



BOXING
SOUTH AFRICA

2020/2021
ANNUAL REPORT

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PART A
**GENERAL
INFORMATION**

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: Boxing South Africa

PHYSICAL ADDRESS: Hatfield Forum East
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Hatfield
Pretoria

POSTAL ADDRESS: PO Box 1347
Southdale
2135

TELEPHONE NUMBER: +27 012 765-9600

EMAIL ADDRESS: mail@boxingsa.co.za

WEBSITE ADDRESS: www.boxingsa.co.za

EXTERNAL AUDITORS: Auditor-General South Africa

BANKERS: ABSA Bank

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA Auditor-General of South Africa

BSA Boxing South Africa

MEC Member of Executive Council

CEO Chief Executive Officer

CFO Chief Financial Officer

PFMA Public Finance Management Act

TR Treasury Regulations

MTEF Medium Term Expenditure Framework

GRAP Generally Recognised Accounting Practice

SCM Supply Chain Management

DSAC Department of Sport, Art and Culture

NDP National Development Plan

PSA Public Service Act

SANABO South African National Amateur Boxing Organisation

CATHSSETA Culture Arts Tourism Hospitality and Sport Sector Education Training Authority

SAIDS South African Institute for Drug-Free Sport

SASCOC South African Sport Confederation and Olympic Committee

SABC South African Broadcasting Corporation

WBA World Boxing Association

WBC World Boxing Council

WBO World Boxing Organisation

IBF International Boxing Federation

WBF World Boxing Federation

ABU African Boxing Union

NLC National Lotteries' Commission



3. FOREWORD BY THE CHAIPERSON

Mr. Luthando Jack
Chairperson of the Board



It gives me pleasure to present the annual report of Boxing South Africa (Boxing SA) for the financial year 2020/2021. The year under review is an unprecedented year in the history of humankind. The advent of the COVID-19 global pandemic did not only disrupt the organisation of the affairs of human beings across the world but continues to ravage the lives of the people across the globe and has had a devastating impact on every sector of our society. Its continuous existence and adaptation in a form of waves – we have just gone through the third wave – means that we must execute our mandate and responsibility in these given conditions and adapt accordingly as part of the new way of organising ourselves as human beings in general and as the sport of boxing.

The context outlined in the foregoing calls for new forms of organisation, strategic alliances, collaborative networks, as well as new forms of leading and managing. The complexity we are facing calls upon all of us to forge partnerships as no single actor has the capacity and capability to contend with the massive challenges we continue to face, that have been deepened and made more pronounced by the COVID-19 pandemic.

Boxing as a contact sport was negatively affected by the on-going prevalence of the pandemic. As a response to the crisis, in line with the re-opening strategies of the economy and the social sector, Boxing SA in 2020 had to journey with the fraternity with a focus on the following areas:

- Developing and evolving a COVID-19 compliant re-opening operational plans for the sport for the approval of the Minister of Sport, Arts and Culture.

- Visitation of various gymnasia across the country to prepare for the re-opening, conscientisation about the necessity to comply to the new rules of the game. At the core of this process was COVID compliance awareness and education and the non-negotiables as far as compliance was concerned.
- Provision and supply of gymnasia with start-up toolkits of protective equipment as part of enabling the safe resumption of training.
- To catalyse the safe resumption of tournaments, Boxing SA supported the local boxers with the taking of tests through subsidising their costs. This ensured that no athlete went into the ring without a valid negative test certificate.
- Boxing SA also supported the qualifying licensees with their applications to the Department of Sport, Arts and Culture (DSAC) for the various relief funds rollouts.
- Adopted a developmentalist approach with regards to the processing and sanctioning of tournaments to maximise opportunities for athlete activity as boxing provides livelihood to many of our boxers and their families.
- Migration of some critical operations through the introduction of technology as a response strategy both to the imperatives of digital transformation as well as to the conditions imposed by COVID-19. This transition was done considering the nature and profile of our licensees to ensure that this introduction does not perpetuate the digital divide facing our society.

" We are continuing to focus on improving the audit outcomes of the entity and the overall performance scorecard. With the strengthening of the internal audit function, we hope that we will be able to achieve the targets that we have set for ourselves for the current financial year. "

With these interventions amongst others, we still performed below the 2019/2020 baseline in terms of the number of tournaments held. This is an important indicator of growth or decline of the sport. This is a matter that we are focusing on in the current financial year albeit operating under mainly similar conditions.

We are thus continuing to focus on improving the audit outcomes of the entity and the overall performance scorecard. With the strengthening of the internal audit function, we hope that we will be able to achieve the targets that we have set for ourselves for the current financial year.

We have, as indicated in the 2021/2022 Annual Performance Plan, an ambitious programme of renewing, growing, and transforming the sport of boxing into a centre of excellence that is a pride of the nation. This is undergirded by the back-to-basics campaign aimed at consolidating and re-establishing the foundations of professional boxing. At the centre of this journey is the mobilisation of support behind this programme and this has received overwhelming support from the fraternity and beyond. The renewal programme is also about the repositioning, rekindling, and re-imagining boxing in the country in a post-COVID-19 world. This is an inspiring and yet daunting task to undertake in an environment that is dominated by so many negative indicators as occasioned by historic, structural, and systemic factors facing our economy and society; but it is exactly these factors that have energised the term of the current Board appointed by the Minister in December 2020.

In partnership with the fraternity, our stakeholders, government at all spheres, and the private sector, the renewal journey of the sport is likely to succeed. Much progress has been made in mobilising and harnessing all forms of resources that could aid the realisation of this renewal agenda.

We would like to thank the honourable Minister Nathi Mthethwa for his strategic leadership and support to the entity. We also extend a word of appreciation to the honourable Deputy Minister, Ms. Nocawe Mafu for her support to the entity as well as the Director General, Mr. Vusumuzi Mkhize for his administrative counsel and the rest of the DSAC staff. We also extend a word of appreciation to the management and staff of Boxing SA led by the Acting Chief Executive Officer, Ms. Cindy Nkomo. They operate under very taxing conditions but have been able to sustain business continuity.

I also wish to thank the erstwhile Board that presided over the entity for the larger part of the period under review under the leadership of Dr. Malefetsane Ngatane.

Finally, boxing is a sport of a common person, because of COVID-19 some of our boxers were helped by fellow South Africans to sustain their livelihoods and dignity. We would like to acknowledge this ubuntu in action by fellow compatriots.

We also wish to pay homage to many of our licensees and legends of the sport who passed on in the period under review. May their Souls Rest in Peace.

As we continue our path to remake the sport, our resolve is to make this a collective journey. We are going to deepen the ownership and commitment to its realisation by the rest of the fraternity.

The current Board does not only believe in the possibility of the realisation of this imperative, but also thinks that it is an urgent necessity for posterity.



Luthando Jack

Chairperson



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Ms Cindy Nkomo

Acting Chief Executive Officer

t has been a year of adjusting sails.

I take over from Mr. Tsholofelo Lejaka who left Boxing SA in August 2020, after four years at the helm. This change, coming at a time of uncertainty in the country due to Covid-19, challenged the organisation to rely on the structures and processes built over time as well as the cooperation that existed within the organisation. We thus had a seamless transition and continuity and I thank my predecessor for his support during the transition.

We have all felt the strain of the pandemic, yet, despite the immense challenges of the past year, Boxing SA has made strides in important areas of its mandates. The success of what we have been able to deliver is because of the dedication of our staff and Provincial Managers and the resilience of our licensees. The pandemic has underlined the need for rapid and close engagement of all stakeholders to achieve a common cause, that of survival of the sport and in turn contributing to the livelihoods of many who live off the sport. The endurance and commitment shown by all Boxing SA licensees to support the sport without compromising on high standards of safety, quality and efficacy has been the silver lining in the horizon confirming that in unity greatness can be achieved.

Whilst the sport has been forced to slow down in activity, we used this time to review many of our operational processes and strengthen our administration efficiency especially where engaging with licensees is concerned. The COVID 19 pandemic has highlighted the pressing need for Boxing

SA to improve its data collection and systems to better engage and communicate to licensees and stakeholders. This work which has already started will be ramped up in the next financial year to also facilitate marketing of sport and building a heritage portal.

Coming from the Board Strategic session on 25-27 March 2021 and following the appointment of the new seven (7) member Board, I am excited to be tasked with the responsibility of implementing the overarching strategy for the sport coined, "Renew. Grow. Transform." The different layers of this strategy will address and foster, among other things; boxing development, capacitation of our licensing, re-imaging of the sport and building lasting partnerships with various key stakeholders.

As we enter the new financial year, we wish to harness the lessons of this Covid-19 crisis and plan for a thorough assessment of the organisation, its capacity, strengths, and weaknesses, and draw on the best practices from other sporting codes and boxing sanctioning bodies globally. This exercise should involve all stakeholders and lead to better preparedness for other challenges that may emerge in the future. This approach should place Boxing SA, not only as a desirable regulator for professional boxing in the country, but as an attractive brand which sponsors can partner with and the sport of boxing as that which promotes social cohesion and contributes to a winning nation.

We will also implement and build on the various projects which some we had already begun, including:

“The pessimist complains about the wind. The optimist expects it to change. The leader adjusts the sails.”

- John Maxwell





- Amending the Boxing Regulations to align with best industry and international trends,
- Repositioning and strengthening of the Women in Boxing programme and overall participation of women in the sport,
- Promoting and assisting the formation of various Associations within our licensees,
- Partnering with various government institutions and the private sector to develop skills development programs for licensees, especially boxers, and
- Developing a Memorandum of Agreement with SANABO for a sustainable working relationship for the future.

We are not yet out of the woods, but I am confident that we will emerge a better organisation and people having drawn strength from each other and the many opportunities that are presented by the changing environment we exist.

I wish to thank our licensees, our stakeholders and partners, the Boxing SA staff, and Provincial Managers for traversing with commitment during what was the most unusual and challenging period.

I thank the Board of Boxing SA for their trust and confidence in my ability to implement the mandates and strategic objectives of the organisation. It has certainly been a privilege and pride to be able to contribute to the organisation during this time.



Cindy Nkomo
Acting Chief Executive Officer
Date: 31 March 2021

5. STATEMENT OF **RESPONSIBILITY**

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report are 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 and 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 2021.

Yours faithfully,



Cindy Nkomo
Acting Chief Executive Officer
Date: 31 March 2021



Luthando Jack
Chairperson
Date: 31 March 2021



6. STRATEGIC OVERVIEW

6.1. VISION

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

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

6.2. MISSION

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

6.3. VALUES

Our values are encapsulated as follows.

PROFESSIONALISM

Throughout the code Boxing SA will endeavour to promote and entrench the virtue of professionalism. This means Boxing SA, 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, Boxing SA and the licensees, to honour their legislative mandate to carry out their responsibility, respect each other's role and to act with integrity at all times.

DIVERSITY

In promoting the sport, we will endeavour to take the sport to every part and corner of our country and ensure that all communities and athletes have an equal opportunity to partake and excel in the game without regard to their cultural, linguistic, religious, social, and economic status, and/ or any other form of discrimination whatsoever.

Our values will guide the actions and behaviours of all at Boxing SA, the licensees, and all other stakeholders in the broader boxing fraternity. At the core of our values is the belief and reality that boxing starts and ends with a boxer and hence our values are boxer centric. Accordingly, Boxing SA will promote and champion these values to ensure the promotion and advancement of boxing nationally and that the sport is restored to its previous glory and receives the respect of practitioners and the public alike.

7. LEGISLATIVE AND OTHER MANDATES

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

7.1. CONSTITUTIONAL MANDATE

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

In line with these constitutional imperatives, SRSA has been assigned the powers and functions to develop and implement national policies and programs regarding sport and recreation in the country. Within this constitutional provision SRSA further ensured the establishment of Boxing SA as the sole code custodian of professional boxing in South Africa.

7.2. LEGISLATIVE MANDATE

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

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

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

7.3. POLICY MANDATES

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

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

7.4. NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) 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:

- i. Fostering constitutional values.
- ii. Equal opportunities, inclusion, and redress.
- iii. Promoting social cohesion across society.
- iv. Active citizenry and leadership.
- v. Fostering a social compact.

Sport and recreation contribute substantially to promoting social cohesion across society and detailed initiatives in this regard are captured in the 2014-2019 Medium-Term Strategic Framework (MTSF) and documented in this Strategic Plan. The NDP also acknowledges the significant role that sport plays with regards to fostering nation building. The NDP envisions a South Africa where all will be more conscious of the things they have in common, rather than their differences, where their shared experiences will cut across divisions of race, gender, space, and class. Boxing SA 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 were captured and allocated priority resources in the Boxing SA 2020/2021 Annual Performance Plan and will be annually reviewed.

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 marginalise persons with disabilities. For the above reason Boxing SA will focus on the implementation of the National Boxing Indaba Resolutions which seek to fundamentally change the boxing landscape. The outcomes in this Strategic Plan encapsulate most of these.

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

The White Paper on Sport and Recreation 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 2011 White Paper states that the success of sports development in South Africa is dependent upon the smooth implementation of a system with clear definitions of authority, responsibility and accountability combined with seamless progression. For South Africa to be successful in sport and recreation, it is essential that there be one authority charged with the responsibility to develop, coordinate, and monitor a comprehensive system established in accordance with a broadly agreed national strategy.

The White paper pronounces five strategic outcome orientated goals:

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

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

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

Strategic goal 4: Sport and recreation sector adequately transformed.

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

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

- Equitable resource distribution
- Empowerment and affirmation.

Boxing SA is geared to delivering on the NSRP imperatives especially on the responsibility of creating an enabling environment for all licensees to participate equally in the sport and for opening avenues for the broadcasting of tournaments across the lengths and breadths of the country. These imperatives are part of this Strategic Plan for 2020/2021 - 2024/2025.

7.7. 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

7.8. MEDIUM TERM STRATEGIC FRAMEWORK

The 2019-2024 Medium Term Strategic Framework (MTSF) is government's strategic plan for the elec-toral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions that government will take and tar-gets to be achieved. It also provides a framework for the other plans of national, provincial, and local government.

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

The aim of the MTSF is to address the challenges of unemployment, inequality, and poverty through three pillars:

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

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

Priority 1: A capable, ethical, and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, skills, and health

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

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

Priority 6: Social cohesion and safe communities

Priority 7: A better Africa and world

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

of the following international sanctioning bodies that are recognised by Boxing SA.

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

Boxing SA may recognise any other world boxing sanctioning bodies that may come into existence.

7.9. INTERNATIONAL SANCTIONING BODIES RULES AND REGULATIONS

As a member of the international boxing fraternity, South African boxers, and practitioners in general and by extension Boxing SA are also bound by the rules and the regulations

7.10. THE CONSOLIDATED MANDATE OF BOXING SA

Based on the legislative and the international mandate protocols, the mandate of Boxing SA can be analysed and summarised as in the table below:

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

7.11 BOXING SA FUNCTIONS

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

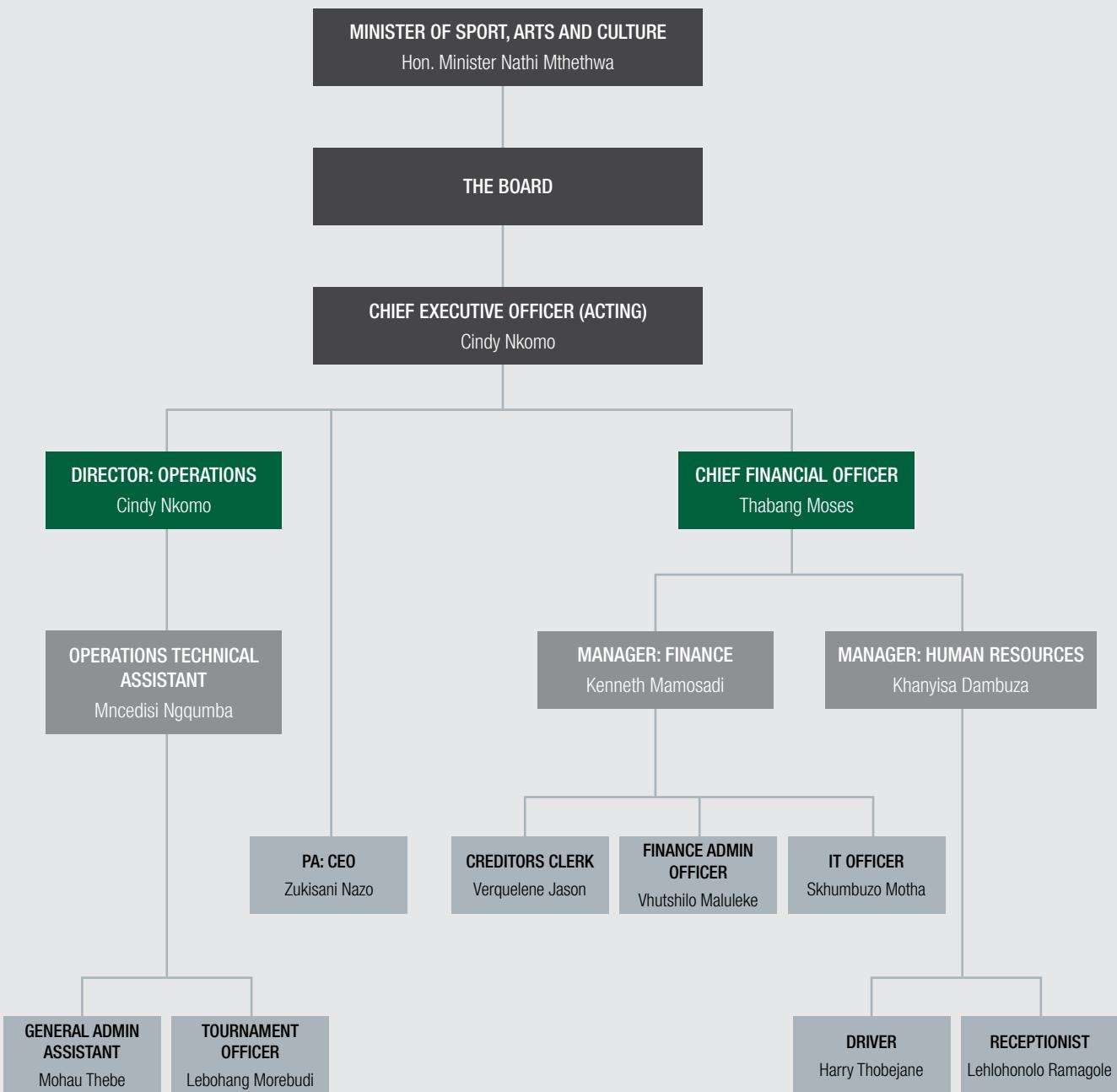
NO.	CORE FUNCTIONS
1.	To undertake the registration and licensing of all practitioners in the professional boxing fraternity and to always maintain a reliable data base.
2.	To sanction the staging of professional boxing tournaments based on the rules and regulations of BSA.
3.	To promote and recognise good talent, outstanding performance and exemplary behaviour by boxing licensees, boxers particularly, through the presentation of performance awards nationally.
4.	To rate boxers in each division based on their performance in the ring.
5.	To facilitate and coordinate the training and development of licensees to ensure compliance with norms and standards, the promotion of health and safety and the general improvement of the sport.
6.	To liaise with stakeholders in the boxing fraternity and manage their expectations and interests in a way that advances the interests of the sport.
7.	To ensure the accreditation and the enforcement of relevant regulations by specialist professionals such as medical and legal practitioners.
8.	To be the point of reference and liaison with international boxing associations for purposes of promoting the involvement of South African athletes at the international level.
9.	To promote and market the activities of Boxing SA and boxing in general in a way that will improve the image of boxing as a brand.
10.	To increase the profile of boxing as a sport through the sharing of the information about the sport and the developments within the fraternity.
NO.	STRATEGIC SUPPORT FUNCTIONS
1.	Collection and disbursements of boxers' payments.
2.	Ensuring proper document management and archival services (including digital recording and archival of boxer information) to ensure their integrity, safe keeping, and easy retrieval.
3.	Use boxing as a vehicle to promote sport tourism in the country and generally ensure that its role as a contributor in the country's economy is improved dramatically.

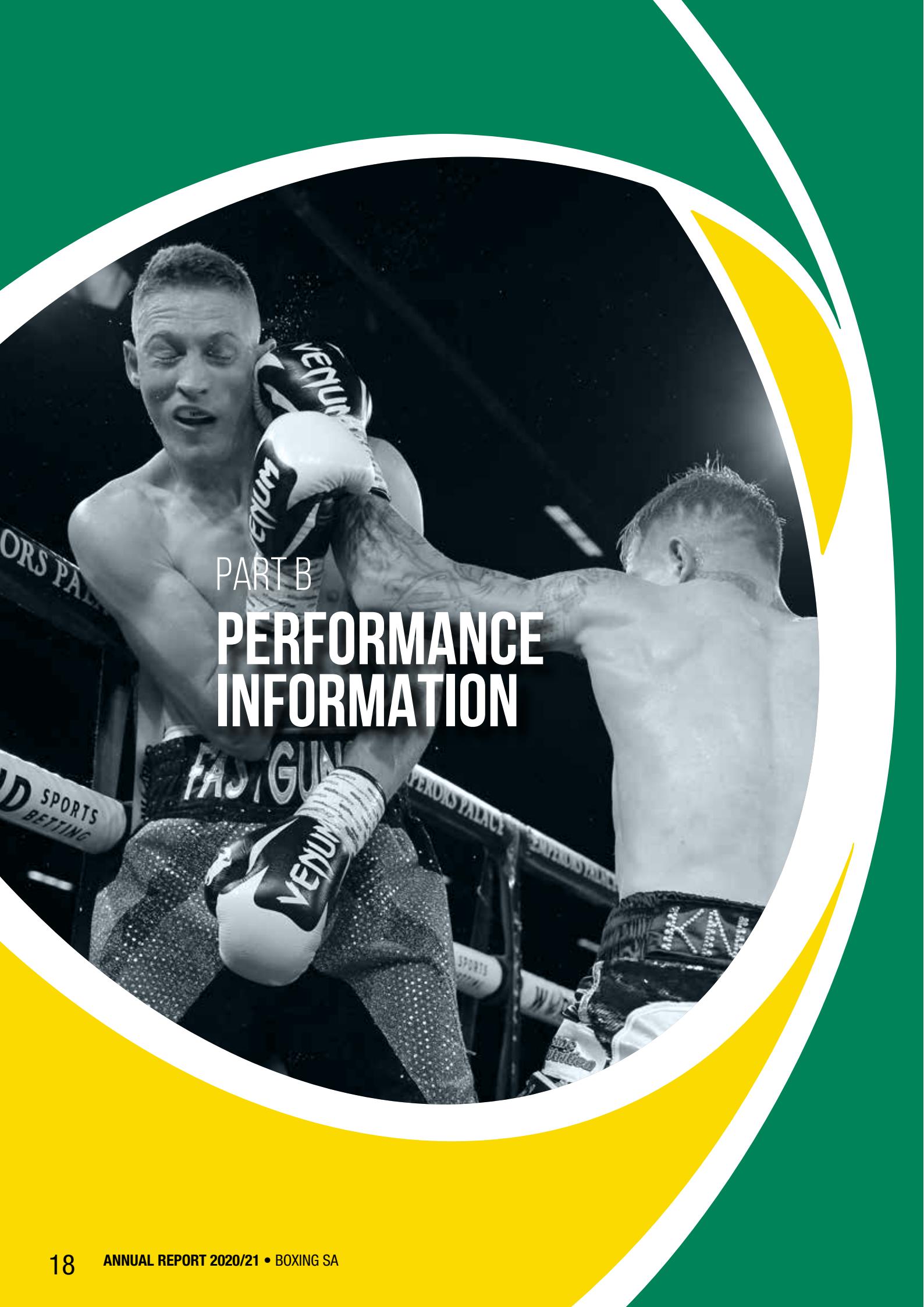


8. ORGANISATIONAL STRUCTURE

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

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





PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 53 of the Report of Auditors Report published as Part E: Financial Information



2. SITUATIONAL ANALYSIS

2.1 SERVICE DELIVERY ENVIRONMENT

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

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

As a point of premise, the Board postulated that itself as the accounting authority needs to remain mindful of the fact that it is duty bound, not only to be the custodians of this national pride, which is the sport of boxing, but also to be its champion extraordinaire. For that matter the Board as the supreme leadership of boxing in the country needs to place itself at the cutting edge of the renewal of boxing

by providing the requisite leadership on all fronts. Such leadership must and ought to be impactful and should be characterised by, *inter alia*:

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

CONTINUING JOURNEY TO RECOVERY

The last five years has been focused on renewal and reimaging of professional boxing in South Africa. This drive has not been without its challenges but even with such challenges, the desire and determination to turn this around could not be dampened. The renewal objective has yielded positive trajectory which are, amongst others:

- Stabilisation of Boxing SA governance and administration
- Capacitating the entity through skilled personnel
- Strengthening provincial administration through Provincial Managers

- Improvement in audit outcomes
- Exponential increase in our budget baseline, even though the shortfall is still high.
- Renewed focus on the development of the sport
- Establishing Women in Boxing programme to strengthen the participation of women in the sport
- Reinstatement of the South African Boxing Awards
- Rising profile of boxing locally and internationally

Boxing SA is once again a stable organisation albeit with still much more to be done to improve the image of the sport further. As confidence into the organisation grows, the expectations are equally escalating and spelling out even more challenges which the organisation must address.

2.2 ORGANISATIONAL ENVIRONMENT

INTERNAL ENVIRONMENT ANALYSIS

Boxing SA has concerning organisational structure challenges, operating on a flat structure which does not effectively support its mandate and is not in line with the general functional structure that is expected in any sporting entity. The absence of key function departments and/or personnel in areas such as legal, marketing, communication, project, and strategic department is presenting high risk which threatens to undo the positive strides that have been taken in the past five years. The shortage of human capacity can lead to negative outcomes such as slow implementation of Auditor General recommendations, decrease quality of work output, low staff morale, high staff turnover rate and staff burnout, amongst others.

At the end of the 2020/2021 financial year, Boxing SA still did not have an internal audit function although the process to fill such a position were at an advance stage and had only just filled the position of a Supply Chain Management Officer. These vacant positions had placed tremendous strain on the organisation's ability to implement respective mandates and gaps efficiently and effectively in procurement and audit were inevitable despite the best efforts to avert any non-compliance.

Boxing SA thus will focus on addressing these areas of weakness in the 2021/2022 financial year and the findings and recommendation of the Auditor General will be a sounding board and guide to ensuring that Boxing SA achieves a much-improved audit outcome in the next financial year and going forward.

LABOUR DISPUTES AND LITIGATIONS

Since 2015, when Boxing SA was hit by several labour relations matters resulting in service termination of almost 50% of its entire workforce, voluntary or through dismissal, it had been difficult to drive the process of bringing to conclusion these cases owing to constrained budget which would see allocation to such matters. Management has however allocated budget to address these cases prioritising those that either have a settlement in place or are no longer actively pursued by the applicants. In the 2021/2022 financial year Boxing SA will continue to pursue the conclusion of these cases but at the top of management's goals is ensuring that such legal disputes are avoided as much as possible, and this is achievable by ensuring that the organisations' process are in line with relevant policies, are fair and promote transparency and good governance.

The status and details of the various cases is covered under Human Resource in Part D.

Boxing South Africa also faced litigation from an aggrieved foreign boxer who was not paid his purse following his participation in a tournament which was sanctioned and staged although purse money had not been deposited to Boxing SA, thus violating the regulatory requirement of tournament sanctioning. Boxing SA was liable to pay the boxer an equivalent of R620 000 and this amount was settled in full in the financial year under review thus bringing closure to the matter.

The process of recovering owed money from two promoters who failed to pay purses to Boxing SA in 2015/2016 financial is ongoing.

PRIORITY INTERVENTIONS 2020-2025

Boxing SA's objective is to align to its core mandate as prescribed in the Boxing Act and to achieve its objectives during the MTEF period 2020-2025, Boxing SA will need to strengthen its human capital, policies and implement robust systems as support structure. During this period Boxing SA will prioritise the following:

- Developing internal systems for the enhanced operations,
- Aligning the organisational structure and competencies with the strategic plan and to maximise efficiencies,

- Reviewing and amending the Boxing Regulations to be in line with the international trends in relation to tournament sanctioning and management,
- Reviewing and developing policies and procedures to respond to the demands of a dynamic and fast-changing environment,
- Building the capacity of the organisation to regulate the boxing sector,
- Fostering stakeholder relations management and partnerships with provincial sport departments,
- Supporting the establishment of Associations to ensure the equitable boxing environment exists for all stakeholders, and
- Reviewing the funding model for Boxing SA.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

CAPACITY AT PROVINCIAL LEVEL

In November 2021, Boxing SA appointed two Provincial Managers to service the Western Cape and KwaZulu-Natal. Mr. Mzoli Tempi and Mr. Mike Dube were appointed in the two provinces; respectively and will serve in these positions as contractors on a three-year renewable contract.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

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

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

PROVINCE	GP	EC	WC	KZN	LP	FS	MP	NW	NC	TOTAL
2018/2019	30	24	8	9	4	1	0	3	0	79
2019/2020	21	19	9	5	2	3	0	0	0	59
2020/2021	7	1	2	5	0	1	1	0	0	17

2020/2021 YEAR-TO-DATE TOURNAMENTS PER PROVINCE

PROVINCE	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Gauteng	NATIONAL LOCKDOWN						3	0	2	0	0	2	7
Eastern Cape							0	0	1	0	0	0	1
Western Cape							0	0	1	0	0	1	2
KwaZulu- Natal							0	0	0	0	1	4	5
Free State							0	0	1	0	0	0	1
Limpopo							0	0	0	0	0	0	0
Mpumalanga							0	0	0	0	0	1	1
North West							0	0	0	0	0	0	0
Northern Cape							0	0	0	0	0	0	0
TOTAL							3	0	5	0	1	8	17

2020/2021 SANCTIONED TOURNAMENTS CATEGORIES

SANCTIONED TOURNAMENTS CATEGORIES	
Development	2
Provincial Title	2
National Title	4
International Title	9
World Title	0

2020/2021 TOURNAMENTS BY PROMOTION

PROMOTER	NUMBER OF TOURNAMENTS	DETAILS	
		TOURNAMENT DATE	PLACE
TLB Boxing Promotions	3	17 October 2020	Klipspruit Sport Centre, Soweto
		17 December 2020	Kagiso Memorial Centre, Krugersdorp
			Graceland Casino, Secunda
Golden Gloves	3	10 October 2020	Emperors Palace, Kempton Park
		19 December 2020	Emperors Palace, Kempton Park
		14 March 2021	Emperors Palace, Kempton Park
Jackie Brice Promotions	2	11 December 2020	Vibrant Sports Studios, Cape Town
		12 March 2021	Pollsmoor Prison Hall, Cape Town
BRD Boxing Promotion	1	30 October 2020	Turffontein Racecourse, Johannesburg
Dream Team Promotions	1	12 December 2020	Civic Centre, Kroonstad
Tewo Promotions	1	19 December 2020	Wilsonia Methodist Church, East London
Starline Boxing Promotion	1	27 February 2021	APN Hall, Glenmore, Durban
Mvelo Promotions	1	13 March 2021	City Hall, Pietermaritzburg
DMZ Sotobe	1	14 March 2021	Majuba TVET College, Dundee
TK Boxing Promotions	1	20 March 2021	Ramosa Hall, Randfontein
Lightning Promotions	1	27 March 2021	Ugu Leisure Centre, Port Shepstone
Tap -Tap Boxing Academy	1	28 March 2021	Inkume Community Hall, Eshowe

In 2020/2021 Boxing SA licensed a total of 808 licensees. The table below is a breakdown of the total licensees per category.

CATEGORIES	MALES	FEMALES	TOTAL
Boxers	431	30	461
Managers	90	3	93
Trainers	65	1	66
Ring Officials	46	18	64
Seconds	36	4	40
Agents	0	0	0
Promoters	51	16	67
Matchmakers	7	1	8
Ring Announcers	7	2	9
Total	733	75	808

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

Program 1: Governance and Administration

Program 2: Boxing Development

Program 3: Boxing Promotion

DASHBOARD: OVERALL PERFORMANCE

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
4	4	0	None.

PROGRAMME 2: BOXING DEVELOPMENT			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
5	4	1	Number of boxing practitioners trained.

PROGRAMME 3: BOXING PROMOTION			
OUTPUT INDICATORS	ACHIEVED	NOT ACHIEVED	OUTPUT INDICATORS NOT ACHIEVED
3	3	0	None.



4.1 PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

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

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

PERFORMANCE OVERVIEW

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

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2018/2019	AUDITED ACTUAL PERFORMANCE 2019/2020	PLANNED ANNUAL TARGET 2020/2021	ACTUAL ACHIEVED 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Governance and Oversight	Board meetings	Number of Board meetings held	N/A	4	4	11	+7	Additional Board meetings were called following the appointment of a new Board which resulted in a need for orientation and additional meetings.	No revision.
	Audit Committee meetings	Number of Audit Committee meetings held	N/A	5	4	6	+2	A Special joint Audit and Board meeting and a Special Risk Management meeting was called.	No revision.
Improved Administrative Capacity	Policies and Procedures	Number of Policies and Procedures reviewed and approved	14	11	6	7	+1	An additional policy was reviewed based on internal evaluation and requirement.	No revision.
	Performance Management and Development	Number of Performance Management and Development reports approved	2	2	2	2	0	N/A	No revision.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

No underperformance was recorded under this program.

CHANGES TO PLANNED TARGETS

There were no changes made in the 2020/2021 APP to the output indicators or adjustments to the budget.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION	2019/2020			2020/2021		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	6 395	5 751	644	5 515	5 167	348
Goods & Services	7 646	6 013	1 633	7 223	5 519	1 704
Total	14 041	11 764	2 277	12 738	10 686	2 052

4.2 PROGRAMME 2: BOXING DEVELOPMENT

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

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

PERFORMANCE OVERVIEW

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

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

PROGRAMME 2: BOXING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2018/2019	AUDITED ACTUAL PERFORMANCE 2019/2020	PLANNED ANNUAL TARGET 2020/2021	ACTUAL ACHIEVED 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Trained and Developed Boxing Practitioners	Trained licensees	Number of boxing practitioners trained	300	158	100	37	-63	National lockdown meant that no in-person training could take place, and this continued for most of the financial year. Other initiatives, such as virtual training, were explored but would not be feasible for the population of the boxing community.	The target was reduced following lockdown as the target is heavily dependent on in person contact. BSA concluded that online/virtual training would not be financially viable for its license population.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2018/2019	AUDITED ACTUAL PERFORMANCE 2019/2020	PLANNED ANNUAL TARGET 2020/2021	ACTUAL ACHIEVED 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Effective and Easy to Understand Licensing	Licensed boxing practitioners	Number of boxing practitioners licensed	1 073	1 169	600	808	+208	The target was revised and reduced at the beginning of the financial year following the national lockdown, however in Q3 restrictions were eased resulting in a return to activity and thus an interest in licensing to take advantage of any possible opportunities.	The target was reduced as BSA was uncertain how long the lockdown would last for and thus many boxing practitioners were reluctant to register for the financial year.
	Licensing of women boxing practitioners	Number of women licensed	100	100	50	75	+25	The target was revised and reduced at the beginning of the financial year following the national lockdown, however in Q3 restrictions were eased resulting in a return to activity and thus an interest in licensing to take advantage of any possible opportunities.	The target was reduced as BSA was uncertain how long the lockdown would last for and thus many boxing practitioners were reluctant to register for the financial year.
Credible and Regular Boxers' Ratings	Monthly Boxers' ratings	Number of ratings published	12	12	0	6	+6	This target is reliant on boxing activity which was restricted for most of the year. Lockdown restrictions were eased in Q3 which resulted in return of activities in the sporting sector.	The target was reduced owing to uncertainty of activities in the financial year. This target is closely linked to tournament activities.
Compliant Tournaments Sanctioned	Sanctioned tournaments	Number of tournaments sanctioned.	N/A	59	0	17	+17	Lockdown restrictions were eased in Q3 which resulted in return of activities in the sporting sector.	The target was reduced following uncertainty of the period of national lockdown.
	Safe and compliant tournament and training venues	Number of tournaments and training venues inspected	110	89	160	160	0	N/A	The target was positively revised, i.e., increased as inspection of training venues for compliance to Covid-19 regulations was critical in mitigating the spread of the virus.
Amended and Updated Boxing Regulations	Revised Boxing Regulations	Draft document with proposed sub regulations identified for amendments	N/A	N/A	1	1	0	N/A	No revision.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

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

CHANGES TO PLANNED TARGETS

The tabled APP was amended and re-tabled following the emergence of the Covid-19 pandemic and the national lockdown in March 2020. All the targets in program 2 were either reduced to smaller targets or reduced to zero following analysis of probability of achievement.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 2: BOXING DEVELOPMENT	2019/2020			2020/2021		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	2 000	1 814	186	2 400	2 130	270
Goods & Services	2 430	2 256	174	3 500	3 154	346
Total	4 430	4 070	360	5 900	5 284	616



PROGRAMME 3: BOXING PROMOTION

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

- a. Marketing and branding
- b. Communication
- c. Events Coordination
- d. Revenue generation

PERFORMANCE OVERVIEW

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

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2018/2019	AUDITED ACTUAL PERFORMANCE 2019/2020	PLANNED ANNUAL TARGET 2020/2021	ACTUAL ACHIEVED 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASON FOR REVISIONS TO THE OUTPUT INDICATORS
Implementation of Boxing Marketing and Communication Strategy	Boxing publications and articles	Number of published boxing publications	N/A	0	4	4	0	N/A	No revision.
Implementation of the Revenue Generation Strategy Initiatives	Increased budget and revenue	Number of Revenue Generation Strategy initiatives implemented	N/A	0	2	2	0	An additional policy was reviewed based on internal evaluation and requirement.	No revision.
Improved Administrative Capacity	Partnerships and collaborations	Number of stakeholder relations engagement held	N/A	0	2	2	0	N/A	No revision.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

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

CHANGES TO PLANNED TARGETS

The tabled APP was amended and re-tabled following the emergence of the Covid-19 pandemic and the national lockdown in March 2020. Only one target was dropped from this programme, i.e., Number of Boxing Awards hosted. No other targets were adjusted.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3: BOXING PROMOTION	2019/2020			2020/2021		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Compensation	0	0	0	0	0	0
Goods & Services	1 200	1 100	100	2 000	1 727	273
Total	1 200	1 100	100	2 000	1 727	273

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

PROGRAMME/SUB PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOME
Governance and Administration	-	-	-	-	-	-	-	-
Boxing Development	Testing of Licensees for Covid-19	Various provinces	151		900	230 170	Number of tournaments sanctioned.	-
Boxing Promotion	Masks, thermometers, registers, Disinfections & sanitisers	Various provinces	80 gyms	N/A	400	224 801	Number of stakeholder relation engagements held.	-



5. REVENUE COLLECTION

The following projected income items were revised to zero as it was not anticipated that boxing activities and competitions in the form of boxing tournaments shall take place during the current financial year (2020/2021) due to Covid-19 restrictions (i.e., Sanctioning fees, tournament application, fines, penalties and forfeits, and public liabilities & safety fund).

Over-collection on licensing fees is because of additional time provided to licensing and the budget was reduced by 50%.

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 improvements within the organisation to ensure that information pertaining to computation of debts to be recovered is updated monthly, communicated through monthly statements to all debtors monthly.

SOURCES OF REVENUE	2019/2020			2020/2021		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000
Sanctioning fees	2 221	1 089	1132	0	546	546
Licensing fees	722	722	0	340	659	311
Fines, Penalties and Forfeits	27	2	25	0	0	0
Interest	51	625	(574)	700	521	(179)
Sport & Recreation: Transfer	14 295	14 295	0	18 041	18 041	0
Application Fees	20	20	0	0	9	9
Safety & Public Liability	335	335	0	0	108	108
Other income: Sponsorship	2 000	2 000	0	1 549	1 549	0
Total	19 671	19 088	583	20 638	21 433	795

**SOUTH AFRICAN NATIONAL
CHAMPIONS AS OF 31 MARCH 2021 | MALE**

	WEIGHT DIVISION	SA CHAMPIONS	INTERNATIONAL/ WORLD
1.	Heavyweight	Tian Fick	-
2.	Junior Heavyweight	Thabiso Mchunu	Kevin Lerena
3.	Light Heavyweight	Nicholas Radley	-
4.	Super Middleweight	Ryno Liebenberg	Ryno Liebenberg
5.	Middleweight	Nkululeko Mhlongo	-
6.	Junior Middleweight	Simon Dladla	-
7.	Welterweight	Thulani Mbenge	-
8.	Junior Welterweight	Prince Dlomo	-
9.	Lightweight	Tshifhiwa Munyai	Ayanda Nkosi
10.	Junior Lightweight	Phila Mpontshane	Azinga Fuzile
11.	Featherweight	Vacant	Lerato Dlamini
12.	Junior Featherweight	Ayabonga Sonjica	Ludomo LAmati
13.	Bantamweight	Ronald Malindi	Zolani Tete
14.	Junior Bantamweight	Sabelo Ngebiyane	Gideon Buthelezi/ Yanga Siggib/Sabelo Ngebiyane
15.	Flyweight	Jackson Chauke	Moruti Mthalane/ Jackson Chauke
16.	Junior Flyweight	Nhlanhla Tyirha	Hekkie Butler/ Sivenathi Nontshinga
17.	Mini Flyweight	Siyakholwa Kuse	Nkosinathi Joyi/ Simphiwe Konco



SOUTH AFRICAN NATIONAL
 CHAMPIONS AS OF 31 MARCH 2021

FEMALE



	WEIGHT DIVISION	SA CHAMPIONS	INTERNATIONAL/ WORLD
1.	Heavyweight	Vacant	-
2.	Junior Heavyweight	Vacant	-
3.	Light Heavyweight	Vacant	-
4.	Super Middleweight	Vacant	-
5.	Middleweight	Vacant	-
6.	Junior Middleweight	Vacant	Noni Tenge
7.	Welterweight	Julie Tshabalala	-
8.	Junior Welterweight	Hedda Wolmarans	-
9.	Lightweight	Kholosa Ndobayini	-
10.	Junior Lightweight	Vacant	-
11.	Featherweight	Asandiswa Nxokwana	-
12.	Junior Featherweight	Matshidiso Mokebisi	-
13.	Bantamweight	Mellisa Miller	-
14.	Junior Bantamweight	Vacant	-
15.	Flyweight	Flyweight	-
16.	Junior Flyweight	Nozwelethu Mathontsi	-
17.	Mini Flyweight	Vacant	-



PART C GOVERNANCE

1. INTRODUCTION

In line with the provisions of Public Finance Management Act, Act No.1 of 1999, each public entity must have a Board to oversee the strategic development of the entity and in terms of the PFMA, the Board becomes the Accounting Authority of the entity.

On 12 December 2020, the Minister of Sport, Arts and Culture, in line with the provisions of Section 9(2) of the South African Boxing Act, Act No. 11 of 2001, appointed a seven-member Board of Boxing SA. The responsibility of the Board is among others, to guide and give strategic direction of the entity in line, *inter alia*, with the provisions of the Constitution of the Republic of South Africa Act, Act No. 108, of 1996 as amended, the South African Boxing Act, Act No.11 of 2001 and the Boxing Regulations of 2004.

2. PORTFOLIO COMMITTEE

During the period under review, Boxing SA appeared once before the Portfolio Committee of Sport to present the five-year Strategic Plan as well as the 2021/2022 Annual Performance Plan.

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

3. EXECUTIVE AUTHORITY

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

In the period under review Boxing SA held an update meeting with the Minister on 1 October 2020.

4. THE ACCOUNTING AUTHORITY

Board Composition – (1 April 2020 to 11 December 2020)

i.	Dr. Malefetsane Peter Ngatane	Chairperson
ii.	Mr. Luthando Jack	Member
iii.	Ms. Letlhogonolo Noge-Tungamirai	Member
iv.	Ms. Zandile Kabini	Member
v.	Mr. Gilberto Martins	Member
vi.	Mr. Khulile Radu	Member

Board Composition – (12 December to 31 March 2021)

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

THE BOXING SA BOARD



MR. LUTHANDO JACK
BOARD CHAIRPERSON



DR. AZWITAMISI NTHANGENI
BOARD MEMBER



MR. ERICK NSIKAYEZWE SITHOLE
BOARD MEMBER



MR. GILBERTO MARTINS
BOARD MEMBER



MR. SAKHWE SODO
BOARD MEMBER



MR. SUREN MAHARAJ
BOARD MEMBER



MS. ZANDILE KABINI
BOARD MEMBER

4.1 COMPOSITION OF THE BOARD

NAME	DESIGNATION	DATE APPOINTED	STATUS/DATE OF RESIGNATION	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Malefetsane Ngatane	Chairperson	Dec. 2017	Term ended 11 December 2020	<ul style="list-style-type: none"> • MBCHB 	<ul style="list-style-type: none"> • Medicine 	N/A	-	7
Luthando Jack	Member	Dec 2017	Appointed Chairperson from 12 December 2020	<ul style="list-style-type: none"> • National Diploma: Public Management & Admin • BTech. Public Management • Bachelor of Philosophy: Information and Knowledge Management • Masters: Commerce 	<ul style="list-style-type: none"> • Strategy Development • Project Management • Monitoring and Evaluation 	N/A	<ul style="list-style-type: none"> • HR, ICT & FINANCE Committee 	11
Lethhogonolo Noge-Tungamirai	Member	Dec. 2017	Term ended 11 December 2020	<ul style="list-style-type: none"> • Masters: Business Administration (MBA) 	<ul style="list-style-type: none"> • Business Strategic Advisor • Information Technology and Human Capital. 	N/A	<ul style="list-style-type: none"> • HR, ICT & Finance Committee • Women in Boxing Committee 	1
Zandile Kabini	Member	Dec. 2017	Active	<ul style="list-style-type: none"> • BCom. Honours Informatics • Diploma in Business Analysis • Management Programme Development 	<ul style="list-style-type: none"> • Auditing 	N/A	<ul style="list-style-type: none"> • HR, ICT & Finance Committee • Women in Boxing Committee 	11
Gilberto Martins	Member	Dec. 2017	Active	<ul style="list-style-type: none"> • B Arch (Wits) Arch SA, • MI Arch, • BA (UNISA), Philosophy, Economics 	<ul style="list-style-type: none"> • Governance and Administration • Finance Management • Strategy Development • Monitoring and Evaluation 	N/A	<ul style="list-style-type: none"> • HR, ICT & Finance Committee • Audit Committee 	10
Khulile Radu	Member	Dec. 2017	Term ended 11 December 2020	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Administration 	N/A	<ul style="list-style-type: none"> • Sanctioning Committee 	7
Sakhiwe Sodo	Member	12 December 2020	Active	<ul style="list-style-type: none"> • HDE • BA Hons • BA • Diploma: Labour Law 	<ul style="list-style-type: none"> • Boxing Administration 	N/A	<ul style="list-style-type: none"> • Sanctioning Committee 	3
Dr. Azwitamisi Nthangeni	Member	12 December 2020	Active	<ul style="list-style-type: none"> • Doctoral Degree: Organisational Change Management • Master's Degree in Sport 	<ul style="list-style-type: none"> • Sports Administration 	N/A	<ul style="list-style-type: none"> • Women in Boxing Committee 	4

4.1 COMPOSITION OF THE BOARD (CONTINUED)

NAME	DESIGNATION	DATE APPOINTED	STATUS/DATE OF RESIGNATION	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Mr. Erick Nsikayezwe Sithole	Member	12 December 2020	Active	<ul style="list-style-type: none"> Master's Degree in Business Administration Post Graduate Diploma: Business Management and Administration Post Graduate Qualification: Professional Accountant BCom Degree: Internal Auditing National Diploma: Financial Management 	<ul style="list-style-type: none"> Audit and Risk Management 	N/A	<ul style="list-style-type: none"> Finance, Organisational Development and Resource Mobilisation 	4
Mr. Suren Maharaj	Member	12 December 2020	Active	<ul style="list-style-type: none"> Executive Finance Management Course Fellow Member of the Institute of Directors Southern Africa Green Belt Digital Six Sigma Professional CA(SA) South African Institute of Chartered Accountant Hons. BCompt Degree BCom Degree 	<ul style="list-style-type: none"> Finance and Operations Management Supply Chain Management Auditing and Risk Management 	N/A	<ul style="list-style-type: none"> Finance, Organisational Development and Resource Mobilisation Audit Committee 	4

Note: The previous Board had 7 meetings and the current board had 4 meetings. Total of 11 meetings in financial year 2020/2021.

4.2 COMMITTEES

4.2.1 SANCTIONING COMMITTEE

This Committee oversees the approval of tournament in line with the prescripts of the Act and Regulation. As of 31 March 2021, the Sanction Committee was constituted by three (4) members. Only three (3) members formed part of the Committee between 1 April 2020 to 31 January 2021. The new Board that took office on 12 December 2020 appointed the new Committee in line with section 7 (1)(y) of Act.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Khulile Radu (Chairperson)	Internal	Board Member	February 2018	Term ended 11 December 2020	10
Dr. Muziwakhe Qobose	External	N/A	February 2018	Term ended 11 December 2020	10
Mr. Bongani Magasela	External	N/A	February 2018	Active	12
Mr. Sakhile Sodo	Internal	Board Member	January 2021	Active	2
Mr. Irvin Buhlulu	External	N/A	January 2021	Active	2

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

4.2.2 RATINGS COMMITTEE

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

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Andre de Vries (Chairperson)	External	N/A	October 2017	Active	2
Mr. G. V. Sangweni	External	N/A	March 2017	Term ended 11 December 2020	0
Ms. Gloria Masipa	External	N/A	August 2014	Term ended 11 December 2020	0
Mr. Mesuli Zifo	External	N/A	January 2021	Active	2
Mr. Thabo Tutu	External	N/A	January 2021	Active	2

4.2.3 HUMAN RESOURCES, ICT, GOVERNANCE & RESOURCE MOBILISATION COMMITTEE

This Committee is constituted by four (4) Board members as well as the Senior Management of Boxing SA. The 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	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Ms. Zandile Kabini (Chairperson)	Internal	Board Member	May 2015	Term ended 11 December 2020	3
Mr. Luthando Jack	Internal	Board Member	May 2015	Term ended 11 December 2020	3
Mr. Gilberto Martins	Internal	Board Member	February 2018	Term ended 11 December 2020	3
Ms. Lethogonolo Noge-Tungamirai	Internal	Board Member	February 2018	Term ended 11 December 2020	1

4.2.4 FINANCE, ORGANISATIONAL DEVELOPMENT AND RESOURCE MOBILISATION COMMITTEE

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Suren Maharaj	Internal	Board Member	January 2021	Active	2
Mr. Gilberto Martins	Internal	Board Member	January 2021	Active	2
Mr. Erick Sithole	Internal	Board Member	January 2021	Active	2

4.2.5 MEDICAL COMMITTEE

The Medical Advisory Committee was first established in November 2017. It is constituted by a national Committee of four (4) members across four provinces with the most tournament activities. The Committee members are medical doctors with different expertise and skills.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Dr. Robert Selepe (Chairperson)	External	N/A	Reappointed January 2021	Active	4
Dr. Amanda Sihlobo	External	N/A	January 2021	Active	0
Dr. Leopoldt Erasmus	External	N/A	January 2021	Active	0
Dr. Buyi Mabaso	External	N/A	January 2021	Active	0
Dr. Malefetsane Ngatane	External	N/A	January 2021	Active	0

4.2.6 WOMEN IN BOXING COMMITTEE

The Women in Boxing Committee is constituted by four (4) members. It is chaired by a Board member and the other three (3) members, two of whom are female licensees. The work of this committee has been very instrumental in the implementation of the Women in Boxing programme, particularly the second leg of this program which entailed training and counselling of female licensees.

NAME	INTERNAL OR EXTERNAL	POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS OR DATE OF RESIGNATION	NO. OF MEETINGS ATTENDED
Ms. Zandile Kabini (Chairperson)	Internal	Board Member	Reappointed January 2021	Active	1
Dr. Azwitamisi Nthangeni	Internal	Board Member	21 January 2021	Active	0
Ms. Lethhogenolo Noge-Tungamirai	Internal	Board Member	February 2018	Term ended 11 December 2020	1
Ms. Esther Mashiya	External	Former Boxer	February 2018	Term ended 11 December 2020	1
Ms. Liz Butler	External	Former Boxer	February 2018	Term ended 11 December 2020	1

4.3 BOARD REMUNERATION

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

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
Dr. M. Ngatane	R 70 536	-	-	R 70 536
Mr. G. Martins	R 97 200	-	R 541	R 97 741
Ms. Z. Kabini	R 105 252	-	R 464	R 105 716
Ms. L. Noge-Tungamirai	R 11 664	-	-	R 11 664
Mr. K. Radu	R 117 982	-	-	R 117 982
Mr. L. Jack	R 105 390	-	-	R 105 390
Dr. A. Nthangeni	R 34 992		R 715	R 35 707
Mr. S. Sodo	R 31 104			R 31 104
Mr. S. Maharaj	R 45 452		R 1 362	R 46 814
Mr. E. Sithole	R 42 768			R 42 768
Total	R 662 340	-	R 3 081	R 665 421

5. RISK MANAGEMENT

5.1 BOXING SOUTH AFRICA'S RISK DASHBOARD AND SCORE CARD

The Board bears overall responsibility for Boxing SA'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 present

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

Boxing SA's Audit and Risk Management Committee held a special Risk Management meeting during the financial year in order to update and reassess its risks to ensure alignment with its strategic objectives and internal and external factors impacting Boxing administration. These risks are monitored across several broad risk areas: Strengthening Governance & Administration, Operational, Brand and Communication, Government and Stakeholder Management and Financial Sustainability. Progress is measured against the previous year's annual assessment.

Strengthening Governance & Administration

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2019/2020	STRATEGIC OBJECTIVE
Approved Policies & Procedures	Non-Compliance with relevant laws and regulations and internal controls, policies, and procedures	M	On-going compliance monitoring	C	SGA
			On-going training and development to keep abreast of change	C	

Brand and Communication

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2019/2020	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

The total number of risks is 36, with no high/critical risks, 15 of the medium risk and 21 of the low risks.

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

Financial Sustainability

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2019/2020	STRATEGIC OBJECTIVE
Going Concern	Insufficient Financial resources to continue as a going concern	L	The Department of Sports, Arts and Culture has assisted the BSA with a baseline adjustment of R 5 million to deal with imminent financial pressures	A	SGA
Funding Model	Ineffective/limited competition in domestic and international broadcasting market	M	Strengthen strategic relationships with key regional and world Boxing bodies	B	FM
	Amendments to current tariff structure		To create and stream more boxing content		
	Changing landscape of the consumption of media from analogue to digital and live streaming				
Revenue Generations	Non-compliance to the debtor's collection policy	M	Continuous monitoring and tracking long outstanding debtors. Implemented initiatives such as payment agreements	B	RG
Sponsorship and commercial partners	Insufficient sponsorship and commercial partners	M	Managing the length of Sponsorship contracts. Maintaining good cash reserves for support during the low economic growth	B	BS

Government and Stakeholder relations

RISK	DESCRIPTION	RISK RATING	MITIGATION ACTIONS	PROGRESS IN 2019/2020	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 2019/2020	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

The total number of risks is 36, with no high/critical risks, 15 of the medium risk and 21 of the low risks.

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

6. INTERNAL CONTROL UNIT

Due to its size, Boxing SA 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 (i.e. Finance, Organisational Development and Resource Mobilisation).



7. INTERNAL AUDIT AND RISK MANAGEMENT COMMITTEE

BSA in 2020/2021 financial year did not have an Internal Audit Function, however, the Annual Performance Report and AG Action Plan Audit engagements for the period under review were conducted by the Internal Auditor in the first quarter of 2021/2022. The Annual Financial Statement audit review was outsourced to the service provider. The scope of work included high level review of financial information, whilst the recently appointed internal auditor is responsible for, but not limited to quarterly performance information, Risk Management and Fraud Implementation processes, and any additional ad-hoc service which may be requested by the Audit & Risk Management Committee. The internal audit also included evaluation and audit of root causes on the action plans proposed by management which emanated from audit findings raised by the Auditor General during the previous year regulatory audit.

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

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

The Audit and Risk Management Committee provides technical advice and quality assurance on strategic and operational matters, and 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 extends their expertise on any other matter which falls within the scope and ambit of the committee.

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



8. COMPLIANCE WITH LAWS AND REGULATIONS

Boxing SA 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 monitors compliance with employee related legislation such as the Labour Relations Act, Basic Condition of Employment Act, 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 corporate culture.

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

9. FRAUD AND CORRUPTION

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

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

The Fraud Prevention plan with strategy clearly defines:

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

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

10. MINIMISING CONFLICT OF INTEREST

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

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

11. CODE OF CONDUCT

All officials and management working for Boxing SA sign 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 SA 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. SOCIAL RESPONSIBILITY

BSA often provides relief to its current and former stakeholders, by contributing to benevolence initiatives.

14. AUDIT AND RISK MANAGEMENT COMMITTEE REPORT



We are pleased to present our report for the financial year ended 31 March 2021.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that they have not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

BSA in 2020/2021 financial year did not have an Internal Audit Function, however, the Annual Performance Report and AG Action Plan Audit engagements for the period under review were conducted by the Internal Auditor in the first quarter of 2021/2022. The Annual Financial Statement audit review was outsourced to the service provider.

The following were areas of concern:

- Non-Compliance with Supply Chain Management Prescripts
- Irregular Expenditure
- Non-Compliance to BSA Regulations

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

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

EVALUATION OF FINANCIAL STATEMENTS

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

AUDITOR'S REPORT

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

- Irregular Expenditure
- Errors on financial statements
- Performance Information: No formal standard documented procedure for the preparation of quarterly reports
- Deviation register: incomplete deviation register
- Payments not made within 30 days of invoice receipt date
- Tournament application not submitted within 30 days before the tournament

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

A handwritten signature in black ink, appearing to read "Deenadayalan Moodley".

Mr. Deenadayalan Moodley

Chairperson of the Audit and Risk Management Committee
31 May 2021

15. BBBEE COMPLIANCE PERFORMANCE INFORMATION

CRITERIA	RESPONSE YES/NO	DISCUSSIONS
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity?	NO	Not applicable
Developing and implementing a preferential procurement policy?	NO	Not applicable
Determining a qualification criterion for the state -owned enterprise?	NO	Not applicable
Developing criteria for entering into partnerships with the private sector?	NO	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	NO	Not applicable





PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Human Resource Management of Boxing SA is the function within the organisation that focuses on the recruitment and selection process, Training and Development, performance management, and providing direction to the people who work in the organisation. The primary priority of the HR function of the entity continues to focus on developing and maintaining a competent workforce to achieve the strategic goals of the organisation 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 seven (7) policies reviewed and approved. The entity continues to operate with budgetary constraints that adversely impact on Human Resources matters that include but are not limited to matters such as employee training, wellness, and organisational review. In the past year, the entity continued to manage and stabilise the Human Resources in terms of staff retention and management of conflicts.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY R'000	PERSONNEL EXPENDITURE R'000	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE R'000	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Program 1	12 738	5 167	41%	10	517
Program 2	5 900	2 130	36%	4	532
Program 3	2 000	0	0%	0	-

PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE R'000	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST R'000	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Management	4 411	60%	4	1 103
Skilled	2 722	37%	6	454
Semi-skilled	164	2%	1	164
Unskilled		0%	0	-
TOTAL	7 297	100%	11	663

PERFORMANCE REWARDS

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

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

TRAINING COSTS

LEVEL	PERSONNEL EXPENDITURE R'000	TRAINING EXPENDITURE R'000	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Program 1	0	0	0	0	0
Program 2	0	0	0	0	0
Program 3	0	0	0	0	0

Note: No training costs were incurred during the financial year

EMPLOYMENT AND VACANCIES

LEVEL	NO. OF EMPLOYEES AS AT 1 APRIL 2020 R'000	APPROVED POSTS FOR 2020/2021 FINANCIAL YEAR R'000	NO. OF EMPLOYEES AS AT 31 MARCH 2021	2020/2021 VACANCIES	% OF VACANCIES
Program 1	7	11	9	2	18%
Program 2	4	4	4	0	0%
Program 3	0	0	0	0	0%

LEVEL	NO. OF EMPLOYEES AS AT 1 APRIL 2020 R'000	APPROVED POSTS FOR 2020/2021 FINANCIAL YEAR R'000	NO. OF EMPLOYEES AS AT 31 MARCH 2021	2020/2021 VACANCIES	% OF VACANCIES
Management	4	5	4	1	20%
Skilled	6	7	6	0	0%
Semi-skilled	1	3	1	2	67%
Unskilled	0	0	0	0	0%
TOTAL	11	14	11	3	21%

Due to structural gaps in the BSA approved structure, it is challenging to fill vacant Senior Management positions with internal staff. The position of HR Manager was filled from the 1st of June 2020 and the CEO resigned on the 5th of August 2020. The position of the CEO remains vacant, no attempts were made to fill this position as there is a litigation at the Labour Court against the former CEO. Senior Management positions are advertised in the print media to afford compatible candidates. Two contract staff members were appointed permanently with effect from the 1st of November 2020. BSA has a staff retention policy which outlines all that can be done to retain staff.

EMPLOYMENT CHANGES

LEVEL	EMPLOYEES AS AT 1 APRIL 2020	APPOINTMENTS	TERMINATIONS	EMPLOYEES AS AT 31 MARCH 2021
Management	4	1	1	4
Skilled	6	1	1	6
Semi-skilled	1	2	0	3
Unskilled	0	0	0	0
Total	11	4	2	13

REASONS FOR STAFF TURNOVER

No staff turnover was recorded during the financial year.

REASON	NUMBER	% OF TOTAL NO. OF STAFF TURNOVER
Death	0	0%
Resignation	2	0%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	2	15%

LABOUR RELATIONS

Misconduct and Disciplinary Action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	3
Written Warning	1
Final Written warning	0
Dismissal	0
Total	4

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

i. BSA vs. Mr. Qithi

The matter remains at the Labour Court for review and the status remains unchanged at the end of the financial year under review. BSA is currently negotiating an out of court settlement with Mr. Qithi.

ii. BSA vs. Mr. Khambule

The matter remains at the Labour Court and the status remains unchanged at the end of the financial year under review. BSA has offered Mr. Khambule a settlement of six (6) months of his salary he received at the time of his dismissal.





PART E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Boxing South Africa, set out on pages 61 to 96 which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Boxing South Africa as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Context for the 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 my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material impairments – trade debtors

7. As disclosed in note 8 to the financial statements, material impairments amounting to R7 823 398 (2020: R7 242 943) were incurred as a result of the provision for doubtful debts.

An uncertainty relating to the future outcome of litigation and claims

8. With reference to note 26 to the financial statements, the public entity is the defendant in labour lawsuits. The public entity has referred the matters to the Labour Court for review following judgements by Commission for Conciliation, Mediation and Arbitration. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the financial statements

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

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

12. 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.
13. 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

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

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

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – boxing development	26 – 28

17. 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.

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

Programme 2 – boxing development

Number of tournaments and training venues inspected

19. The source information, evidence and method of calculation for measuring the planned indicator were not clearly defined, and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 160 reported against the target of 160 in the annual performance report.

Various indicators

20. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Output indicator	Reported achievement
Number of boxing practitioners trained	37
Number of boxing practitioners licensed	808

Other matters

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 24 to 30 for information on the achievement of planned targets for the year and management's explanations provided for the under and

over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 19 to 20 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2 – boxing development. 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

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

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

Annual financial statements

26. The financial statements submitted for auditing were not prepared in accordance with the Standards of GRAP, as required by section 55(1) (b) of the PFMA.

27. Material misstatements of general expenses, financial assets, contingent liabilities, and events after the reporting period identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R5 064 776,51 as disclosed in note 36 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure identified was due to contravention of supply chain management regulations on various quotations and contracts.

Revenue management

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

Procurement and contract management

30. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1 and paragraph 3.3.1 of Practice Note 8 of 2007 08. Similar non-compliance was also reported in the prior year.

31. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by treasury regulation 16A8.4 and paragraph 4.1.2 of Practice Note 7 of 2009 10.
32. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to suppliers whose tax matters have been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d).
33. Some of the goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007 08 and treasury regulation 16A6.4.
34. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with the policies of the public entity, as required by treasury regulation 16A6.2(a) and (b).
35. Some of the contracts were awarded to bidders based on evaluation criteria that were not stipulated in the original invitation for bidding, as required by treasury regulation 16A6.3(a) and (b).
36. I was unable to obtain sufficient appropriate audit evidence 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 Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) and treasury regulation 16A6.3(b).
37. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPFA and the 2017 Preferential Procurement Regulations.
38. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders that scored the highest points in the evaluation process, as required by section 2(1)(f) of the PPPFA and the 2017 Preferential Procurement Regulations.
39. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for quotations, as required by 2017 preferential procurement regulation 5(1) and (3).
40. Some of the tenders that failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable in accordance with 2017 preferential procurement regulation 5(6).
41. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders based on pre-qualification criteria that were stipulated in the original invitation for quotations, in contravention of 2017 preferential procurement regulation 4(1) and (2).
42. The bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by 2017 preferential procurement regulation 8(2).
43. I was unable to obtain sufficient appropriate audit evidence that all extensions or modifications to contracts were approved by a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2.

44. I was unable to obtain sufficient appropriate audit evidence that persons in service of other state institutions who had a private or business interest in contracts awarded by the public entity did not participate in the process relating to that contract, as required by treasury regulation 16A8.4.

Consequence management

45. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

46. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

47. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

48. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

49. 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 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.

50. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

51. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual of performance report and the findings on compliance with legislation included in this report.

52. The accounting authority and senior management did not exercise oversight responsibility to review and monitor financial and performance reporting and compliance management as well as related internal controls. Furthermore, action plan to address identified control deficiencies were not properly implemented and closely monitored.
53. Controls to ensure regular, accurate and complete financial and performance reports were not effective in preventing and detecting control deficiencies and non-compliance in order to ensure accurate reporting on financial statements and performance reporting.
54. Management did not always implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.

Other reports

55. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. The report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
56. An investigation is being conducted relating to a tender awarded in the 2020-21 financial year. The investigation was still underway at the date of this auditor's report. The investigation report is expected to be finalised by 30 November 2021.

Auditor-General

Pretoria

20 August 2021



Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	NOTE(S)	2021 R	2020 Restated* R
ASSETS			
CURRENT ASSETS			
Claim advances	7	-	651
Receivables from exchange transactions	8	356 245	647 117
Prepayments	6	31 365	-
Cash and cash equivalents	9	7 236 654	3 683 846
		7 624 264	4 331 614
NON-CURRENT ASSETS			
Property, plant and equipment	3	1 116 333	314 105
Intangible assets	4	784 571	44 757
		1 900 904	358 862
Total Assets		9 525 168	4 690 476
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	10	2 338	12 624
Operating lease liability	5	-	29 735
Payables from exchange transactions	14	2 090 206	2 923 876
Unspent conditional grants and receipts	11	1 450 643	-
Provisions	12	607 640	490 395
Unallocated Deposits	13	368 290	458 670
		4 519 117	3 915 300
NON-CURRENT LIABILITIES			
Finance lease obligation	10	4 972	2 338
		4 972	2 338
Total Liabilities		4 524 089	3 917 638
Net Assets		5 001 079	772 838
Accumulated surplus		5 001 076	772 838

STATEMENT OF FINANCIAL PERFORMANCE

as at 31 March 2021

	NOTE(S)	2021 R	2020 Restated* R
REVENUE	15		
REVENUE FROM EXCHANGE TRANSACTIONS			
Sanctioning fees	15	546 083	1 089 072
Safety & Public Liability	15	108 290	334 928
Licence fees	15	658 676	721 890
Application fees	15	8 550	20 250
Forfeit fees	15	-	2 400
Interest received	16	521 060	624 553
Total revenue from exchange transactions		1 842 659	2 793 093
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfer revenue			
Government grants & subsidies	17	18 041 000	14 294 738
Public contributions and donations	18	1 549 357	2 000 000
Total revenue from non-exchange transactions		19 590 357	16 294 738
Total revenue	15	21 433 016	19 087 831
EXPENDITURE			
Employee related costs	19	(7 296 529)	(7 631 394)
Depreciation and amortisation	3&4	(313 347)	(163 464)
Finance costs		(1 186)	(2 319)
Write off	20	-	27 803
General Expenses	21	(9 593 717)	(9 181 607)
Total expenditure		(17 204 779)	(16 950 981)
Surplus for the year		4 228 237	2 136 850

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2021

	Accumulated surplus R	Total net assets R
Balance at 01 April 2019		(1 364 012)
<i>Changes in net assets</i>		
Surplus for the year	2 136 850	2 136 850
Total changes	2 136 850	2 136 850
Restated* Balance at 01 April 2020		772 839
<i>Changes in net assets</i>		
Surplus for the year	4 228 237	4 228 237
Total changes	4 228 237	4 228 237
Balance at 31 March 2021		5 001 076

CASH FLOW STATEMENT

as at 31 March 2021

	NOTE(S)	2021 R	2020 Restated* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Grants		18 041 000	12 810 000
Interest income		521 060	624 553
Other receipts		4 034 393	3 813 634
		22 596 453	17 248 187
PAYMENTS			
Employee costs		(7 296 529)	(7 505 730)
Suppliers		(9 779 115)	(8 833 070)
Finance costs		(1 186)	(2 319)
Finance charges		(14 048)	(75 150)
		(17 090 878)	(16 416 269)
Net cash flows from operating activities	23	5 505 575	831 918
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(988 238)	(36 513)
Purchase of other intangible assets	3	(881 193)	(7 680)
Proceeds from sale of PPE	4	14 045	400
Net cash flows from investing activities		(1 855 386)	(43 793)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in unallocated deposits		(90 380)	84 000
Movement in claim advances		651	(651)
Finance lease payments		(7 652)	(10 212)
Net cash flows from financing activities		(97 381)	73 137
Net increase in cash and cash equivalents		3 552 808	861 262
Cash and cash equivalents at the beginning of the year		3 683 846	2 821 286
Cash and cash equivalents at the end of the year	9	7 236 654	3 682 548

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

as at 31 March 2021

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
Revenue from exchange transactions						
Sanctioning fees	-	-	-	546 083	546 083	39a
Other income: Insurance, Safety & Public Liabilities	-	-	-	108 290	108 290	39b
License fees	348 000	-	348 000	658 676	310 676	39c
Application fees	-	-	-	8 550	8 550	
Interest income	700 000	-	700 000	521 060	(178 940)	39d
Total revenue from exchange transactions	1 048 000	-	1 048 000	1 842 659	794 659	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	18 041 000	-	18 041 000	18 041 000	-	
Other income: Sponsorship	-	1 549 357	1 549 357	1 549 357	-	
Total revenue from non-exchange transactions	18 041 000	1 549 357	19 590 357	19 590 357	-	
Total revenue	19 089 000	1 549 357	20 638 357	21 433 016	794 659	
EXPENDITURE						
Personnel	(7 915 000)	-	(7 915 000)	(7 296 529)	618 471	39e
Depreciation and amortisation	(105 000)	(250 000)	(355 000)	(313 347)	41 653	
Finance costs	-	(2 000)	(2 000)	(1 186)	814	
General Expenses	(11 069 000)	(1 297 357)	(12 366 357)	(9 593 717)	2 772 640	39f
Total expenditure	(19 089 000)	(1 549 357)	(20 638 357)	(17 204 779)	3 433 578	
Surplus before taxation	-	-	-	4 228 237	4 228 237	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	4 228 237	4 228 237	

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.

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

1.1 PRESENTATION CURRENCY

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

1.2 GOING CONCERN ASSUMPTION

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

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment testing

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Useful lives assessment

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

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Allowance for doubtful debts

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

Accounting by principals and agent

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

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

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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

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

1.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Leased asset	Straight line	2 - 5 years
Furniture and fixtures	Straight line	8 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	2 - 5 years
IT equipment	Straight line	4 - 6 years
Scales	Straight line	5 years

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

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

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

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

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

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

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

1.5 INTANGIBLE ASSETS

An asset is identifiable if it either:

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

1.5 INTANGIBLE ASSETS (CONTINUED)

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

ITEM	AVERAGE 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 asset 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.

1.6 FINANCIAL INSTRUMENTS (CONTINUED)

Classification

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

CLASS	CATEGORY
Cash and cash 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
Accrued income	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
Finance lease liability	Financial liability measured at amortised cost
Unallocated Deposits	Financial liability measured at amortised cost

Initial recognition

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

Boxing SA recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

Gains and losses

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

1.6 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Derecognition

Financial assets

Boxing SA derecognises financial assets using trade date accounting.

Boxing SA derecognises a financial asset only when:

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

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

Financial liabilities

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

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

Presentation

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

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

1.6 FINANCIAL INSTRUMENTS (CONTINUED)

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

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

1.7 LEASES

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

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

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is 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 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;

1.8 EMPLOYEE BENEFITS (CONTINUED)

- 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 measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Post-employment benefits; Defined contribution plans

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

1.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

Contingent liabilities are included in the disclosures notes to the financial statements when it is possible that economic benefits will flow from Boxing SA, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

Provision is recognised when Boxing SA has a present legal or constructive obligation as result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

1.10 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.11 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

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

Measurement

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

Rendering of services

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

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

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

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.

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.

1.14 COMPARATIVE FIGURES

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

Prior year comparative

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

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

1.16 IRREGULAR EXPENDITURE

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

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

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

Irregular expenditure that was incurred and identified during the current financial 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.

1.16 IRREGULAR EXPENDITURE (CONTINUED)

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

1.17 BUDGET INFORMATION

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

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

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

The approved budget covers the fiscal period from 2020/04/01 to 2021/03/31.

Boxing SA considers the difference of more than 10% between budget and actual to be material and it will be explained in note 39.

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.

1.18 RELATED PARTIES (CONTINUED)

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

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

1.19 EVENTS AFTER REPORTING DATE

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

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

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

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

1.20 CONDITIONAL GRANTS AND RECEIPTS

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

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

GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2021	The impact is not material.
GRAP 20: Related parties	01 April 2021	The impact is not material.
GRAP 32: Service Concession Arrangements: Grantor	01 April 2021	The impact is not material.
GRAP 108: Statutory Receivables	01 April 2021	The impact is not material.
GRAP 109: Accounting by Principals and Agents	01 April 2021	The impact is set out in note 2 Changes in accounting policy.

2.2 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 2021 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
Directive 7 (revised): The Application of Deemed Cost	01 April 2021	Unlikely there will be a material impact
IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2021	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Furniture and fixtures	515 199	(220 612)	294 587	299 344	(183 755)	115 589
Motor vehicles	618 190	(144 959)	473 231	141 520	(127 273)	14 247
Office equipment	200 803	(135 874)	64 929	166 303	(96 899)	69 404
IT equipment	730 090	(464 631)	265 459	485 622	(388 052)	97 570
Leased assets	57 258	(49 493)	7 765	50 242	(35 866)	14 376
Scales	20 650	(10 288)	10 362	10 921	(8 002)	2 919
Total	2 142 190	(1 025 857)	1 116 333	1 153 952	(839 847)	314 105

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021

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

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2020

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	137 940	3 899	(4 326)	(21 924)	115 589
Motor vehicles	23 989	-	-	(9 742)	14 247
Office equipment	78 950	24 297	(300)	(33 543)	69 404
IT equipment	149 338	-	-	(51 768)	97 570
Leased assets	24 628	8 317	(100)	(18 469)	14 376
Scales	4 656	-	-	(1 737)	2 919
	419 501	36 513	(4 726)	(137 183)	314 105

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLEDGED AS SECURITY

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

REPAIRS AND MAINTENANCE

	2021 R	2020 R
The following amount included in Repairs and Maintenance relating to service of Assets	2 257	3 337

4. INTANGIBLE ASSETS

	2021			2020		
	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Computer software	1 136 589	(352 018)	784 571	255 396	(210 639)	44 757

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

RECONCILIATION OF INTANGIBLE ASSETS - 2020	Opening balance R	Additions R	Amortisation R	Total R
Computer software	64 659	7 680	(27 582)	44 757

PLEDGED AS SECURITY

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

5. OPERATING LEASE	2021 R	2020 R
Current operating lease	-	(29 735)

Further details are provided on note 25

6. PREPAYMENTS

Prepayment was on subscription of Pastel evolution which is renewed in the month of November on yearly basis, the amount for prepayment for this current financial year amount to R31 365.

7. CLAIM ADVANCES

ADVANCE TO DIRECTORS, MANAGERS AND EMPLOYEES

	2021 R	2020 R
At beginning of the year	651	651
Repayments	(651)	-
	-	651

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	8 179 643	7 890 060
Provision for doubtful debts	(7 823 398)	(7 242 943)
	356 245	647 117

RECONCILIATION OF DEBT PROVISION

Balance at the beginning of year	7 242 943	7 357 349
Contributions to provision	580 455	(114 406)
	7 823 398	7 242 943

AGE ANALYSIS	150 Days + R	90 Days R	60 Days R	30 Days R	Current R	TotalR
Customers	7 372 773	354 619	-	213 808	238 443	8 179 643
Subtotal	7 372 773	354 619	-	213 808	238 443	8 179 643
	7 372 773	354 619	-	213 808	238 443	8 179 643

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 2021, R 422 500 (2020: R 306 194) were past due but not impaired.

	2021 R	2020 R
The ageing of amounts past due but not impaired is as follows:		
1 month past due	328 256	35 549
2 months past due	45 037	135 442
3 months past due	49 207	135 203

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Bank balances	4 845 460	2 113 978
Netcash	466 437	-
Momentum Investment	1 924 757	1 569 868
	7 236 654	3 683 846

9. CASH AND CASH EQUIVALENTS (CONTINUED)

2021	2020
R	R

Cash and cash equivalents held by the entity comprise the following:

Purse account	3 715 651	1 312 701
Boxers benevolent fund	73 686	75 486
License account	-	471 030
Savings account	1 457	1 000
Main account	1 054 666	253 761
	4 845 460	2 113 978

MOMENTUM INVESTMENT RECONCILIATION

Opening balance	1 569 868	762 415
Contribution	120 000	120 000
Interest income	84 347	74 882
Administration fees	(32 984)	(46 736)
L/P on Investment	183 526	(140 693)
Withdrawals/ Deposit	-	800 000
	1 924 757	1 569 868

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 are insufficient to pay boxers' claims. Therefore this investment is held by Boxing SA, but it is not available for use by Boxing SA for other than injury claims.

License paid	42 420	-
Transfer received	(25 356)	-
Service fee	(3 832)	-
Interest received	15	-
License payables	453 190	-
Subtotal	466 437	-

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

10. FINANCE LEASE OBLIGATION

MINIMUM LEASE PAYMENTS DUE

- within one year	2 338	12 624
- in second to fifth year inclusive	4 972	2 338

Present value of minimum lease payments

Non-current liabilities	4 972	2 338
Current liabilities	2 338	12 624
	7 310	14 962

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

The average lease term was 1-2 years and the average effective borrowing rate was 7% (2020: 10%).

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

	2021 R	2020 R
11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISES:

Unspent conditional grants and receipts

Unspent conditional grants	1 450 643	-
Movement during the year		
Additions during the year	3 000 000	-
Income recognition during the year	(1 549 357)	-
	1 450 643	-

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

12. PROVISIONS

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

RECONCILIATION OF PROVISIONS - 2020	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Leave pay	284 778	363 250	(284 778)	363 250	
Provision service bonus	-	127 145	-	127 145	
	284 778	490 395	(284 778)	490 395	

13. UNALLOCATED DEPOSITS

Unallocated Deposits are amounts that are deposited into Boxing SA bank account without proper referencing, in 2019/20 financial year R458 670, this current financial year decreased to R368 290.

14. PAYABLES FROM EXCHANGE TRANSACTIONS	2021 R	2020 R
Trade payables	657 434	1 085 335
Accrued expense	979 582	1 278 025
Prepaid License fees	453 190	560 516
	2 090 206	2 923 876

15. REVENUE	2021 R	2020 R
Sanctioning fees	546 083	1 089 072
Insurance, safety & public liability	108 290	334 928
License fees	658 676	721 890
Application fees	8 550	20 250
Forfeit fees	-	2 400
Interest income	16 521 060	624 553
Government grants & subsidies	17 18 041 000	14 294 738
Sponsorship	18 1 549 357	2 000 000
	21 433 016	19 087 831

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

Sanctioning fees	546 083	1 089 072
Safety & public liability	108 290	334 928
License fees	658 676	721 890
Application fees	8 550	20 250
Forfeit fees	-	2 400
Interest income	521 060	624 553
	1 842 659	2 793 093

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

Transfer revenue		
Government grants & subsidies	18 041 000	14 294 738
Sponsorship	1 549 357	2 000 000
	19 590 357	16 294 738

16. INTEREST INCOME

INTEREST REVENUE		
Interest income	521 060	624 553

Interest income for current year includes R 1 050 interest received from the bank, R 84 347 from Momentum investment and R 435 663 interest charged on long outstanding trade debtors.

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 (7.75% from April until June 2020, 7.25% from July 2020 until August 2020 and 7% from September 2020 until March 2021).

17. GOVERNMENT GRANTS AND SUBSIDIES

OPERATING GRANTS		
Government grant - Sport, Art and Culture	18 041 000	14 294 738

18. PUBLIC CONTRIBUTIONS AND DONATIONS

	2021 R	2020 R
Sponsorship	1 549 357	2 000 000

RECONCILIATION OF CONDITIONAL CONTRIBUTIONS

Current-year receipts	3 000 000	2 000 000
Conditions met - transferred to revenue	(1 549 357)	(2 000 000)
Unspend balance at the end of the year	(1 450 643)	-
	-	-

Boxing SA received an amount of R 3 000 000 from the Department of Sport, Art, Culture and Recreation: Gauteng Provincial Government for the purpose of hosting the Boxing tournaments.

19. EMPLOYEE RELATED COSTS

Basic	4 463 060	5 025 965
UIF SDL PAYE	1 739 989	1 859 877
Leave pay provision charge	377 470	78 471
Provident fund contribution-Post employee benefits	716 010	667 081
	7 296 529	7 631 394

20. WRITE OFF

Write off for the year	-	(27 803)
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The write off includes R4 326 for PPE and R32 129 for Payables.

21. GENERAL EXPENSES

	2021 R	2020 R
Advertising	427 496	636 132
Auditors remuneration	864 711	948 098
Bank charges	14 048	75 150
Administration fee	32 984	48 274
Computer expenses	192 512	233 635
Consulting and professional fees	826 848	778 776
Sponsorship expenses	1 300 000	680 000
Insurance	152 533	186 189
Conferences and seminars	92 997	1 541 809
Fuel & Oil Expenses	44 048	124 348
Marketing	22 660	107 350
Lease rentals	693 299	639 893
Postage and courier	1 139	6 762
Printing and stationery	188 582	308 890
Repairs and maintenance	2 257	3 817
Subscriptions and membership fees	101 227	75 694
Telephone and fax	204 275	239 762
Travel - local	665 552	1 144 401
Electricity & Water	339 738	323 266
Board and sub-committee fees	988 645	362 276
Legal expenses	1 508 714	639 370
Boxing materials	7 088	11 500
Sparring sessions	-	33 750
Other (General Exp & Office Removal)	1 446	6 178
Cleaning Materials	293 819	-
Momentum expenses	(183 526)	140 693
Laboratories	230 170	-
(Decrease)/Increase in provision on doubtful debts	580 455	(114 406)
	9 593 717	9 181 607

22. AUDITORS' REMUNERATION

Fees	864 711	948 098
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23. CASH GENERATED FROM OPERATIONS	2021 R	2020 R
Surplus	4 228 237	2 136 850
Adjustments for:		
Depreciation and amortisation	313 347	163 464
Debt impairment	-	(27 803)
Movement in operating lease	(29 735)	(76 882)
Movements in provisions	117 245	205 617
Assets write offs	-	(4 326)
Movement in bad debts provision	580 457	(114 404)
Other non-cash items	-	31 999
Changes in working capital:		
Receivables from exchange transactions	(289 583)	(354 906)
Prepayments	(31 366)	-
Payables from exchange transactions	(833 670)	(1 127 691)
Unspent conditional grants and receipts	1 450 643	-
	5 505 575	831 918

24. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS	At amortised cost R	Total R
Financial assets: 2021		
Trade and other receivables from exchange transactions	356 245	356 245
Cash and cash equivalents	7 236 654	7 236 654
	7 592 899	7 592 899
Financial liabilities: 2021		
Unallocated deposit	368 290	368 290
Trade and other payables from exchange transactions	2 090 206	2 090 206
Financial lease obligation	2 338	2 338
	2 460 834	2 460 834
Financial assets: 2020		
Trade and other receivables from exchange transactions	647 117	647 117
Cash and cash equivalents	3 683 846	3 683 846
	4 330 963	4 330 963
Financial liabilities: 2020		
Unallocated deposit	458 670	458 670
Trade and other payables from exchange transactions	2 923 876	2 923 876
Financial lease obligation	12 624	12 624
	3 395 170	3 395 170

25. OPERATING LEASE

AUTHORISED OPERATIONAL EXPENDITURE

Total commitments

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

Operating leases - as lessee (expense)

	2021 R	2020 R
Minimum lease payments due		
- within one year	-	244 729

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	-	244 729
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26. 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 2021

- Boxing SA vs. Mr. Qithi - The matter has been to the CCMA since 2015 and was finalised in December 2018. The outcome of the CCMA was in favour of the applicant. Boxing SA was not satisfied with the outcome and then referred the matter to the Labour Court for review. Currently the matter is under review at the Labour Court. Boxing SA will pay R 7 245 846 if Boxing SA loses the case.
- 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 140 000.
- 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.

27. RELATED PARTIES

RELATIONSHIPS

Parent Department	Department of Sport, Art and Culture
Fellow Controlled entity	South African Institute for Drug Free Sport

RELATED PARTY TRANSACTIONS

Grant received from related parties

Department of Sport, Art and Culture	18 041 000	12 810 000
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27. RELATED PARTIES (CONTINUED)

2021 R	2020 R
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Additional grant from (expenses paid/payable by) related parties

Department of Sport, Art and Culture	-	1 484 738
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Emoluments of Board member refer to note 28.

KEY MANAGEMENT INFORMATION

Class	Description	Number
Chief Executive Officer (Resigned on 04 August 2020)	Mr Tsholofelo Lejaka	055
Chief Financial Officer	Mr Thabang Moses	054
Director Operation (Acting CEO from 5 August 2020 until 31 March 2021)	Ms. Cindy Nkomo	058

REMUNERATION OF MANAGEMENT

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

Executive management - 2020		Basic salary R	Post- employment benefits R	Other benefits received R	Total R
Name					
Chief Executive Officer		1 567 581	64 310	26 400	1 658 291
Chief Financial Officer		1 227 096	58 732	18 862	1 304 690
Director Operations		1 073 202	51 366	20 400	1 144 968
		3 867 879	174 408	65 662	4 107 949

Other benefits includes cell phone, medical and travelling allowance.

28. MEMBERS' EMOLUMENTS

BOARD EMOLUMENTS: 2021	Emoluments R	Other benefits R	Total R
Dr. MP Ngatane(Chairperson Until Nov 2020)	70 536	-	70 536
Mr. L Jack(Chairperson from Dec 2020)	105 390	-	105 390
Ms. Z Kabini	105 252	464	105 716
Dr. S Nthangeni	34 992	715	35 707
Mr. S Sodo	31 104	-	31 104
Mr. S Maharaj	45 452	1 362	46 814
Mr. E Sithole	42 768	-	42 768
Mr. K Radu	117 982	-	117 982
Mr. G Martins	97 200	541	97 741
Mrs. L Tungamirai	11 664	-	11 664
	662 340	3 082	665 422

BOARD EMOLUMENTS: 2020

Dr. MP Ngatane (Chairperson)	36 610	6 311	42 921
Ms. Z Kabini	45 590	3 264	48 854
Mr. L Jack	34 992	-	34 992
Mr. K Radu	51 184	-	51 184
Mr. G Martins	31 104	7 992	39 096
Mrs. L Tungamirai	31 104	1 419	32 523
	230 584	18 986	249 570

Mr.G Martins serves as an Audit committee member from 12 December 2017. Ms. Z Kabini served as the Chairperson of the ICT, Governance, Finance and Resource Mobilisation committee until December 2020, other committee members were Mr. L Jack , Mrs. L Tungamirai and Mr G Martins. New committee members from December 2020 are Mr. S Maharaj chairing the committee, other members Mr. G Martins, and Mr. E Sithole. Mr. K Radu served as the Chairperson of the Sanctioning committee until December 2020, Mr. S Sodo is the new Chairperson from December 2020.

AUDIT COMMITTEE FEES: 2021	Member's fees R	Other benefits R	Total R
Mr. D Moodley (Chairperson)	47 487	-	47 487
Adv. F vd Westhuizen	15 714	-	15 714
Mr. S Maharaj	2 619	-	2 619
Mr. G Martins	13 095	-	13 095
	78 915	-	78 915

AUDIT COMMITTEE FEES: 2020

Mr. D Moodley (Chairperson)	38 853	1 926	40 779
Mr. G Martins	10 476	4 213	14 689
Adv. F vd Westhuizen	15 714	592	16 306
	65 043	6 731	71 774

28. MEMBERS' EMOLUMENTS (CONTINUED)

	Member's fees R	Other benefits R	Total R
RATINGS COMMITTEE: 2021			
Mr. A de Vries (Chairperson)	57 530	-	57 530
Mr. M Zifo	7 776	-	7 776
Mr. T Tutu	7 776	-	7 776
	73 082	-	73 082
RATINGS COMMITTEE: 2020			
Mr. A de Vries (Chairperson)	62 760	-	62 760
SANCTIONING COMMITTEE: 2021			
Mr. K Radu (Apr-Nov 2020) (Chairperson)	41 840	-	41 840
Mr. M Sodo (Feb & Mar 2021) (Chairperson)	10 460	-	10 460
Mr. TD Qobose (Apr-Nov 2020)	31 104	-	31 104
Mr. I Buhlahu (Feb & Mar 2021)	7 776	-	7 776
M Ntlanganiso (Feb & Mar 2021)	7 776	-	7 776
Mr. B Magasela	38 880	-	38 880
	137 836	-	137 836
MEDICAL COMMITTEE: 2021			
Dr. R Selepe	20 920	-	20 920
Dr. L Bayeni	3 888	-	3 888
Dr. V Ndlovu	3 888	-	3 888
Dr. RSL Moipolai	3 888	-	3 888
Dr. Shilobo	3 888	-	3 888
	36 472	-	36 472

29. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

The useful life of certain IT equipment was estimated in 2015 to be 4 years. In the current period management have revised their estimate to 3 years. The effect of this revision has no financial impact but to include assets that depreciate over three years.

30. PRIOR PERIOD ERRORS

In 2019/20 financial year accrued expenses amounting to R550 000 was incorrectly reversed against legal expenses and this has resulted in overstating legal expenses in current year by R460 000 and understating the legal expenses and accrued expenses by the same amount in 2019/20 financial year.

A promoter was incorrectly double charged sanctioning fees of R20 000 in prior year and the mistake was realised in the current financial year. This has an impact on Sanctioning fees, Receivables and Retained income.

The assets which were not in assets register and were part of the assets, were captured into the books. The effect of the changes was an increase in assets also increasing in accumulated depreciation and depreciation.

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

STATEMENT OF FINANCIAL POSITION	2021	2020
	R	R
Property, plant and equipment	-	811
Accumulated surplus	-	(479 188)
Receivables from exchange transactions	-	(20 000)
Payables from exchange transactions	-	460 000

STATEMENT OF FINANCIAL PERFORMANCE

Depreciation and amortisation	-	487
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31. 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: 2020	As previously reported R	Correction of error R	Restated R
Property, plant and equipment	313 294	811	314 105
Receivables from exchange transactions	667 117	(20 000)	647 117
Payables from exchange transactions	2 463 876	460 000	2 923 876
	3 444 287	440 811	3 885 098

STATEMENT OF FINANCIAL PERFORMANCE: 2020	As previously reported R	Correction of error R	Restated R
Depreciation and amortisation	162 978	487	163 464

32. RISK MANAGEMENT

LIQUIDITY RISK

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

CREDIT RISK

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

MARKET RISK

Interest rate risk

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

33. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies 1.2 applicable to a going concern. This basis presumes that funds in note 9 will be available to finance future operations and that the realisation of assets in note 8 and settlement of liabilities in notes 12, 13 & 14, contingent obligations in note 26, and commitments in note 10, will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on the continued support of the National Department of Sport, Art and Culture as per note 27.

34. EVENTS AFTER THE REPORTING DATE

1. The Office rental lease was extended by three years to the total value of R2 596 426.
2. A whistleblower report was received in June 2021 relating to a tender awarded in 2021 financial year. The complaint is in the process of being investigated. During the investigation further information was provided that required additional investigation to test the veracity of the information. The investigation is currently ongoing. The Investigation report is expected to be finalised by 30 November 2021.

35. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	2 558 778	2 558 778
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36. IRREGULAR EXPENDITURE

 2021
 R
 2020
 R

Opening balance	8 216 398	7 102 178
Sponsorship	1 300 000	-
Advertising	-	616 730
Contractors	-	497 490
	9 516 398	8 216 398

Current year Irregular expenditure is on Sponsorship, Advertising and procurement of Office furniture for not complying with Treasury Regulation 16.

The following are possible Irregular expenditures waiting for further investigations:

Total	3 764 779	-
Procurement for PPE for Covid-19 prevention for BSA office	82 777	-
PPE items for COVID-19	71 415	-
Procurement of PPE for Boxing Gyms	378 002	-
Legal representation	942 375	-
Legal representation: Disciplinary & Arbitration for Licencees	145 775	-
Legal services	552 688	-
Annual Subscription for Case Ware	65 541	-
Annual Subscription PASTEL	47 048	-
APP and SP design	17 620	-
High level review of annual financial statements and performance information	182 908	-
Service to transcribe the proceedings of the CCMA	10 350	-
Procurement of scales, ring dong and digital timer	16 817	-
Procurement of office furniture	59 317	-
Video recording and editing Covid-19	55 000	-
Design and layout: Boxing awards rulebook and forms	15 000	-
Video recording and editing of Covid-19 measures	15 000	-
Procurement of 12 gift sets for board strategy	30 924	-
Designing of the annual performance plan	47 552	-
Procurement of Venue and facilities	5 575	-
Procurement of ITC Software	491 000	-
Procurement of Promotional items	4 094	-
BSA Branded T-shirts	20 032	-
BSA Branded T-shirts	29 278	-
Maintenance and support for the Central License Management System	273 050	-
Branding of the BSA vehicle	18 228	-
BSA Branded T-shirts	4 407	-
Cell phone contract	152 904	-
Website host	1 767	-
Telephone contract	28 335	-

ANALYSIS OF EXPENDITURE AWAITING CONDONATION PER AGE CLASSIFICATION

Current year	1 300 000	1 114 220
Prior years	8 216 398	7 102 178
	9 516 398	8 216 398

36. IRREGULAR EXPENDITURE (CONTINUED)

Details of irregular expenditure – current year -

Details of irregular expenditure condoned -

Details of irregular expenditure recoverable (not condoned) -

Details of irregular expenditure not recoverable (not condoned) -

37. ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

38. THE IMPACT OF COVID19

Following the emergence of Covid19 and the declaration of state of emergency by the President, the entity had to implement preventative measures to protect its staff from contracting the virus. Boxing was not declared essential services.

This had an impact of decreasing revenue from exchange by R 970 434. Various preventative personnel protecting clothing (PPE) items as directed by the Department of Health had to be procured for the staff, which includes sanitizers, masks, gloves, soap and thermometers. Augmented services were also procured on an as and when basis at a unit price. As at 31 March 2021, the entity incurred the total of R572 289 on PPE items such as Sanitizers, Masks, Gloves, Test for Licencees, Foot stand, Fogging machine and Thermometers.

39. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

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

- a. Sanctioning fees** - This item was revised to zero as it was anticipated that boxing activities and competition in the form of boxing tournaments shall not take place during the current financial year (2020/2021) due to Covid-19 restrictions.
- b. Other income: Insurance, Safety & Public liabilities** - This item was revised to zero as it was anticipated that boxing activities and competition in the form of boxing tournaments shall not take place during the current financial year (2020/2021) due to Covid-19 restrictions.
- c. License fees** - This item was revised by 50% as it was anticipated that boxing activities and competition in the form of boxing tournaments shall not take place during the current financial year (2020/2021) due to Covid-19 restrictions.
- d. Interest income** - Interest charged on trade debtors for overdue account.
- e. Personnel** - This caused by vacancies which were not filled during the financial year.
- f. General expenses** - The high spending on Sponsorship expenses is mainly caused by events that Boxing SA holds, such as Boxing tournaments, Licensees seminars. Legal fees are attributable to any litigation against Boxing SA.

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