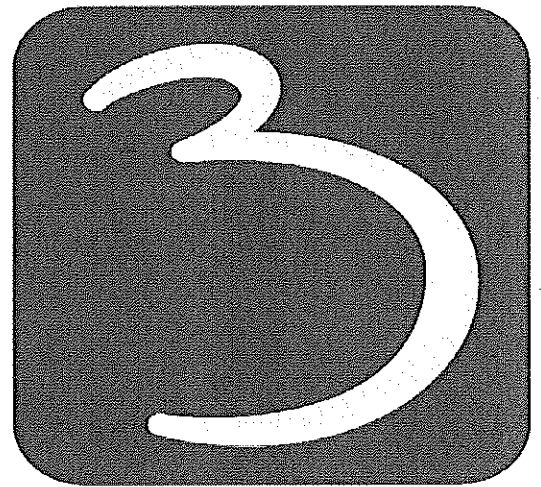


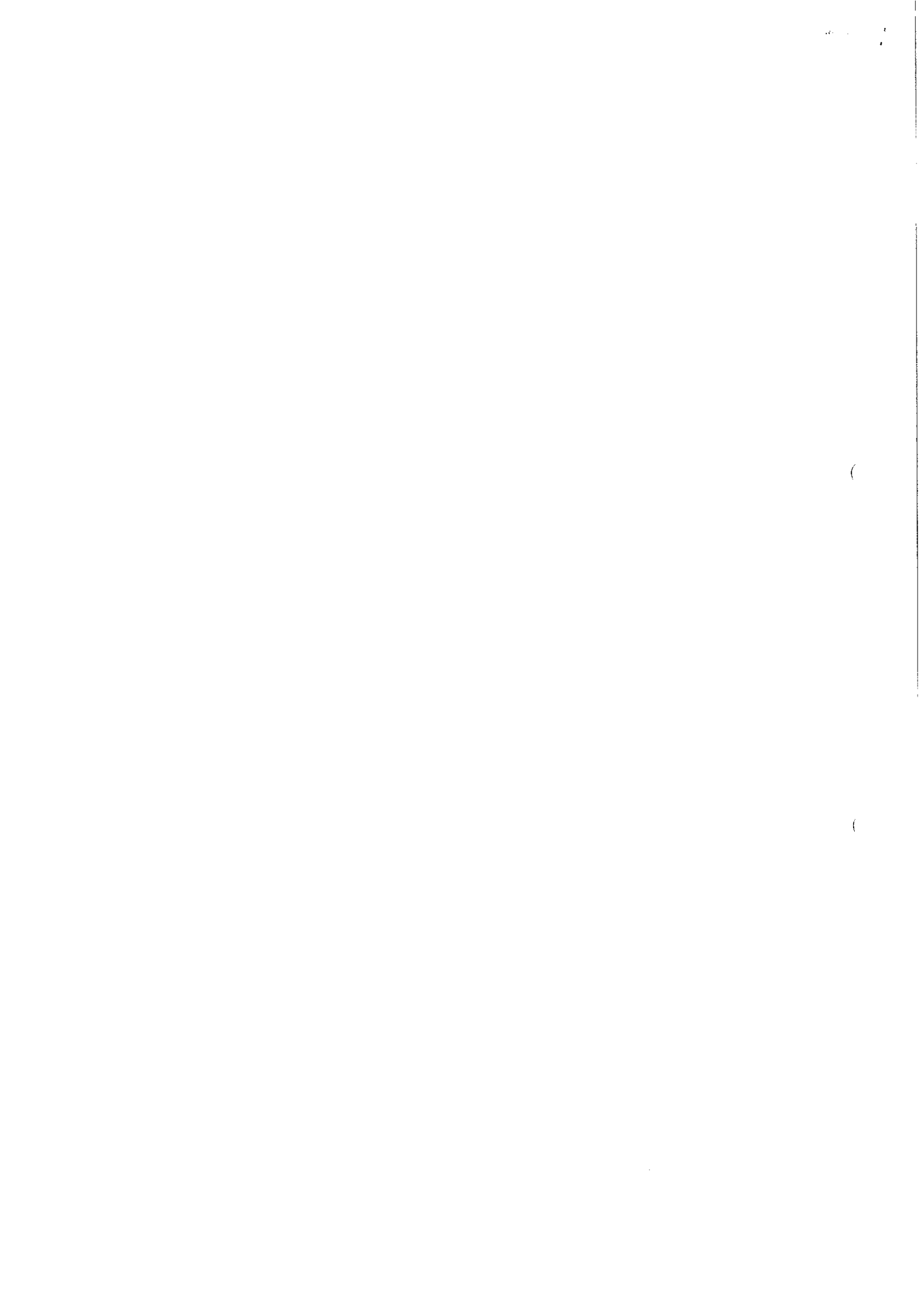
Debtor & Creditor Policy



***Boxing
South
Africa***



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1. Introduction

The debtor balances that accrue to Boxing South Africa (BSA) relates only to balances owing by promoters on tournaments that have been hosted.

2. Terms and definitions

Tournament – any function to which the public have access, whether on payment of a charge for admission or not, and at which two or more licensed professional boxers engage in boxing for gain, whether by way of competition, exhibition or otherwise.

Promoter – any person to whom a certificate of registration as a promoter has been issued in terms of section 7(1)(c).

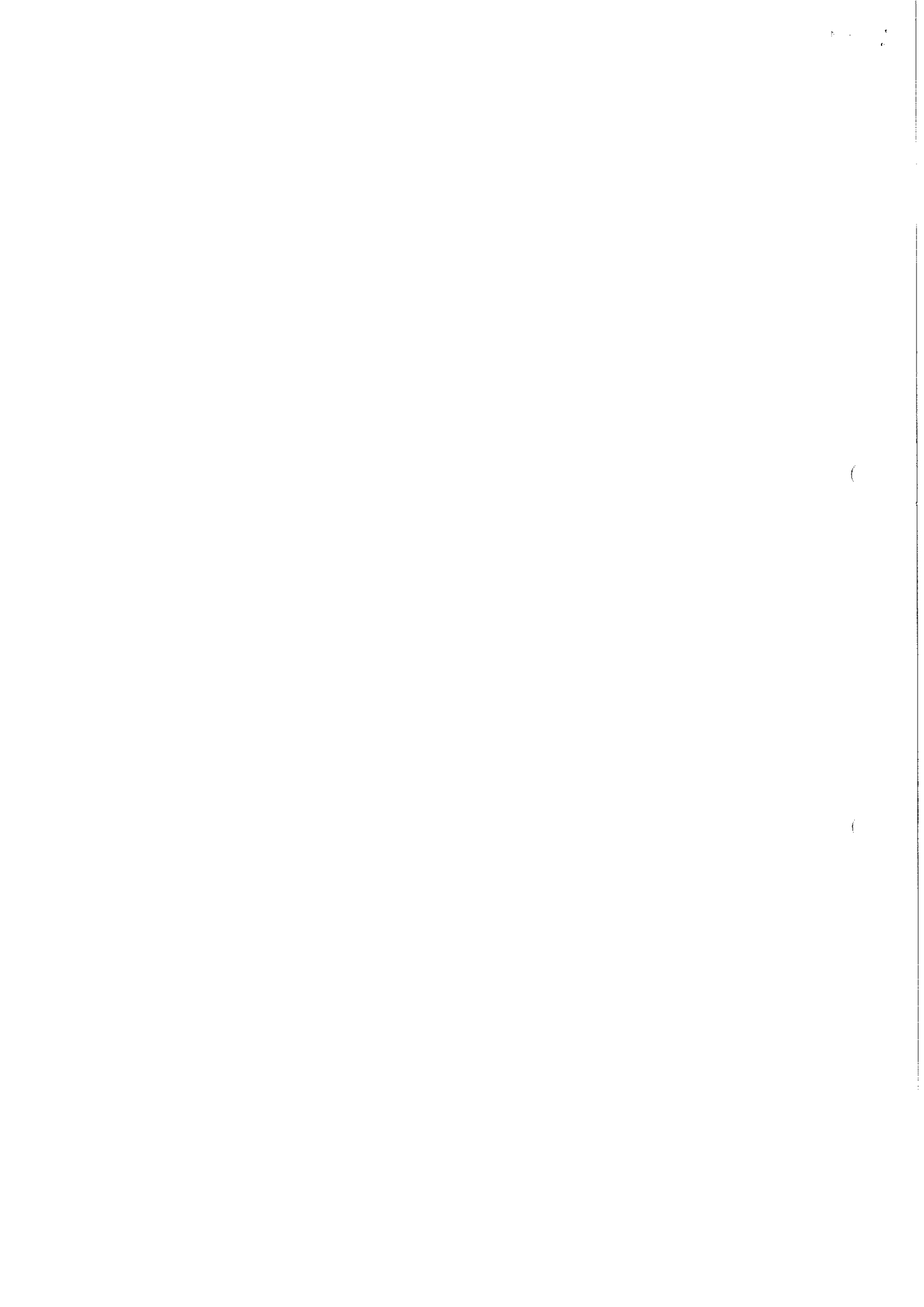
Boxer – any person to whom a certificate of registration as such has been issued in terms of section 7(1)(c).

Debt - Duty or obligation to pay money, deliver goods, or render service under an express or implied agreement. One who owes, is a debtor.

Write off – A debt which is recognised as being irrecoverable.

3. Objective of the policy

The objective of the policy is for BSA to take the necessary steps to recover debts owing by promoters and if recovery is not possible, the correct processes to follow.



4. Debtor Process

- 4.1 The tournament reconciliation shows evidence that the promoter owes BSA for staged tournaments and can be found in the tournament file.
- 4.2 The tournament reconciliation is attached to the monthly statements that must be sent out to the promoters.
- 4.3 At month end the finance department must capture all amounts owing by each promoters for the relevant month and capture all payments received from debtors after confirmation as per bank statements.
- 4.4 A debtor reconciliation must be performed on a monthly basis.

5. Recovery of debt

- 5.1 The promoter must settle any outstanding balances owing to BSA within 30 days upon receipt of the statement.
- 5.2 If after 30 days, the promoter does not settle the relevant account, a follow up statement must be sent to the promoter reminding him/her that the amount is still owing and is overdue.
- 5.3 If no response and settlement occurs within 60 days, the promoter should be telephonically made aware of his debt owing to BSA and the circumstances of non payment thereto:
 - a) All debtors outstanding for more than 90 days shall be handed over to debt collectors
 - b) Further tournament applications may not be approved if promoters have balances owing to BSA from previous tournaments. (Refer to Tournament policy para. 4.3(i))

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6. Debt written off

- 6.1 According to the Board Approval Framework, debtors may only be written off upon full board's approval.
- 6.2 The Board shall only write off debts if the debts are considered to be irrecoverable.
- 6.3 Debt will only be considered to be irrecoverable in the following circumstances:
- a) After all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount without success;
 - b) If the amount to be recovered is too small to warrant further endeavours to collect it;
 - c) If the cost to recover the debt does not warrant further action, i.e. to summons in another country;
 - d) If a deceased estate has no liquid assets to cover the outstanding amount;
 - e) When it has been proven that the debt has prescribed;
 - f) If the debtor is untraceable or cannot be identified so as to proceed with further action such debtor;
 - g) If it is not possible to prove the debt outstanding;

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7. Creditor process

- 7.1 Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement
- 7.2 All amounts owing to tournament creditors i.e. Amounts owing to promoters upon reconciliation of tournaments that have taken place, must be settled within 30 upon receipt of the affidavit.
- 7.3 Interest and penalties on overdue credit balances shall be disclosed as fruitless and wasteful expenditure in the financial statements.

8. Approval and implementation

- 8.1 This policy is effective from the date of approval by the Chairperson of the Accounting authority.
- 8.2 The CEO will be responsible for implementation and monitoring of the policy.
- 8.3 The policy will be reviewed on an annual basis and revision thereto must be obtain Board approval.

9. Level of approval

Dr.P.Ngatane

Board
Chairperson



Signature

2011 -05- 06

Date

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