses as a result of fraudulent activities
3. Feedback to reporters of fraud and corruption
4. Confidentiality
5. Protection of whistle blowers

10. MINIMISING CONFLICT OF INTEREST

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

Boxing Act no 11 of 2001, and its regulations prohibits officials and licensees and other stakeholders to participate in different forms and levels within the boxing environment to the extent that their participation may lead to possible conflict of interest. Disputes resolution processes involving conflicts of interest for officials are treated internally within the employee disciplinary framework. All disputes pertaining to stakeholders and licensees are treated by an appointed independent structure dealing with disciplinary and disputes resolution matters.

11. CODE OF CONDUCT

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

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

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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



13. AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019

Audit and Risk Management Committee Members and Attendance

The Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the current year, seven meetings were held, there were 3 special meetings held which covered matters related to Risk Management and the review of the annual report.

Name of Attendee	Role	Attendance
Ms. PMK Mvulane	Chairperson (Resigned 27 October 2018)	4
Mr D Moodley	External Member and Appointed Chairperson from (27 October 2018)	7
Adv F van der Westhuizen	External Member	5
Me. G Martins	Board Member	7

The Audit and Risk Management Committee would like to extend its thanks to Ms Mvulane in steering the Committee during her term.

Audit and Risk Management Committee Responsibilities

The Committee reports that it has complied with its responsibilities arising from Section 51 (1) (ii), Section 76 (4) (d) of the Public Finance Management Act 1 of 1999 and Treasury Regulations 27.1. The Committee reports according to appropriate formal terms of reference as its audit and risk management committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

Internal Audit

The Committee co-ordinates and monitors the activities of the internal audit function. The internal audit function was outsourced and operational throughout the financial year under review.

The Committee reviewed the Internal Audit Reports and was satisfied with the improvement of the Internal Audit function. The Committee notes the improvement with the effectiveness of the internal audit function.

Effectiveness of Internal Controls

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

- Performance Information
- Annual Financial Statement and Annual Report Review
- Review of the following Risk Management Documents
- Risk Management policy
- Risk Management Framework
- Fraud Prevention policy with strategy
- Fraud Prevention Implementation Plan
- Disaster Recovery Plan; and
- Business Continuity Plan

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

- Considered the effectiveness of the Entity's risk assessment processes as on-going by management;
- recommendation was made to management that risks should be aligned to objectives of the entity, the root cause analysis be used to develop mitigation strategies and informed by audit findings
- Monitored the follow up process on all findings by the both the Auditor General and Internal Audit to ensure findings are dealt with. The Committee recommended that the management address the root cause of the findings and;
- Sought assurance from management that action is being taken on related issues identified by auditors.

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

In Year Management and Quarterly Reporting

The public entity was reporting monthly and quarterly to the Treasury as is required by the PFMA. The quarterly reports (i.e. financial information and pre-determined objectives) submitted were reviewed. After the adoption of recommendations by the Committee the reports were sent to the Accounting Authority for Adoption.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the audited annual financial statements;
- Reviewed the accounting policies and practices including the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- Reviewed the Annual Financial Statements for abnormal and/or significant transactions of the entity and the disclosure thereof; and
- Sought explanations for all significant variances in the Annual Financial Statements as compared to the prior year.
- Reviewed the Auditor-General South Africa's Audit Report and Management Report with management's responses.

Auditor-General of South Africa

During the year under review the Auditor General conducted a records review. All matters raised during the records review have been addressed. We have reviewed the entity's implementation plan for audit issues raised in the previous year and noted that there are matters that addressed on an ongoing basis. Recommendations raised

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

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

General

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

Signed on behalf of the Audit and Risk Management Committee by



MR. DEENADAYALAN MOODLEY CA(SA)

Chairperson of the Audit and Risk Management Committee
Boxing South Africa
31 March 2019

I was intrigued by how one moved one's body to protect oneself, how one used a strategy both to attack and retreat.

NELSON MANDELA



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

Performance Agreements were signed and reviewed bi-annually to monitor performance and identify possible training gaps. During the period under review, no training was done. Boxing SA had 14 policies reviewed and approved. The entity continues to operate with budgetary constraints that adversely impacts on Human Resources matters that includes but not limited to things such as employee training, wellness and organizational review. In the past year, the entity continued to manage and stabilize the Human resources in terms of staff retention and management of conflicts.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel Cost by programme/ activity/ objective

Programme/activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Program1	11 246	4 904	44%	10	490.40
Program2	3 671	2 240	61%	4	560.00
Program3	948	-	0%	0	-

- Two (2) contract appointments were paid a total amount of R 123 250.00 per annum.
- Acting appointment of the HR Manager was paid a total amount of R 276 177 per annum.

2.2 Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Management	4 409	62%	4	1 979.67
Skilled	2 606	36%	6	434.33
Semi-skilled	129	2%	1	129.00
Unskilled	0	0%	0	0
TOTAL	7 144	100%	11	649.45

2.3 Performance Rewards

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

2.4 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
Program1	0	0	0	0	0
Program2	0	0	0	0	0
Program3	0	0	0	0	0

2.5 Employment and vacancies

Programme/activity/objective	2018/2019 No. of Employees at the Beginning of Period	2018/2019 Approved Posts	2018/2019 No. of Employees at the end of Period	2017/2018 Vacan- cies	% of vacancies
Program1	7	10	7	3	30%
Program2	4	4	4	0	0%
Program3	0	0	0	0	0%
Management	4	5	4	1	20%
Skilled	6	6	6	0	0%
Semi-skilled	1	3	1	2	66%
Unskilled	0	0	0	0	0%
TOTAL	11	14	11	3	20%

2.6 Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Management	4	0	1	4
Skilled	6	0	0	6
Semi-skilled	1	0	0	1
Unskilled	0	0	0	0
Total	11	0	1	11

2.7 Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	1	7%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	1	7%

Boxing SA had 1 resignation for the period under review. Staff Retention Policy was applied to monitor any future resignations.

2.8 Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	0
Dismissal	0
Total	0

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

- BSA vs. Mr. Qithi - The matter has been to the CCMA since 2015 and was finalized in December 2018. The outcome of the CCMA was in favour of the applicant. BSA was not satisfied with the outcome and then referred the matter to the Labour Court for review. Currently the matter is under review at the Labour Court.
- BSA vs. Mr. Khambule - The matter was referred to the CCMA by Mr. Khambule whereby a default judgement was issued against BSA. BSA then referred the matter to the Labour Court to review the default judgement.





I hated every minute of training, but I said, "Don't quit. Suffer now and live the rest of your life as a champion."

MUHAMMAD ALI

PART E: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Boxing South Africa (BSA) set out on pages 75 to 107, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the BSA as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 1.2 to the financial statements, which indicates that the entity total liabilities exceed its assets. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 29, indicate that a material uncertainty exists that may cast significant doubt on the public entity's ability to continue as a going concern.

Emphasis of matters

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

Uncertainty relating to the future outcome of exceptional litigation

9. With reference to note 22 to the financial statements, the entity is the defendant in lawsuits. The entity is opposing the claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material impairments - trade debtors

- As disclosed in note 6 to the financial statements, material impairments to the amount of R7 357 349 (2018: R5 669 046) were incurred as a result of the provision for doubtful debts.

Fruitless and wasteful expenditure

- As disclosed in note 31 to the financial statements, fruitless and wasteful expenditure of R2 520 887 that were incurred in the previous years was not investigated.

Irregular expenditure

- As disclosed in note 32 to the financial statements, irregular expenditure of R6 568 941 that were incurred in the previous years was not investigated.

Responsibilities of the accounting authority for the financial statements

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

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

- My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

- In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance Information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
- My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions

relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programmes	Pages In the annual performance report
Programme 2 - boxing development	41-43
Programme 3 - boxing promotion	44-45

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Programme 2 - Boxing development

22. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined nature and required level of performance and deadline for delivery for the indicators listed below. The systems and processes that enable reliable reporting of the achievement against these targets was also not adequately designed. Limitations were placed on the scope of my work as I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report.

Planned indicator description	Reported achievement
Reports on the tournaments sanctioned	4
Report on associations assisted	4

Programme 3: Boxing promotion

23. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined nature and required level of performance and deadline for delivery for the indicators listed below. The systems and processes that enable reliable reporting of the achievement against these targets was also not adequately designed. Limitations were placed on the scope of my work as I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report.

Planned indicator description	Reported achievement
Reports on implementation of marketing and communications strategy	4
Reports on implementation of boxing information provision program	0

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages 38 to 45 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21 to 23 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2- Boxing Development and Programme 3 - Boxing Promotion. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.-

Report on the audit of compliance with legislation

Introduction and scope

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

28. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements and annual report

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework (GRAP) and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Revenue management

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

31. Effective and appropriate steps were not taken to ensure that all applications by promoters for the sanctioning of tournaments are made in writing and submitted to Boxing at least 30 days prior to the date of the tournament and that promoters provide the affidavits within 7 days after the tournament, as required by section 11(5)(a) and (b) of South African Boxing Act regulation.

Procurement and contract management

32. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.

33. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA and treasury regulations 16A6.3(b) . This limitation was identified in the procurement processes for Boxing awards.
34. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the event production and project management for boxing awards.
35. Some of the quotations were awarded to bidders based on functionality criteria that were not stipulated in the original invitation for quotations, as required by the 2017 preferential procurement regulation 5(6) and (7). This non-compliance was identified in the procurement processes for the awards to be given to nominated participants during boxing awards.

Consequence management

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

Other information

38. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
39. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
40. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
41. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

42. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The

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

43. The accounting authority did not exercise sufficient oversight responsibilities regarding financial and performance reporting and compliance as well as related to internal controls to ensure that the financial statements and annual performance report are free from material misstatements.
44. Management did not ensure that controls are implemented to prepare accurate financial statements that agree to supporting schedules. The financial statements contained numerous misstatements.
45. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored.

Auditor-General

PRETORIA

1 AUGUST 2019



ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

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

2. ANNUAL FINANCIAL STATEMENTS

Index

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

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Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Authority's Responsibilities and Approval

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and financial affairs of Boxing SA for the year ended 31 March 2019.



Dr. Malefetsane Peter Ngatane

CHAIRPERSON OF THE BOARD

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	6	148 598	1 016 823
Cash and cash equivalents	7	2 821 286	3 406 735
		2 969 884	4 423 558
Non-Current Assets			
Property, plant and equipment	3	380 553	365 564
Intangible assets	4	64 659	89 656
		445 212	455 220
Total Assets		3 415 096	4 878 778
Liabilities			
Current Liabilities			
Finance lease obligation	8	16 519	11 827
Operating lease liability	5	106 617	147 195
Payables from exchange transactions	11	3 465 718	5 358 586
Provisions	9	284 778	254 248
Unallocated Deposits	10	374 670	30 502
		4 248 302	5 802 358
Non-Current Liabilities			
Finance lease obligation	8	8 655	8 056
Total Liabilities		4 256 957	5 810 414
Net Assets		(841 861)	(931 636)
Accumulated surplus		(841 861)	(931 636)

*See Note 27 & 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Performance

Figures in Rand

Note(s)

2019

2018

Restated*

		12	17 957 615	16 144 800
Revenue				
Expenditure				
Employee related costs	16	(7 647 994)	(7 306 199)	
Depreciation and amortisation	3&4	(141 830)	(99 332)	
Finance costs		(1 645)		-
Write off		(418 426)		-
General Expenses	17	(9 657 945)	(11 330 879)	
Total expenditure			(17 867 840)	(18 736 410)
Surplus (deficit) for the year			89 775	(2 591 610)

*See Note 27 & 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2016	1 368 263	1 368 263
Adjustments		
Correction of errors	291 711	291 711
Balance at 01 April 2017 as restated*	1 659 974	1 659 974
Changes in net assets		
Deficit for the year	(2 591 610)	(2 591 610)
Total changes	(2 591 610)	(2 591 610)
Restated* Balance at 01 April 2018	(931 636)	(931 636)
Changes in net assets		
Surplus, for the year		
Total changes	89 775	89 775
Balance at 31 March 2019	89 775	89 775
Note(s)	(841 861)	(841 861)

*See Note 27 & 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Grants		12 618 406	12 027 943
Interest income		695 558	697 111
Other receipts		3 401 497	2 164 115
		16 715 461	14 889 169
Payments			
Employee costs		(7 647 994)	(7 306 199)
Suppliers		(9 809 617)	(8 599 270)
Finance charges		(59 132)	(57 140)
Cash flows of discontinued operations		(1 645)	-
		(17 518 388)	(15 962 609)
Net cash flows from operating activities	19	(802 927)	(1 073 440)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(128 544)	(166 024)
Proceeds from sale of property, plant and equipment	3		21 466
Purchase of other intangible assets	4	(3 437)	(12 380)
Net cash flows from investing activities		(131 981)	(156 938)
Cash flows from financing activities			
Movement in unallocated deposits		344 168	(29 450)
Finance lease payments		5 291	-
Net cash flows from financing activities		349 459	(29 450)
Net increase/(decrease) in cash and cash equivalents		(585 449)	(1 259 828)
Cash and cash equivalents at the beginning of the year		3 406 735	4 666 563
Cash and cash equivalents at the end of the year	7	2 821 286	3 406 735

*See Note 27 & 26

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sanctioning fees	2 103 000	-	2 103 000	1 537 605	(565 395)	33a
Other income: Insurance, Safety & Public Liabilities	-	363 517	363 517	363 517	-	
License fees	572 000	36 600	608 600	685 680	77 080	33b
Application fees	-	16 200	16 200	16 200	-	
Forfeit fees	26 000	-	26 000	40 650	14 650	33c
Interest income	47 000	-	47 000	695 558	648 558	33d
Total revenue from exchange transactions	2 748 000	416 317	3 164 317	3 339 210	174 893	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	12 268 000	350 406	12 618 406	12 618 406	-	
Other income: Sponsorship	-	2 000 000	2 000 000	2 000 000	-	
Total revenue from nonexchange transactions	12 268 000	2 350 406	14 618 406	14 618 406	-	
Total revenue	15 016 000	2 766 723	17 782 723	17 957 616	174 893	
Expenditure						
Personnel	(7 351 878)	(265 122)	(7 617 000)	(7 647 994)	(30 994)	
Depreciation and amortisation	(100 000)	(48 000)	(148 000)	(141 830)	6 170	
Finance costs	-	-	-	(1 645)	(1 645)	
Debt Impairment	-	(419 000)	(419 000)	(418 426)	574	
General Expenses	(7 564 122)	(2 034 601)	(9 598 723)	(9 657 945)	(59 222)	33e
Total expenditure	(15 016 000)	(2 766 723)	(17 782 723)	(17 867 840)	(85 117)	
Surplus before taxation	-	-	-	89 776	89 776	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	89 776	89 776	
Reconciliation						

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

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

1.2 Going concern assumption

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

We draw attention to the fact that at March 31, 2019 the entity had a surplus of R89 775 and that the entity total liabilities exceed its assets by R841 861.

The factors listed above indicates conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

1.3 Significant judgements and sources of estimation uncertainty

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

Impairment testing

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 9 - Provisions.

Allowance for doubtful debts

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

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.4 Property, plant and equipment (continued)

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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

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

Item	Depreciation method	Average useful life
Leased asset	Straight line	2 - 5 years
Furniture and fixtures	Straight line	8 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	2 - 5 years
IT equipment	Straight line	4 - 6 years
Scales	Straight line	5 years

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

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

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

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.4 Property, plant and equipment (continued)

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

1.5 Intangible assets

An asset is identifiable if it either:

- * is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- * arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
- *

An intangible asset is recognised when:

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

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

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

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

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

Item	Useful life
Computer software, other	1 - 10 years (straight line)

Intangible assets are derecognised:

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

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

1.6 Financial instruments

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

Annual Financial Statements for the year ended 31 March 2019

1.6 Financial instruments (continued)

Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

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

Boxing SA recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- * Financial instruments at amortised cost.

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

Gains and losses

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

Annual Financial Statements for the year ended 31 March 2019

1.6 Financial instruments (continued)

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.

1.7 Leases

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

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

Finance leases - lessee

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.7 Leases (continued)

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.

1.8 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

Post-employment benefits; Defined contribution plans

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

1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.9 Provisions and contingencies (continued)

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.

Provisions 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.

1.10 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.11 Revenue from exchange transactions

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

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

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

Measurement

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

Rendering of services

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.11 Revenue from exchange transactions (continued)

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

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

1.12 Revenue from non-exchange transactions

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

1.12 Revenue from non-exchange transactions

Recognition

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

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

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

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

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

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

Gifts and donations, including goods in-kind

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

1.13 Interest

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.14 Comparative figures

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

Prior year comparative

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

1.15 Fruitless and wasteful expenditure

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

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

1.16 Irregular expenditure

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

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

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

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

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

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

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

1.17 Budget information

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.17 Budget information (continued)

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 2018/04/01 to 2019/03/31.

Boxing SA consider the difference of more than 10% between budget and actual to be material and it will be explained on note 33.

1.18 Related parties

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

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

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

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

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

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

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

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

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

1.19 Events after reporting date

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

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1.20 Conditional grants and receipts

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted

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

2.2 Standards and Interpretations early adopted

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2019 or later periods:

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2019 or later periods but are not relevant to its operations:

GRAP 36: Investments in Associates and Joint Ventures

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

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

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

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

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

GRAP 37: Joint Arrangements

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

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

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

GRAP 38: Disclosure of Interests in Other Entities

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

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

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

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

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

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

GRAP 110: Living and Non-living Resources

The objective of this Standard is to prescribe the:

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

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment,

Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

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

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

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

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

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

The most significant changes to the Standard are:

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

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

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

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

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

IGRAP 19: Liabilities to Pay Levies

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

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

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

Consensus reached in this interpretation:

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

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

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

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

GRAP 12 (as amended 2016): Inventories

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

The most significant changes to the Standard are:

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

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

The entity has adopted the amendment for the first time in the 2019 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 27 (as amended 2016): Agriculture

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

The most significant changes to the Standard are:

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

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

The entity has adopted the amendment for the first time in the 2019 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

GRAP 31 (as amended 2016): Intangible Assets

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

The most significant changes to the Standard are:

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

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

The entity has adopted the amendment for the first time in the 2019 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset related Standards of GRAP in relation to the treatment of transaction costs.

Other changes resulted from editorial changes to the original text.

The most significant changes to the Standard are:

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

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

The entity has adopted the amendment for the first time in the 2019 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

Figures in Rand

2019 2018

3. Property, plant and equipment

	2019		2018	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation
Furniture and fixtures	251 520	(151 230)	100 290	247 153
Motor vehicles	141 520	(117 531)	23 989	141 119
Office equipment	142 306	(64 654)	77 652	125 514
IT equipment	485 622	(336 284)	149 338	397 422
Leased assets	42 025	(17 397)	24 628	24 239
Scales	10 921	(6 265)	4 656	10 921
Total	1 073 914	(693 361)	380 553	946 368
				(580 804)
				365 564

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	111 118	4 367	-	(15 195)	100 290
Motor vehicles	32 492	1 400	(161)	(9 742)	23 989
Office equipment	88 222	16 791	-	(27 361)	77 652
IT equipment	107 790	88 200	-	(46 652)	149 338
Leased assets	19 549	17 786	-	(12 707)	24 628
Scales	6 393	-	-	(1 737)	4 656
	365 564	128 544	(161)	(113 394)	380 553

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	29 551	90 718	-	(9 151)	111 118
Motor vehicles	42 234	-	-	(9 742)	32 492
Office equipment	58 692	47 476	-	(17 946)	88 222
IT equipment	163 634	-	(21 466)	(34 378)	107 790
Leased assets	-	24 239	-	(4 690)	19 549
Scales	4 060	3 591	-	(1 258)	6 393
	298 171	166 024	(21 466)	(77 165)	365 564

Repairs and Maintenance

The following amount included in Repairs and Maintenance relating to service of the Assets

Property, plant and equipment	3 215	26 325
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Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

4. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	247 717	(183 058)	64 659	244 279	(154 623)	89 656
Reconciliation of intangible assets - 2019						
			Opening balance	Additions	Amortisation	Total
Computer software			89 656	3 437	(28 434)	64 659
Reconciliation of intangible assets - 2018						
			Opening balance	Additions	Amortisation	Total
Computer software			104 609	12 380	(27 333)	89 656

5. Operating lease

Current operating lease		(106 617)	(147 195)
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Further details are provided on note 21

6. Receivables from exchange transactions

Trade debtors		7 505 947	6 685 869
Provision for doubtful debts		(7 357 349)	(5 669 046)
		148 598	1 016 823

Reconciliation of debt provision		2019	2018
Balance at the beginning of year		5 669 046	4 793 802
Contributions to provision		1 999 355	875 244
Bad debts recovered/(written off) against provision		(311 052)	-
		7 357 349	5 669 046

Age Analysis	180 Days +	90 Days	60 Days	30 Days	Current	Total
Customers	6 325 284	511 333	1 425	75 322	592 583	7 505 947
Subtotal	6 325 284	511 333	1 425	75 322	592 583	7 505 947
	6 325 284	511 333	1 425	75 322	592 583	7 505 947

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2019, R330 468 (2018: R 993 657) were past due but not impaired.

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

The ageing of amounts past due but not impaired is as follows:

1 months past due	2 021	20 113
2 months past due	3 445	69 097
3 months past due	143 132	927 613

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2019	2018
Bank balances	2 058 871	2 005 826
Momentum Investment	762 415	1 400 909
	2 821 286	3 406 735

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

Purse account	1 874 616	1 364 483
Boxers benevolent fund	25 634	5 032
License account	109 277	629 909
Savings account	4 495	4 444
Main account	44 849	1 958
Total	2 058 871	2 005 826

Momentum Investment reconciliation

Momentum Investment	1 400 909	1 199 761
Contribution	120 000	120 000
Interest income	87 769	101 237
Administration fees	(51 448)	(23 484)
L/P on Investment	5 185	3 394
Withdrawals	(800 000)	-
Closing Balance	762 415	1 400 909

Momentum investment

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

8. Finance lease obligation

Minimum lease payments due

- within one year	16 519	11 827
- in second to fifth year inclusive	8 655	8 056
Present value of minimum lease payments	25 174	19 883
Non-current liabilities	8 655	8 056
Current liabilities	16 519	11 827
	25 174	19 883

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

8. Finance lease obligation (continued)

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

The average lease term was 1-2 years and the average effective borrowing rate was 10% (2018: 10%).

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

Figures in Rand

2019

2018

9. Provisions

Reconciliation of provisions - 2019

	Opening Balance	Utilised/ Released during the year	Leave Paid during the year	Additions	Total
Leave pay	254 248	(247 991)	(6 257)	284 778	284 778

Reconciliation of provisions - 2018

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

10. Unallocated Deposits

Unallocated Deposits are amounts that are deposited into Boxing SA bank account without proper referencing, in 2017/18 financial year R30 502 this current financial year increased to R374 670.

11. Payables from exchange transactions

Trade payables	1 332 201	1 959 216
Sundry payables	32 129	32 129
Accrued expense	1 570 998	2 661 056
Prepaid license fees	530 390	706 185
	3 465 718	5 358 586

12. Revenue

Sanctioning fees	1 537 605	1 527 051
Insurance, safety & public liability	363 516	877 632
License fees	685 680	683 385
Application fees	16 200	-
Forfeit fees	40 650	24 850
Interest income	13	695 558
Government grants & subsidies	14	12 618 406
Sponsorship	15	2 000 000
	17 957 615	16 144 800

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements

12. Revenue (continued)

Figures in Rand

	2019	2018
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sanctioning fees	1 537 605	1 527 051
Safety & public liability	363 516	877 632
License fees	685 680	683 385
Application fees	16 200	-
Forfeit fees	40 650	24 850
Interest income	695 558	697 111
	3 339 209	3 810 029

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

Taxation revenue		
Transfer revenue		
Government grants & subsidies	12 618 406	12 027 943
Sponsorship	2 000 000	306 828
	14 618 406	12 334 771

13. Interest revenue

Interest revenue

Interest income	695 558	697 111
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Interest income for current year includes R2 443 interest from the bank, R87 769 from Momentum investment and R605 346 interest charged on trade debtors for long overdue.

The Interest rate for momentum equals to 6.28% p.a. and interest charged on trade debtors is as per National Treasury instruction and for the period(10.25% during April 2018, 10% from May 2018 until December 2018 and 10.25% from January 2019 until March 2019.

14. Government grants and subsidies

Operating grants

Government grant - Sport and Recreation South Africa	12 618 406	12 027 943
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15. Public contributions and donations

Sponsorship

Sponsorship	2 000 000	306 828
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Reconciliation of conditional contributions

Current-year receipts	2 000 000	306 828
Conditions met - transferred to revenue	(2 000 000)	(306 828)

Boxing SA received an amount of R 2 000 000.00 from Department of Sport, Art, Culture and Recreation: Gauteng Provincial Government for the purpose of hosting 2018 Gauteng Boxing Tournament.

Boxing SA

Annual Financial Statements for the year ended 31 March 2019

Notes to the Annual Financial Statements**16. Employee related costs**

Figures in Rand

	2019	2018
Basic	5 198 748	4 654 814
UIF SDL PAYE	1 738 554	1 918 359
Leave pay provision charge	50 943	(18 820)
Provident fund contribution-Post employee benefits	659 749	751 846
	7 647 994	7 306 199

17. General expenses

Advertising	254 706	1 791 381
Auditors remuneration	872 268	1 027 403
Bank charges	59 132	57 140
Administration fee	47 521	25 457
Computer expenses	216 540	180 430
Consulting and professional fees	827 352	744 446
Sponsorship expenses	1 124 796	105 000
Insurance	107 802	111 124
Conferences and seminars	598 477	225 957
Fuel & Oil Expenses	57 539	101 641
Marketing	34 460	161 897
Lease rentals	664 886	581 292
Postage and courier	6 834	58 273
Printing and stationery	213 492	282 860
Repairs and maintenance	9 236	102 803
Subscriptions and membership fees	31 654	68 284
Telephone and fax	253 366	161 424
Training	2 500	-
Travel - local	1 324 131	2 600 355
Electricity & Water	325 220	223 019
Board and sub-committee fees	483 002	375 626
Legal expenses	420 696	1 318 334
Boxing materials	2 850	50 277
Sparring sessions	24 115	45 300
Other (General Exp & Office Removal)	7 945	59 306
Momentum expenses	(878)	(3 394)
Increase in provision on doubtful debts	1 688 303	875 244
	9 657 945	11 330 879

18. Auditors' remuneration

Fees	872 268	1 027 403
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Boxing SA

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19. Cash used in operations

Surplus (deficit)	89 775	(2 591 610)
Adjustments for:		
Depreciation and amortisation	141 830	99 332
Finance costs - Finance leases	1 645	-
Debt impairment	418 426	-
Movement in operating lease	(40 578)	147 194
Movements in provisions	30 530	(84 689)
Assets write offs	(11 338)	(13 593)
Movement in bad debts provision	1 688 303	-
Other non-cash items	(6 498)	(5 469)
Changes in working capital:		
Receivables from exchange transactions	(1 222 154)	(542 066)
Payables from exchange transactions	(1 892 868)	2 264 289
Unspent conditional grants and receipts	-	(346 828)
	(802 927)	(1 073 440)

20. Financial instruments disclosure

Categories of financial instruments		
2019		
Financial instruments disclosure		
Financial assets		
Trade and other receivables from exchange transactions		
Cash and cash equivalents		
	At amortised cost	Total
1 017 371	1 017 371	
2 821 286	2 821 286	
3 838 657	3 838 657	

Financial liabilities		
At amortised cost		
Total		
Unallocated deposit	374 670	374 670
Trade and other payables from exchange transactions	3 469 368	3 469 368
	3 844 038	3 844 038

2018		
Financial assets		
At amortised cost		
Trade and other receivables from exchange transactions	1 016 823	1 016 823
Cash and cash equivalents	3 406 735	3 406 735
	4 423 558	4 423 558

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Financial instruments disclosure (continued)**Financial liabilities**

	At amortised cost	Total
Unallocated deposits	30 502	30 502
Trade and other payables from exchange transactions	5 358 586	5 358 586
	5 389 088	5 389 088

21. Operating lease**Authorised operational expenditure****Total commitments**

For operating commitments refer below and for capital commitments refer to note 8:

Operating leases - as lessee (expense)**Minimum lease payments due**

- within one year	716 774	680 470
- in second to fifth year inclusive	244 729	716 774
- later than five years	-	244 729
	961 503	1 641 973

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

Rental expenses relating to operating leases

Minimum lease payments	961 503	1 641 973
------------------------	---------	-----------

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 2019

- a) Boxing SA vs. Mr. Qithi - The matter has been to the CCMA since 2015 and was finalized in December 2018. The outcome of the CCMA was in favour of the applicant. Boxing SA was not satisfied with the outcome and then referred the matter to the Labour Court for review. Currently the matter is under review at the Labour Court. Boxing SA will pay R 3 780 000.00 if lose the case.
- b) BSA vs. Mr Khambule - The matter was referred to the CCMA by Mr. Khambule whereby a default judgement was issued against BSA. BSA then referred the matter to the Labour Court to review the default judgement, if Boxing SA loses the case it will pay an amount of R 190 000.
- c) The momentum investment has been taken for the purpose of boxers' injuries and death as a result of participation in boxing, the claims are limited to the maximum of R 50 000 if boxer is a champion and R 25 000 for other boxers.

Boxing SA

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23. Related parties

Relationships

Parent Department

Department of Sport and Recreation South Africa

Fellow controlled entity

African Institute for Drug Free Sport

Related party transactions

Grant received from related parties

Department of Sport and Recreation South Africa

12 268 000

11 595 000

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

Department of Sport and Recreation South Africa

350 406

432 943

Emoluments of Board member refer to note 24.

Key management information

Class

Chief Executive Officer (CEO)

Description

Number

Chief Financial Officer (CFO)

Mr. Tsholofelo Lejaka

058

Director Operations (COO)

Mr. Thabang Moses

054

Ms. Saviour Nkomo

055

Remuneration of management

Executive management

2019

	Basic salary	Other benefits received	Total
Name			
Chief Executive Officer	1 490 097	26 400	1 516 497
Chief Financial Officer	1 149 195	20 400	1 169 595
Director Operations	1 005 063	20 400	1 025 463
	3 644 355	67 200	3 711 555

2018

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

Other benefits includes cell phone, medical and travelling allowance.

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24. Members' emoluments

Board emoluments

2019	Emoluments	Other benefits	Total
Dr. MP Ngatane (Chairperson)	78 450	9 636	88 086
Adv. M Gumbi	32 649	515	33 164
Ms. Z Kabini	65 030	5 143	70 173
Mr. L Jack	54 432	-	54 432
Mr. K Radu	42 768	-	42 768
Mr. G Martins	57 118	12 386	69 504
Mrs. L Tungamirai	50 747	453	51 200
	381 194	28 133	409 327

2018

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

Dr. MP Ngatane served as the Chairperson of the Sanctioning committee until 12 December 2017, he is currently serving as the Chairperson of the Board. Mr. G Martins serves as an Audit committee member from 12 December 2017. Ms. Z Kabini serves as the Chairperson of the ICT, Governance, Finance and Resource Mobilisation committee, other committee members are Mr. L Jack , Mrs. L Tungamirai and Mr G Martins. Mr. K Radu serves as the Chairperson of the Sanctioning committee from 12 December 2017.

Audit Committee fees

2019	Member's fees	Other benefits	Total
Mrs. P Mvulane(Chairperson until October 2018)	17 268	1 688	18 956
Adv. F vd Westhuizen	13 095	-	13 095
Mr. D Moodley(Act Chairperson from November 2018)	23 427	1 409	24 836
Mr. G Martins	18 333	5 966	24 299
	72 123	9 063	81 186

2018

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

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24. Members' emoluments (continued)

Ratings Committee

2019	Member's fees	Other benefits	Total
Mr. A de Vries (Chairperson)	26 150	-	26 150
Mr. B Magasela	3 888	-	3 888
Mr. K Radu	5 230	-	5 230
	35 268	-	35 268

25. Change in estimate

Property, plant and equipment

The useful life of certain office equipment was estimated in 2018 to be 5 years. In the current period management have revised their estimate to 2 - 5 years. The effect of this revision has no financial impact but to include assets that depreciate over a two years.

26. Prior period errors

Two promoters have re-submitted affidavits and sponsorship agreement. This has impact on Sanctioning fees, Receivables, Sponsorship expenses and Interest.

Cell phones were not recorded as Office equipment and corresponding finance lease liability was not raised. This also affect depreciation, telephone cost and finance cost.

Salaries for employee which were recorded in wrong period.

Statement of financial position		-	30 572
Property, plant and equipment		-	(19 883)
Finance lease obligation		-	(238 256)
Receivables			
Statement of Financial Performance			
Accumulated Surplus or Deficit		-	150 551

27. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2018	Note	As previously reported	Correction of error	Restated
Property , plant and equipment		334 992	30 572	365 564
Receivable		1 255 079	(238 256)	1 016 823
Finance lease		-	19 883	19 883
		1 590 071	(187 801)	1 402 270

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27. Prior-year adjustments (continued)**Statement of financial performance**

2018	Note	As previously reported	Correction of error	Restated
Deficit of the year		(2 441 059)	(150 551)	(2 591 610)

28. Risk management**Liquidity risk**

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

Credit risk

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

Market risk**Interest rate risk**

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

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies 1.2 applicable to a going concern.

This basis presumes that funds in note 7 will be available to finance future operations and that the realisation of assets in note 6 and settlement of liabilities in note 9, 10 & 11 contingent obligations in note 22 and commitments in note 8 will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on the continued support of the National Department of Sport and Recreation as per note 23.

30. Events after the reporting date

* No events after the reporting date.

31. Fruitless and wasteful expenditure

Opening balance	2 520 887	2 452 217
Interest on overdue account	5 375	4 927
Rentals	34 385	63 743
Less: Amount written off	(1 869)	-
	2 558 778	2 520 887

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

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32. Irregular expenditure

	2019	2018
Opening balance	6 568 941	4 864 942
Computer expenses	64 746	-
Advertising	218 591	-
Contractors	249 900	190 677
Overspending on budget	-	1 513 322
	7 102 178	6 568 941

Current year Irregular expenditure is on an expired contract for the email server, event management and advertising.

Analysis of expenditure awaiting condonation per age classification

	2019	2018
Current year	533 237	1 703 999
Prior years	6 568 941	4 864 942
	7 102 178	6 568 941

Details of irregular expenditure – current year	Disciplinary steps taken/criminal proceedings	-
Incident 2	Text 2	-

Details of irregular expenditure condoned
 Details of irregular expenditure recoverable (not condoned)
 Details of irregular expenditure not recoverable (not condoned)

33. Budget differences

Material differences between budget and actual amounts

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

- a. **Sanctioning fees**:- Due to the decrease of the total number of tournaments during 2018/19.
- b. **License fees**:- Boxing SA received more license applications/renewal than anticipated during the year.
- c. **Forfeit & Penalty fees**:- Relates to the amount charged on licensees for non compliance with Boxing regulations.
- d. **Interest income**:- Interest charged on trade debtors for overdue account.
- e. **General expenses**:- The high spending on travelling is mainly caused by events that Boxing SA holds, such as Boxing Awards, licensees seminars. Legal fees are attributable to any litigation against Boxing SA.



NOTES

NOTES

BSA **ANNUAL REPORT 2018/19**

A BOXING COMMISSION WHICH IS A JURISTIC PERSON KNOWN AS
BOXING SA WAS ESTABLISHED IN TERMS OF SECTION 4 OF THE
SOUTH AFRICAN BOXING ACT, 11 OF 2001

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