

annual report

March 2017 - February 2018



In his State of the Nation Address, the President of the Republic of South Africa, His Excellency, Mr Cyril Ramaphosa declared 2018 as the year dedicated to Nelson Rolihlahla Mandela. Government also adopted a year-long theme “Be the Legacy”. The year marks what would have been the centenary of this struggle and liberation icon.

The Nelson Mandela centenary will focus on reflecting on Madiba’s legacy and values, which contributed to the democracy we enjoy today. Furthermore, the centenary programme will be used to remind South Africans about the importance of a value-based nation which should be underpinned by Madiba’s legacy of unity, compassion and active citizenry.

In the spirit of Madiba and his vision to spread social justice and freedom for all, the sheriffs’ profession has an opportunity to become part of a continuous global movement for good by emulating Madiba.

The **SABFS** dedicates its
Annual Report theme to the
inspiring quotes of Nelson
Mandela during this centenary
year of his birth

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the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA



Honourable Deputy Minister, Mr John Jeffery, it is with pleasure that we present you with the Annual Report of the South African Board for Sheriffs for the period 1 March 2017 to 28 February 2018.

PART A

GENERAL INFORMATION

“ I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. **It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die.** ”

1. STRATEGIC OVERVIEW

VISION

- We are a Board that is transparent and responsive to the needs of the sheriffs' profession.
- We will promote a professional sheriffs' service that is respectful and efficient, to deliver justice to all with integrity and accountability.
- We will be accountable in terms of legislative mandate and strive to entrench the human rights culture envisaged by the Constitution.

MISSION

- We will provide a professional and credible service to all our clients and other stakeholders.
- We will develop skilled, knowledgeable and motivated staff.
- We will develop a unified and committed Board with focused leadership.
- We will enhance the image and goodwill of the sheriffs' profession.

CORE VALUES

- Accountability
- Integrity
- Professionalism
- Transparency
- Efficiency
- Respect
- Equity

STRATEGIC OBJECTIVES

The Board has adopted a Strategic Plan for the 3-year period of 2015 to 2018. Management is charged with operationalising the plan and reporting quarterly on the performance achievements on the stated objectives.

These objectives are:

Compliance

To enforce compliance with the Sheriffs Act and subordinate legislation governing sheriffs

Fidelity Fund

To increase the financial performance of the Fidelity Fund through effective management thereof

Sustainability of the sheriffs' profession

To improve the financial sustainability of the sheriffs' profession

Enhancing the sheriffs' profession

To build capacity and professionalise the sheriffs' profession

Governance and corporate support services

To improve compliance with legal requirements and good governance principles to increase stakeholder trust

2. CORE BUSINESS

The core business of the South African Board for Sheriffs is:

- To transform the sheriffs' profession, the SA Board for Sheriffs and its staff and to bring it in line with constitutional imperatives.
- To review all relevant legislation, among others the Sheriffs Act 90 of 1986, and if necessary lobby for reform in a manner which protects the interests of the sheriffs' profession and all stakeholders.
- To communicate effectively with all stakeholders and sheriffs.
- To discipline sheriffs.
- To monitor the conduct of sheriffs.
- To promote professionalism.
- To set standards for training of persons who are, or who intend participating in, the sheriffs' profession.
- To set up the necessary training programmes.
- To formulate policy directives.
- To ensure effective management of the Board and its office.

3. GOVERNANCE AND LEGISLATIVE MANDATES

The South African Board for Sheriffs (SABFS) is a regulatory statutory body established by the Minister in terms of Section 7 of the Sheriffs Act No 90 of 1986 (Sheriffs Act), and it has as its objectives the maintenance of the esteem of, the enhancement of the status of, and the improvement of the standard of training of and functions performed by sheriffs.

Legislation affecting sheriffs is constantly changing and the SABFS spends a significant amount of time, effort and money in monitoring and reviewing these. Where necessary the Board employs the services of external legal experts to formulate opinions and assist with drafting recommendations to forward to the Minister and Rules Board. The following table of legislation is applicable to the work of the SABFS.

ENABLING LEGISLATION	CORE PURPOSE
Constitution	The Bill of Rights of the Constitution provides an institutional framework for the SABFS to regulate the sheriffs' profession in line with human rights for all.
Sheriffs Act 90 of 1986	The Sheriffs Act guides the Board and sheriffs in respect of its rules and regulations.
Magistrates' Court Act 32 of 1944	The Magistrates' Act deals with general directives to a sheriff and his or her duties.
High Court Act 59 of 1959	The High Court Act deals with general directives to a sheriff and his or her duties.
Rules Board for Courts of Law Act, 1985	Members of the Rules Board for Courts of Law are appointed by the Minister and are responsible for court rules.
The Public Finance Management Act 1 of 1999	Seeks to regulate financial management in the national government and provincial governments. The SABFS has voluntarily chosen to comply with most of the provisions of the PFMA and these are detailed in our policies.
Code of Conduct for Sheriffs	The Code of Conduct seeks to regulate the manner in which sheriffs perform their functions to ensure that they are aware of their role within the justice system of South Africa.
King III & IV	The principles of King III & IV are used by the Board to apply three key elements, namely, leadership, sustainability and good corporate governance.
Annual Performance Plan	Our annual performance plan contains the SABFS performance targets, commitments and measurement framework for the period under review.

CHAIRPERSON'S REPORT



As we celebrate and embrace the centenary year of Nelson Mandela's birth, we are reminded of his vision to liberate the oppressed and the oppressors.

We too, are therefore motivated to lead the transformation of the sheriffs' profession.

SABFS Strategy

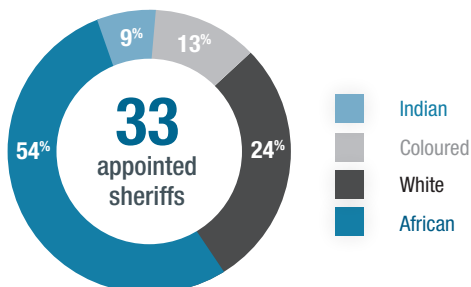
The Board reviews its three-year Strategic Objectives annually, to ensure that it remains relevant and to expand the plan where the needs of the profession or legislation require further intervention.

During the final quarter of our three-year term, we reported our achievements of the strategy to all our stakeholders at a Stakeholder Dinner in Johannesburg. At this stage it was evident that our strategy was effective and that it was positively received and experienced by our stakeholders.

Transformation of the sheriff's profession

The Deputy Minister of Justice and Constitutional Development, Mr John Jeffery, appointed **33** new sheriffs to fill vacant offices countrywide.

Of the **33** appointed sheriffs, **18** are African (54%), **8** are White (24%), **4** are Coloured (13%) and **3** are Indian (9%). The **16** women appointed represent 48% of the new appointees and the **17** men, 52%.



The Board reviews its three-year Strategic Objectives annually, to ensure that it remains relevant and to expand the plan where the needs of the profession or legislation require further intervention.

Twelve of the **33** appointed sheriffs were already holding office as sheriff in other smaller areas and therefore do not affect the demographics in terms of race and gender.

The majority of the new appointments took effect from 1 September 2017 so as to enable the incumbent sheriffs to set up office, to employ personnel, to attend the compulsory prescribed training courses and to ensure a smooth handover of court documents.

The **33** new appointments, as at September 2017, brought the total number of permanent sheriffs countrywide to **289**. Of these 289 sheriffs, **122** are African (43%), **108** are White (37%), **34** are Coloured (12%) and **25** are Indian (8%). There are **90** female sheriffs (thus 31% of the total sheriffs) and **199** male sheriffs (69%).

Unfortunately, some of the vacant offices could not be filled as either no applications were received or the Advisory Committees were not able to recommend fit and proper applicants, as the case may be. This often occurred



Gender of deputy sheriffs

as at 28 February 2018

in small offices which were not economically viable, and the Advisory Committees would therefore recommend that the vacant offices be re-advertised, be allocated to an adjacent sheriff or that the sheriff's office for the high and lower courts be merged.

As at year end there were **730** deputy sheriffs who were registered by the Board. Only **150** of deputy sheriffs are women. In terms of demographics, **317** are White, **275** are African, **92** are Coloured and **47** are Indian.

Third Party Gap Cover: Subsidy for small offices

The Board resolved to subsidise small offices who take out third party gap cover arranged by our preferred broker, STP Brokers. This subsidy is only applicable for this financial year for small offices that make use of the special product.

The subsidy will provide financial relief to sheriffs who have smaller offices and struggle to remain financially viable. When assessing whether the sheriff qualifies for the subsidy, the Board will consider the collective income for all the offices that fall under that sheriff.

Rules Board representation

The profession is represented on the Rules Board by the Sheriff of Pretoria Central, Mr Thaka Seboka.

Tariff Increase for the Profession

The Rules Board for Courts of Law have taken heed of the plight of the sheriffs' profession whose members have been making various recommendations for increased tariffs by way of representations made by the South African Board for Sheriffs (SABFS) and the two professional associations, namely SASS and SANAPS, over the past few years.

The latest increase is much appreciated, and we applaud the Rules Board and Adv. Michael Masutha, Minister of Justice and Correctional Services, for this consideration. The previous increase in sheriffs' tariffs was on 24 February 2015.

Unclaimed Trust Money

The intention of the SABFS and the Department of Justice and Constitutional Development is to utilise the unclaimed trust money to the benefit of the public who

utilise the services of the Small Claims Court. The public will be spared the costs of the enforcement of the writ of execution by the sheriff, who will receive payment from the SABFS.

The SABFS will establish a new unit and resource it to administer Small Claims-related matters pertaining to the involvement of the sheriff for executing the writ as mentioned.

Continuing professional development

The Board has piloted the programme with a small group of willing sheriffs and deputies. We are thankful for their participation.

It is our intention to utilise the information gathered during the pilot programme and to further develop the initiative during the next financial year.

Fidelity Fund

It is the fiduciary duty of the SABFS to maintain and regulate the Fidelity Fund and to report on the Fund on an annual basis in the Annual Report.

The value of the Fidelity Fund increased by **7.67%** over the financial period. The Fund is now valued at **R140.4 million** (2016/17: **R130.4 million**).

Interest earned on investments was **R10.7 million** (2016/17: **R10.2 million**).

The Board received **84** new claims during the period and approved claims to the value of **R 21.6 million**.

Historical analysis of recovery from the insurer and through cessions

The SABFS has insurance that covers Fidelity Fund claims. All claims are submitted to the Insurer for assessment. The Insurer will inform the SABFS if the claim will not be paid due to the amount being less than the excess amount of **R 350 000**.

If the claimant complies with all the requirements and has excused through all legal remedies, the Fidelity Fund will then pay the amount. The payment of the claim will take place after the standard operating procedures have been followed to ensure that the claim is valid.

Over the last 6 years the total of claims paid were **R 16,2 million**; 85% were paid directly from the Fidelity Fund (self-insurance) and 15% were recovered from Fidelity Insurance.

Criminal Action

To date **15 criminal actions** have been opened and 20% thereof have resulted in criminal convictions against the sheriff. These criminal cases were opened by the SABFS.

Disciplinary Action

A total of **1378** informal complaints have been received in the year 2017 and **353** have been resolved. In the previous year, **772** informal complaints were received, and the divisional staff resolved **551** of them.

The Board also received **228** formal complaints against sheriffs (2017/18) and **197** were resolved or closed during the same period.

In the previous financial year, **257** formal complaints were received and **171** were closed or resolved.

The Board scheduled **20** disciplinary hearings consisting of **236** complaint files for the period. The Chairpersons are independent legally qualified persons.

The Board finalised **5** appeals in the reporting period.

Stakeholder Dinner

As part of the Board's strategic objectives, stakeholder engagement is a key activity to ensure strengthened relationships with internal and external stakeholders as well as the broader public.

As the Board headed into the final three months of its term, the SABFS hosted a dinner to provide some of the Board's stakeholders and sheriffs with an account of objectives reached.

The dinner was hosted at the Negotiating Council Chamber at the Convention Centre, Emperor's Palace in Johannesburg on Tuesday 17 October 2017.

Our theme for the engagement was, "*Doing the right thing and doing things right.*" The first part, '**doing the right thing**' serves to remind us that we must rise to the high moral and ethical standards of conduct which we envisaged when we were appointed as Officers of the Court.

The second part '**doing things right**', speaks to our competency as sheriffs. One of our core values is professionalism, and for us this means that sheriffs are viewed as skilled and knowledgeable professionals, who are reliable and who keep their promises.

We are also grateful to the **76** sheriffs and our stakeholders that attended the event and showed their support and loyalty to the profession and the Board.

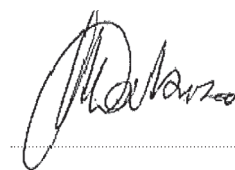
Acknowledgements

This is the concluding of our three year term with my fellow Board members and I thank them for their support and commitment throughout the period that we convened as a Board.

I take this opportunity to acknowledge the consistent support of the Deputy Minister, Mr John Jefferey and the Department of Justice and Constitutional Development.

I would like to extend my appreciation to Sharon Snell who had to manage the Legal and Complaints division in addition to her Executive Manager's duties. She completed her employment with the SABFS at the end of March 2018.

We remain most grateful to our stakeholders, with whom we have a good working relationship and we have jointly resolved to enhance the sheriffs' profession to the benefit of all, especially the public.



Charmaine Mabuza
Chairperson of the SABFS Board
30 June 2017

ACTING EXECUTIVE MANAGER'S REPORT



This reporting period is for the final year of our three-year strategy (2015-2018) which was aligned with the term of office of the Board.

Financial management

The external auditors gave both the SABFS and the Fidelity Fund another unqualified audit report for the period. This indicates to our stakeholders that the Board has complied fully with legislation and good governance precepts.

Levy payments and administrative fees were the main sources of funding for the SABFS. The total revenue collected was **R 19.3 million** (2016/17: **R 19.1 million**). Operating expenditure increased from the previous period amounting to **R 17.3 million** (2016/17: **R 15.02 million**). This resulted in a surplus of **R 3.1 million** (2016/17: **R 4.7 million**).

Discretionary grant funding

Despite the Board making two applications to SASSETA during their funding window to fund sheriffs' training, no funding was approved. We met with the SASSETA Administrator in March 2017, however the promises made did not materialise in either the inclusion of the sheriffs' training in the SASSETA SSP or any of our funding requests being acknowledged or approved.

Compliance with Legal Obligations

The Board experienced high levels of timeous compliance and was able to commence issuing FFCs as early as October 2017. The new insurance requirements were managed better than expected and the Board dealt with variances from minimum cover on an individual basis.

A sheriff who was not issued with an FFC, due to a disqualification, filed an urgent application to stop his handover and demanded that the Board issue him with an FFC. His urgent application was dismissed with costs.

Work Place Skills and Annual Training Report for the Profession: Mandatory Grant Refund from the SASSETA

The Board annually completes the Work Place Skills Plan and Annual Training Report on behalf of the sheriffs' profession. Through a consultant this was submitted by the due date in 2017 and we have successfully recovered a mandatory grant refund payment from SASSETA for the period.

Website

The Board approved the "go live" of the new website. This was initiated in December 2017. We have experienced some problems with the "Locate a Sheriff" function and have put in a plan of action with the service provider to remedy the situation.

We make regular updates to the website under the "News" banner. We received more than **250 000** visitors to our website between March 2017 and February 2018.

Sheriffs' Mentorship Programme

The Board provides mentorship to sheriffs but for the period under review no sheriffs were mentored, in accordance with the Board-approved plan for 2017/18. The sheriffs identified for mentorship by the Legal and Complaints division were subsequently being investigated by the Board for various misconducts and could therefore not be included for mentorship.

Rule 46 and 43 Training Programme

The South African Board for Sheriffs is at an advanced stage of developing a Guide for Sheriffs: Execution Rule 46 & 43. This relates to the amendment of the rules regulating to the attachment and sales in execution proceedings of the Magistrates' Courts Act and the High Court Act of South Africa, respectively.

The Guide is used as resource learner material and will also form part of a compilation of guides that we are currently developing for sheriffs and deputy sheriffs. Training for sheriffs and deputy sheriffs was conducted between 13 and 27 February 2018 through facilitated workshops. The training of sheriffs was prioritised, and it was compulsory for sheriffs to attend these workshops themselves rather than to send their support staff or deputies.

The amendments were effective 22 December 2018.

Brand Guide for Sheriffs - "Standardisation of the sheriffs' brand"

Both SASS and SANAPS have been consulted on the rationale and importance of the brand and they support the initiative. We all believe that consistency in concept and messaging will result in the sheriffs being seen as trusted entities who can be relied upon for association and collaboration.

It is envisaged that introducing a uniform corporate identity across all sheriffs' offices will be a valuable step in professionalising the image of sheriffs and creating an identity that the public will be able to recognise and respect. While each sheriff's office is an independent business, all staff will be encouraged to adopt the Board's proposed corporate identity across stationery, signage and even clothing. The first phase was to rebrand internally and the second phase, to bring all sheriff's offices in line with the brand under the banner **"Standardisation of the sheriffs' brand"**.

The Board has developed and paid for the design of the Brand Guide for Sheriffs and Finisher Artwork / Open Files for the production of the elements in the Guide. These two very important documents are available on our website free of charge.

Cost of consultants and technical Advisors

Other than SNG Auditors, the Board employed the following consultants who were paid in excess of R 100 000.00 during the period under review.

SABF's main service providers are listed below:

CONSULTANTS & TECHNICAL ADVISORS	SERVICE	COST FOR 2017/18
SNG Auditors	Provided outsourced External auditors	62,784
Hugo and Ngwenya Attorneys	Provided outsourced Legal services	103,831
TNK Attorneys	Provided outsourced Legal services	120,820
Herold Gie	Provided outsourced Legal services	1,042,238
Goodes & Seedat Inc Attorneys	Provided outsourced Legal services	158,661
Grove South Africa	Website Developers	139,535
Motimele Masete Inc	Provided outsourced Legal services	193,233
Vanessa Botha Inc	Provided outsourced Legal services	177,574
		1,998,676

Growth of the Fidelity Fund

The Fidelity Fund Committee of the Board oversees the management of the Fund. The Board has an Investment Policy in place which provides for investment in the four major banks.

Tax clearance certificates

Since 2016, we identified that many sheriffs were experiencing problems with SARS and as a result were not receiving their payments from government departments. SABFS worked closely with the DOJCD to identify the sheriffs that did not have tax clearance certificates and implemented a support project.

The DOJCD referred 18 sheriffs that did not have tax clearance certificates to the Board. We were able to assist 8 of them to become tax compliant as at the financial year end of 2018.

Desktop inspections conducted

The rate of non-compliance is very high, at **87%**. The technical officer has successfully prosecuted two matters to date: one was from a desktop study and the other was a legal obligations matter. In both matters the sheriff was found guilty.

Physical inspections conducted

Twenty physical inspections were conducted for the year. The rate of non-compliance is very high.

Charges against sheriffs

Charges are lodged once the Board is satisfied that there is a *prima facie* case of misconduct. On many occasions, a charge against one sheriff contained many complaints. As at February 2018, charges have been brought against **14** sheriffs. The total number of complaint files – including desktop audits – amounts to **96**.



151 962 stakeholders reached
4 964 stakeholders actively engaged our content



89 647 stakeholders reached
2 021 stakeholders actively engaged our content

Social media footprint

The Board is active on two social media platforms, namely Facebook and Twitter. Both the public and sheriffs engage with us on this platform and all queries are attended to as soon as possible to ensure that the Board's public image is above reproach.

We are very pleased to see increasing engagement levels on a month-on-month basis, on these media platforms.

Facebook – For the financial year, we have reached **151 962** stakeholders and **4 964** stakeholders actively engaged our content by sharing, liking and commenting.

Twitter – For the financial year, we have reached **89 647** stakeholders and **2 021** stakeholders actively engaged our content by sharing, liking and commenting.

Staff meetings

In an effort to improve open feedback between the Board and its staff, monthly staff meetings have been taking place at the Board since August 2015. The meetings are formal and limited to an hour. During the meetings, each division highlights its key successes and challenges for the period.

Divisions engage on priorities and guidance is given on how to deal with peak period overflows. Issues that affect all staff are tabled and dealt with constructively. Minutes are kept, and each division gives junior members an opportunity to present their monthly information, thus creating opportunity for skills development and transfer (management, report writing, minute taking, and meeting procedures) in a safe space.

Appreciation

I thank the Board for its support and guidance during my incumbency as Acting Executive Manager.

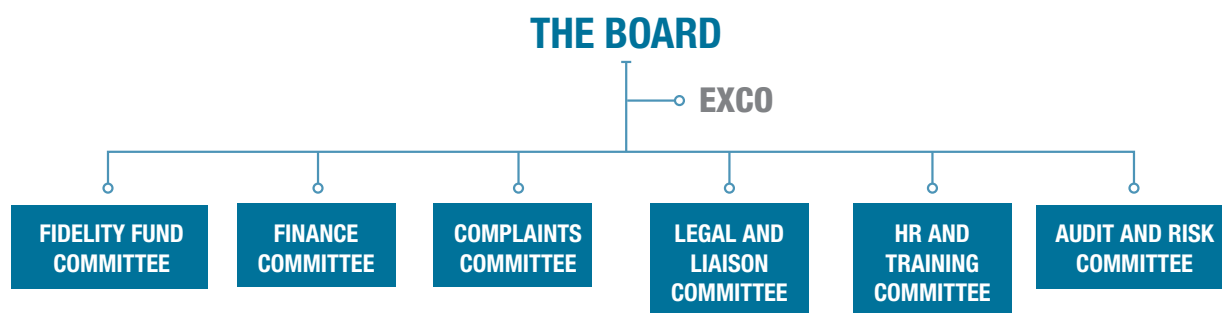
I also acknowledge the Chairperson of the Board, Mrs Charmaine Mabuza, for her unwavering support of the Board throughout the year.

Mrs P. Roodt
Acting Executive Manager
30 June 2018

PART **B** GOVERNANCE

“ We can change the world and make it a better place. **It is in your hands to make a difference.** ”

GOVERNANCE STRUCTURE as at 28 February 2018



FIDELITY FUND COMMITTEE		FINANCE COMMITTEE	
Mrs P. Roodt – Chairperson	Mr I. Klynsmith	Ms K. Sigenu – Chairperson	Mr L. Mashapa
Ms M. Lephadi	Mr L. Mashapa	Mrs P. Roodt	
COMPLAINTS COMMITTEE		LEGAL AND LIAISON COMMITTEE	
Mr I. Klynsmith – Chairperson	Ms N.V. Soga	Mr T. Tembe – Chairperson	Mr M. Magida
Mr T. Tembe – (Until 31.07.17)		Ms M. Lephadi	Prof L. Fernandez
HR AND TRAINING COMMITTEE		AUDIT AND RISK COMMITTEE	
Mr M. Magida – Chairperson	Prof L. Fernandez	Mr G. Cronje - Independent	Mr M. Magida
Adv H. Mohamed	Ms N.V. Soga	Chairperson	
		Mr I. Klynsmith	

EXECUTIVE COMMITTEE

Mrs C. Mabuza – Chairperson SABFS
 Adv H. Mohamed – Deputy Chairperson SABFS
 Ms K. Sigenu – Chairperson Finance Committee
 Mrs P. Roodt – Chairperson Fidelity Fund Committee

Mr T. Tembe – Chairperson Legal and Liaison Committee
 Mr M. Magida – Chairperson HR and Training Committee
 Mr I. Klynsmith – Chairperson Complaints Committee



BACK ROW: Mr M. Magida, Mrs P. Roodt, Prof L. Fernandez, Ms N.V. Soga, Mr L. Mashapa, Mr T. Tembe (Until 31.07.17)

FRONT ROW: Mr I. Klynsmith, Ms K. Sigenu, Mrs C. Mabuza (Chairperson), Adv. H. Mohamed (Deputy Chairperson), Ms M. Lephadi

SABFS NEW BOARD MEMBERS as at 01 March 2018



Mrs C Mabuza
(Chairperson)



Mr M Magida
(Deputy Chairperson)



Adv H. Mohamed



Mr P. Mogale



Mr A. Murugan



Ms K. Sigenu



Mr I. Klynsmith



Ms M. Lephadi



Mr L. Mashapa



Ms A. Ralehlaka



Mr A. Nkhumise

EXECUTIVE COMMITTEE	
Mrs C. Mabuza – Chairperson SABFS Ms K. Sigenu Mr I. Klynsmith Ms M. Lephadi	Mr M. Magida Mr A. Murugan Mr P. Mogale Adv H. Mohamed
FINANCE COMMITTEE	TRAINING AND DEVELOPMENT COMMITTEE
Ms K. Sigenu – Chairperson Mr L. Mashapa Ms M. Lephadi	Mr A. Murugan – Chairperson Mr A. Nkhumise Ms A. Ralehlaka
LEGAL AND LIAISON	COMPLAINTS COMMITTEE
Mr I. Klynsmith – Chairperson Mr P. Mogale Mr A. Nkhumise	Mr P. Mogale – Chairperson Mr A. Murugan Mr I. Klynsmith
FIDELITY FUND COMMITTEE	HR AND COMMUNICATIONS COMMITTEE
Ms M. Lephadi – Chairperson Mr L. Mashapa Mr A. Murugan	Adv. H. Mohamed – Chairperson Mr M. Magida Ms A. Ralehlaka
AUDIT AND RISK COMMITTEE	CONSULTATIVE FORUM
Mr G. Cronje – Independent Chairperson Mr M. Magida Ms K. Sigenu	Mr M. Magida – Chairperson
BANKING FORUM	SASSETA
Mr I. Klynsmith	Ms M. Lephadi

Sound corporate governance

The three pillars of corporate governance are: transparency, accountability, and security. All three are critical in successfully running a company or organisation and forming solid professional relationships among its partners, which include board members, managers, employees, and most importantly, stakeholders.

The SABFS has been created in terms of the Sheriffs Act (90 of 1986) and is a public body which exercises public functions as set out in the Sheriffs Act and supporting legislation. We are aware that corporate governance will facilitate fairness, accountability, responsibility and transparency across the organisation. From a governance perspective, the overall intention of the SABFS is to ensure continuous performance improvement and adherence to all legislative requirements.

The Board has approved a Board Governance Framework and other corporate governance processes which protect the Board, executives and employees in carrying out their duties and responsibilities and also instils stakeholder confidence. The Board of Directors is also assisted by the framework and processes to fulfil their fiduciary role towards the SABFS.

Risk management

The Board is responsible for the governance of risk and for ensuring that there is an appropriate framework, policy and process. The SABFS risk management system consists of a Risk Management Framework, a Risk Policy and a Terms of Reference for the Risk Management Committee. Together these contain the policies, strategies, processes, procedures and tools for identifying, measuring, monitoring, managing and reporting all material risks to which SABFS is exposed.

The Enterprise-Wide Risk Management (ERM) Framework contains the key principles that guide the implementation of risk at all levels. It provides the risk architecture and shows how risk management should be embedded in all business units to ensure the effective risk management strategies are integrated in all work contexts.

Risk Management is embedded in daily practises and processes. There is a direct focus on the relationship between the risk and its impact on achieving the objectives set out in the SABFS's strategy.

The SABFS recognises that in exercising their powers and functions, Board members or officials may become conflicted. There are proper structures in place for annual declarations of interest and all decision-making structures and official meetings provide for declaration of interest. Members who become conflicted do not partake in decision making and other activities.

BOARD & SUB COMMITTEE MEETINGS, REMUNERATION & DISBURSEMENTS

	Board	Exec	L&L	HR, T & C	FIN	Cons. Forum	CC	FF	Audit & Risk	Tele-con	Other	Remuneration	Disbursements
C. Mabuza	5					1				8		71,136	48,046
H. Mohamed**	3	1		1		1				5		N/A	-
P. Roodt	5	1			4			6		9	1	86,616	10,009
T. Tembe	2	1				1	1			5		19,920	1,057
N. Soga	5			4			3				2	59,040	3,386
K. Sigune	5				4				1	3	3	72,936	12,122
M. Magida	5	4	4	5		0			4	4	3	177,584	7,596
M. Lephadi	4		3					6		5	1	81,312	10,994
L. Fernandez	5		2	3						3	2	88,200	4,484
L. Mashapa	3				4			2		2		-	2,684
I. Klynsmith	5	1					3	6	9	9	4	80,368	48,590
G. Cronje *									4	1		42,443	-
												779,555	148,966

* Independent Chairperson of the Audit and Risk Committee

** Adv H Mohamed is the Regional Head of the Department of the Justice and Constitutional Development in the Western Cape and, as a Government employee, is not eligible to claim meeting allowances.

POLICIES REVIEWED AND APPROVED BY THE BOARD

BOARD RESOLUTION NUMBER	POLICIES
BD92/12/01	Human Capital Strategy.
BD93/12/01	Code of Conduct.
BD94/12/01	Leave and absence from employment policy.
BD102/02/24	POPI Policy.
BD123/07/27	Website policy.
BD129/07/27	Disabilities and long-term illness policy.
BD130/07/27	HIV/ Aids Policy.
BD131/07/27	Employment Equity Transformation Policy.
BD140/10/18	SCM Policy.
BD185/02/22	Policy on Remunerative Work for Sheriffs.
BD189/02/22	Business Continuity and Disaster Recovery Policy.

Legal opinions sought by the Board

The Board managed to source legal opinions from the State Law Advisors who are always willing to assist the profession.

STAKEHOLDER SATISFACTION SURVEY - February 2018

Conducted with Sheriffs, deputy sheriffs and office administrators

The survey was distributed to all sheriffs' offices. 101 responses were received.

Towards the end of the financial year, a survey was conducted to assess the levels of satisfaction of sheriffs in relation to the services rendered by the Board. The purpose of the survey is to be self-critical and self-corrected in respect of the strategic performance areas of the Board.

The sample of the survey is very representative as the response rate was 34% from the respective sheriffs' offices in the country. Overall there was a very positive response to the questions posed to the respondents.

A range of questions were put to the respondents, for example:

- Rate the Board's performance in achieving its vision to promote a professional sheriffs' service that is respectful and efficient to deliver justice to all with integrity and accountability.
- What are your perceptions of the Board as a regulator charged with enforcing compliance with the Sheriffs Act, regulations and the Code of Conduct?
- A key objective set by the Board is to increase the financial performance of the Fidelity Fund. How would you rate the Board's performance?
- The Board has introduced a number of initiatives to improve the sustainability of the profession. Rate the efficacy thereof.
- The Board is responsible for training and development of sheriffs. Rate how well we perform in this area.
- Do you trust that the Board, managers and staff will be accountable, transparent and always act with the utmost integrity?

The grids below are indicative of the responses to the questions posed.

What are your general perceptions of sheriffs in South Africa?

ANSWER CHOICES	RESPONSES	
Most sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability 80%+	70.30%	71
More than half of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability 50%+	19.80%	20
Less than half of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability (-49%)	8.91%	9
Less than a quarter of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability (-25%)	0.99%	1
TOTAL	101	

Rate the Board's performance in achieving its vision to promote a professional sheriffs' service that is respectful and efficient to deliver justice to all with integrity and accountability.

ANSWER CHOICES	RESPONSES	
The Board does promote this vision and has a coherent strategy in place which has achieved the vision.	46.53%	47
The Board's activities are satisfactory and there has been some progress made to achieve this vision.	51.49%	52
The Board's activities are inadequate and there is no coherent strategy in place to promote this vision.	1.98%	2
TOTAL	101	

A key objective set by the Board is to increase the financial performance of the Fidelity Fund. How would you rate the Board's performance?

ANSWER CHOICES	RESPONSES	
The Board is doing an excellent job of managing the Fidelity Fund and the fund is in a very healthy state	59.00%	59
The Board is doing a satisfactory job of managing the Fidelity Fund but more can be done	41.00%	41
The Board is managing the Fidelity Fund poorly and the Fund is in an unhealthy state.	0.00%	0
TOTAL	101	

“ Action without vision is only passing time, vision without action is merely day dreaming, **but vision with action can change the world.** ”

The Board has introduced a number of initiatives to improve the sustainability of the profession. Rate the efficacy thereof.

ANSWER CHOICES	POOR	SATISFACTORY	EXCELLENT	TOTAL
Lobby DOJCD and Rules Board to increase the sheriff's tariffs	11.22% 11	49.98% 48	39.80% 39	98
Lobby banks to pay more interest on trust account balances	10.75% 10	68.82% 64	20.43% 19	93
Assistance provided to sheriffs to resolve SARS problems	15.22% 14	58.70% 54	26.09% 24	92
Project to assist sheriffs recover fees from the DOJCD and State Attorney	26.09% 24	51.09% 47	22.83% 21	92
Lobbying for Maintenance work for sheriffs	21.51% 20	56.99% 53	21.51% 20	93
Assistance provided to sheriffs to register on the Central Supplier Database of government	28.42% 27	45.26% 43	26.32% 25	95

The Board is responsible for training and development of sheriffs. Rate how well we perform in this area.

ANSWER CHOICES	POOR	SATISFACTORY	EXCELLENT	TOTAL	WEIGHTED AVERAGE
Annual Needs Based Training workshops	3.00% 3	48.00% 48	49.00% 49	100	2.49
Delivery of Sheriffs Introductory Course (SIC)	3.03% 3	47.47% 47	49.49% 49	99	2.49
Developing sheriffs to be skilled facilitators, assessors and moderators in the profession	10.10% 10	45.45% 45	44.44% 44	99	2.34
Produce relevant learning material for sheriffs	4.00% 4	49.00% 49	47.00% 47	100	2.43
Continuous Professional Development	8.00% 8	50.00% 50	42.00% 42	100	2.34

Do you trust that the Board, managers and staff will be accountable, transparent and always act with the utmost integrity?

ANSWER CHOICES	RESPONSES	
Most sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability 80%+	70.30%	71
More than half of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability 50%+	19.80%	20
Less than half of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability (-49%)	8.91%	9
Less than a quarter of sheriffs are professional, respectful and efficient, delivering justice to all with integrity and accountability (-25%)	0.99%	1
TOTAL	101	

AUDIT & RISK COMMITTEE REPORT TO THE BOARD

The Audit & Risk Committee of SABFS has been established as an independent Committee of the Board in the previous reporting period. The Committee is governed by a charter which contains its formal terms of reference.

We hereby present our report for the financial year ended 28 February 2018.

Audit Committee Members and attendance

The Committee's terms of reference require a minimum of four independent members and these members are listed below. During the period under review, three Audit Committee meetings and two special meetings were held.

The Auditor-General is invited to the Audit Committee meetings, but has not attended any meetings for the period.

Both Mrs. Mabuza and Adv. Mohamed are not members of the Committee and are invited to attend as Chair and Deputy Chairperson of the Board, respectively.

NAME OF MEMBER	NO OF MEETINGS ATTENDED
Mr. G. Cronje	5 of 5
Ms. K. Sigenu	5 of 5
Mr. I. Klynsmith	4 of 5
Mr. M. Magida	4 of 5

Audit Committee Responsibility

The Committee reports that it has, as far as possible, complied with its responsibilities arising from its terms of reference, including relevant legislative requirements.

The Audit Committee has compiled an annual work plan that assists in carrying out its responsibilities. Quarterly reporting on the activities of the Audit Committee was presented to the Board.

Review and evaluation of the annual financial statement for the SABFS and Fidelity Fund

The Committee has:

- Reviewed and discussed the annual financial statements of the SABFS and the Fidelity Fund with SNG Auditors and its management, which are to be included in the Annual Report;
- Reviewed the auditor's management letters and management's responses thereto;
- Reviewed and discussed the report and audit opinion of the auditor with the auditor and management;
- Reviewed changes in accounting policies and practices; and
- Reviewed the SABFS compliance with legal and regulatory provisions.

The Committee is extremely pleased that the auditor has issued an unqualified audit opinion on both the SABFS and the Fidelity Fund financial statements, for the year ended 28 February 2018. The Committee concurs and accepts the auditor's opinion regarding the annual financial statements and proposes that the audited annual financial statements be accepted and read together with the Auditor's Report.

The financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting practice, and in the manner required by the PFMA.

Efficiency and effectiveness of internal control

The SABFS does not have an internal audit function, due to the size of the organisation and the lack of budget. The DOJCD was approached to assist with some internal assurance and the Committee will explore this option in the new financial year in accordance with our Combined Assurance Plan.

Performance management

The Audit Committee oversees the performance reporting towards strategic objectives of the SABFS. The Committee has reviewed and considered the Performance Reports as prepared by management and recommend same to the Board for approval.

Risk management

The SABFS has introduced Enterprise-Wide Risk Management in the period and the committee oversaw the activities of the SABFS Risk Management Committee. In our view, SABFS has made good progress in embedding risk management processes in its operations and strategy.

Governance

The Board has formally adopted the principles of the King III report on corporate governance. The Committee continues to monitor key SABFS governance interventions. The Committee continues to review the development of the SABFS Combined Assurance Plan to ensure that all significant risks are addressed to the satisfaction of the Board.

Conclusion

The Committee is very pleased with the progress made by the SABFS during the financial year, in all the areas outlined in this report.

The Committee wishes to express its appreciation to the management of SABFS and the external auditors, SNG Auditors, who enabled the Committee to perform its function as set out in the Audit Charter.



Gregory Cronje

Independent Chairperson of the Audit & Risk Committee
30 June 2017

PART C

PERFORMANCE INFORMATION

“ There can be no greater gift than that of **giving one's time and energy to help others without expecting anything in return.** ”

1. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for Performance Information of the year ended 28 February 2018.

The Executive Manager is responsible for the preparation of the public entity's performance information and for the judgements made in this information.

The Executive Manager is responsible for establishing and implementing a system of controls designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of SABFS for the financial year ended 28 February 2018.

The performance information of SABFS is set out in the Annual Report and was approved by the Board.



Mrs P. Roodt
Acting Executive Manager

2. OVERVIEW OF ORGANISATION'S PERFORMANCE

2.1 Service delivery environment

The SABFS encourages sheriffs to perform their duties in line with the Code of Conduct and Pledge for sheriffs and to uphold the dignity of those they serve. Sheriffs will endeavour to demonstrate that they exercise their activities with respect for human dignity as dictated by the rules of ethics.

The Boards' primary function is one of exercising oversight of the sheriffs' profession: ensuring that their duties and responsibilities are completed in the prescribed manner and dealing with complaints when this does not occur. At the heart of this function is the SABFS's authority to issue or withhold the Fidelity Fund Certificate. In order for a sheriff to receive this document there are a number of conditions that have to be met, and without this document a sheriff is prohibited from operating.

The Board also interacts with various stakeholders to forge strategic partnerships to enhance and maintain its relevance in its statutory sphere. It participates in and contributes to a number of government-related initiatives such as the redetermination of sheriffs' service areas and point-to-point descriptions (also known as the RCC process).

Sheriffs are impartial officers of the law who perform their functions as set out in various pieces of legislation, including the High Court Act and the Magistrates Court Act—along with the respective set of rules for each.



2.2 Strategic outcome-oriented goals

Below is qualitative information on the performance towards stated objectives.

PROGRAMME 1: Compliance

The goal of this programme is to enforce compliance with the Sheriffs Act and subordinate legislation governing sheriffs. This is performed through regulating and promoting the standard of conduct of sheriffs and deputy sheriffs, having due regard to the interests of the public.

Complaints against sheriffs and deputy sheriffs

Informal Complaints

Informal complaints are dealt with in writing by the division. The Legal Manager's focus area has been on queries, as well as informal and formal complaints. In addition thereto, a strategic plan of action has been revised and implemented with effect from 01 January 2018 to effectively address and overcome the shortcomings suffered by the Legal and Complaints department and to further enhance the efficacy of the division as a whole.

When an informal complaint is serious and needs to be escalated, the complainant is required to submit an affidavit. A total of **1378** informal complaints have been received in the year 2017/2018 and **353** have been resolved. The balance of these are pending resolution or have been escalated to a formal complaint and appear in those statistics.

It is important to note there is always an overlap between the period the query is received and the date when it becomes resolved.

MONTH	TOTAL INFORMAL COMPLAINTS RECEIVED	TOTAL INFORMAL COMPLAINTS CLOSED
March	19	5
April	179	26
May	211	51
June	132	16
July	240	17
August	210	39
September	151	46
October	60	23
November	113	84
December	63	46
January	- *	- *
February	- *	- *
TOTAL	1378	353

Formal complaints

These are dealt with in the form of an affidavit submitted by a complainant. Where the matter is not serious and can be resolved inter partes, it is dealt with as an informal complaint first.

A total of 228 formal complaints have been received to date of which 197 have been resolved. The balance of these are pending investigation or have been handed over to be heard in a disciplinary hearing and appear in those statistics.

Note there is always an overlap between the period the formal complaint is received and when it was resolved and not all formal complaints are resolved in the same month that they are dealt with. Due to the high number of DCs that have been finalised in the period, the resolution rate has increased to 73%.

MONTH	TOTAL COMPLAINTS RECEIVED	TOTAL COMPLAINTS CLOSED
March	19	9
April	6	3
May	15	5
June	0	11
July	4	19
August	8	8
September	151	0
October	0	0
November	35	14
December	19	9
January	36	36
February	77	77
TOTAL	228	197

* During January and February 2018 all complaints were treated as formal complaints
(Please see the formal complaints table that follows)

Civil Matters against sheriffs, instituted by the SABFS

From time to time the Board is required to institute civil action against a sheriff to protect the interests of the public. For the reporting period **5** civil matters were instituted by the SABFS, **3** were finalised and **2** are still pending.

Criminal matters

For the reporting period **5** Criminal cases were launched against sheriffs, **1** sheriff has since passed.

Disciplinary hearings

20 disciplinary hearings were scheduled to take place covering **236** complaint files. The total value of fines imposed equals R 320 500.00.

Appeals considered by the board

Internal Appeals

4 Internal Appeals were conducted up until end of February 2018.

External Appeals

1 External Appeal was dismissed by the High Court. We await a copy of judgement and request to tax the bill.

Other matters dealt with by the Board

Suspension of sheriffs

A total of 5 sheriffs were suspended by the Deputy Minister of Justice and Constitutional Development, during the financial year.

Removal of sheriffs

The table below details the removal of sheriffs during the financial year.

NO	Sheriff	Removal Dates
1.	Mr S.M. Nxumalo	25 October 2017
2.	Mr D.L. Godlwana	1 November 2017

Registration of sheriffs and deputy sheriffs

The table below provides registration information and demographics for sheriffs.

Sheriffs as at 28 February 2018							
Province	Total	Gender		Race			
		Male	Female	White	African	Indian	Coloured
Eastern Cape	41	26	15	6	29	0	6
Free State	20	13	7	12	6	0	2
Gauteng	43	27	16	18	15	8	2
KwaZulu-Natal	33	26	7	10	15	8	0
Limpopo	23	18	5	7	16	0	0
Mpumalanga	24	17	7	10	13	1	0
Northern Cape	14	9	5	8	3	1	2
North West	21	14	7	8	10	1	2
Western Cape	42	30	12	15	6	4	17
Total	261	180	81	94	113	23	31
		261		261			

The table below provides registration information and demographics for deputy sheriffs.

Deputy Sheriffs as at 28 February 2018							
Province	Total	Gender		Race			
		Male	Female	White	African	Indian	Coloured
Eastern Cape	66	52	14	18	38	1	9
Free State	56	50	6	36	20	0	0
Gauteng	207	162	45	112	73	13	9
KwaZulu-Natal	94	76	18	31	33	28	2
Limpopo	53	43	10	26	26	0	0
Mpumalanga	50	35	15	21	26	1	2
Northern Cape	44	37	7	6	28	1	9
North West	30	24	6	14	9	0	8
Western Cape	131	104	27	58	16	4	53
Total	731	583	148	322	269	48	92
		731		731			

The table below provides registration information and demographics for acting sheriffs.

Acting Sheriffs appointed between 1 March 2017 and 28 February 2018							
Province	Total	Gender		Race			
		Male	Female	White	African	Indian	Coloured
Eastern Cape	3	2	1	0	3	0	0
Free State	7	6	1	1	4	0	2
Gauteng	4	2	2	0	3	1	0
KwaZulu-Natal	3	1	2	0	3	0	0
Limpopo	1	1	0	0	1	0	0
Mpumalanga	2	2	0	1	1	0	0
Northern Cape	6	3	3	0	4	1	1
North West	7	6	1	3	3	0	1
Western Cape	4	3	1	1	0	0	3
Total	37	26	11	6	22	2	7
		37		37			

PROGRAMME 2: Fidelity Fund

The goal of this programme is to increase the financial performance of the Fidelity Fund through effective management thereof. The SABFS has appointed a Fidelity Fund Committee to oversee the activities of the Fund.

The Fidelity Fund is established in terms of Section 26 of the Sheriffs Act (90 of 1986) and its primary function is to be used as a source of revenue to compensate those who have suffered any prejudice as a result of misconduct or omissions by a sheriff.

The monies accrued in the Fund are housed in various investments, the capital is guaranteed, with interest reinvested into the Fund. Interest earned by sheriffs on their respective trust funds is forwarded to the SABFS as a contribution to the Fidelity Fund.

Claims against the Fidelity Fund

The table below provides a historical analysis for Claims Processing for the period. R19,5 mil of claims over the period March 2012 to February 2018 were rejected. The age analysis of the period between approval and payment is within acceptable norms given the period required to finalise all the administrative arrangements. The main reason for pending claims is to give the claimant an opportunity to recover from the sheriff in terms of civil processes.

Claims processing

YEAR LODGED	NO OF CLAIMS RECEIVED	TOTAL VALUE OF CLAIMS RECEIVED	CUMULATIVE TOTAL VALUE OF CLAIMS STILL PENDING	CUMULATIVE TOTAL VALUE OF CLAIMS APPROVED BUT NOT PAID	TOTAL CLAIMS PAID	TOTAL CLAIMS REJECTED
2012/13	9	R 490,073.93	R 12,833,023.99	R 0.00	R 1,142,527.29	R 0.00
2013/14	18	R 7,358,148.16	R 7,654,490.00	R 932,082.16	R 6,398,892.34	R 6,137,788.95
2014/15	23	R 3,274,821.42	R 5,479,591.93	R 641,422.16	R 1,859,169.49	R 3,590,550.00
2015/16	13	R 3,487,330.58	R 8,668,136.33	R 1,553,700.68	R 559,673.93	R 1,515,471.00
2016/17	71	R 15,584,513.73	R 19,536,712.17	R 1,358,860.68	R 2,000.00	R 1,560,058.10
2017/18	84	R 21,633,078.30	R 28,902,703.14	R 1,373,549.72	R 6,217,603.06	R 6,716,495.59
Total (R)	218	R 51,827,966.12	N/A*	N/A**	R 16,179,866.11	R 19,520,363.64

* The cumulative amounts is the amount of claims still pending as at 28 February each year and it includes any claims not approved nor paid from previous years

** The cumulative amounts is the amount of approved as at 28 February, but not yet paid and it includes any claims not approved nor paid from previous years

Analysis of claims recovered and criminal outcomes

YEAR LODGED	TOTAL VALUE OF CLAIMS PAID	BREAKDOWN OF PAYMENTS		AMOUNT RECOVERED BY SABFS THROUGH CIVIL ACTION (CESSIONS)	CRIMINAL ACTION AS A RESULT OF THEFT OF TRUST MONIES	
		Amount Paid by Fund	Portion received from Insurers		No of criminal cases opened	No of criminal convictions
2012/13	R 1,142,527.29	R 1,142,527.29	R 0.00	R 0.00	4	1
2013/14	R 6,398,892.34	R 3,907,463.86	R 2,491,428.48	R 0.00	1	0
2014/15	R 1,859,169.49	R 1,859,169.49	R 0.00	R 0.00	2	0
2015/16	R 559,673.93	R 559,673.93	R 0.00	R 0.00	0	1
2016/17	R 2,000.00	R 2,000.00	R 0.00	R 0.00	3	1
2017/18	R 6,217,603.06	R 6,217,603.06	R 0.00	R 0.00	5	0
Total (R)	R 16,179,866.11	R 13,688,437.63	R 2,491,428.48	R 0.00	15	3
Total (%)	100%	85%	15%	0%	100%	20%

PROGRAMME 3: Financial sustainability of the sheriffs' profession

The goal of this programme is to improve the financial sustainability of the sheriffs' profession.

This is performed through:

- 1.1. Strategic and Financial Management to ensure that the SABFS and industry are a going concern and that there is financial sustainability.
- 1.2. Stakeholder consultation through the Consultative Forum to ensure that the Board is guided on the matters that affect sheriffs.
- 1.3. Advocacy and lobbying work conducted on behalf of the sheriffs' profession.

Processes used to meet these objectives:

- Consultative Forum processes;
- Legal and Liaison committee functions;
- Engagement with key stakeholders and MOUs; and
- Use of legal consultants for legal opinions and position papers.

Consultative Forum

Comprising members from the two sheriffs' associations, members of the Board, stakeholders from a broad range of sectors, and assisted by management from the Board, the Consultative Forum is a platform where a wide range of issues affecting sheriffs are discussed.

The scope of the Forum includes:

- To consult and advise on legislative and policy matters proposed by the Board, the two sheriffs' organisations and any other interested body;
- To ensure the inputs of the sheriffs' profession are discussed and debated;
- To consider input on transformation within the profession;
- To consult and engage on any matter affecting the profession; and
- To forward the Forum's recommendations to the Board for consideration.

For the financial year the Consultative Forum met on the following dates:

- 23 Feb 2017
- 20 June 2017
- 17 October 2017

The purpose of the Consultative Forum is to create a platform for the Board and sheriff voluntary organisations to consult on industry related matters, such as, but not limited to:

1. Tax Clearance Certificates for sheriffs;
2. Guidelines for appointment and conduct of deputy sheriffs;
3. Third Party liability insurance;
4. Demarcation of sheriff service areas linked to Rationalisation of Courts;
5. Fraudulent eviction orders;
6. Legislative amendments applicable to the industry;
7. Execution of Warrants of Delivery; and
8. Viability of offices.

RCC Meetings

The SABFS has actively participated in and supported the Department of Justice and Constitutional Development throughout the financial year, in respect of the redetermination of sheriffs' service areas and point-to-point descriptions. The ultimate goal is for the sheriffs' service area boundaries to align as far as possible to the rationalised Magisterial District boundaries with the view to enhance access to justice for the communities that are being served.

The following narrative was duly communicated to all sheriffs at all consultative meetings so as to ensure practical and uniform application thereof. Sheriffs were accordingly advised to adhere to the narrative as outlined, until the Deputy Minister of Justice and Constitutional Development, after due consideration of the recommendations in the respective reports, publishes a date of effect in the Government Gazette.

- Any sheriff who was appointed for a particular service area prior to the rationalisation process shall continue to be a sheriff of any part of or the portion excised and added into another sheriff's area,
- The Minister may, in the interest of justice, allocate to any sheriff an area as described as a result of the rationalisation process,
- A sheriff may voluntarily decide to relinquish the part or portion that has been excised from his/her service area, in terms of which the excised portion may be added to an adjacent sheriff or may be described as a separate service area for which a new sheriff may be appointed, and that
- A sheriff may, however, decide to retain the area

excised. If the excised area is a sub-district or a large populated area in another Magisterial District the appointed sheriff must establish a service point within the other Magisterial District or sub-district. In that scenario a separate point-to-point description of that portion needs to be defined for which the sheriff will be appointed in the adjacent Magisterial District to serve that portion which he/she opted to retain until such time as he/she vacates the office in terms of the Sheriffs Act 90 of 1986. The acceptance is subject to the understanding that the sheriff charges travel and other related fees from the court in the adjacent Magisterial District.

- A new Fidelity Fund Certificate for that area, together with the list of the affected areas, suburbs or farms will have to accompany the new Fidelity Fund Certificate. The sheriff will retain this area until he/she resigns, retires or dies, in which case the area so excised automatically falls due for occupation by the adjacent sheriff.

Procurement

During the current year the SABFS has procured its goods and services from suppliers that complied with the requirements of the SABFS Supply Chain Management policy. This policy has been in place for the last three years and has been updated and approved.

Fraud hotline

The South African Board for Sheriffs established a Fraud Hotline to help maintain the culture of ethical behaviour of the organisation. The hotline is aimed at enhancing an honest work ethic and simultaneously providing internal and external stakeholders with a mechanism to bring any unethical business practices to the attention of management.

The hotline can be used to report unethical behaviour, theft, fraud and other related activities of staff and board members of the South African Board for Sheriffs by simply dialling this toll-free number 0800 000 628 from a Telkom line.

Sheriffs' tax compliance

During the financial year 2017, the SABFS and the Department of Justice and Constitutional Development entered into a Memorandum of Understanding to assist sheriffs with their tax compliance. The project was aimed at ensuring that sheriffs are timeously paid by the DOJCD.

The SABFS was able to assist 8 of 18 sheriffs to become tax compliant. The importance of being tax compliant is so that the sheriffs can be registered on the National Supplier Database. Since 1 April 2016, all service providers doing business with government had to be registered on the National Supplier Database. This database is managed by the National Treasury.

Risks

The SABFS and the Fidelity Fund are continually exposed to various risks. These risks are therefore diligently managed by the SABFS with the implementation of its risk policies. Risks are also reported to the Audit and Risk Committee and all identified risks are properly managed.

The introduction of Section 22(5) of the Sheriffs Act (90 of 1986), and the Rule 46 and Rule 43 changes, have possible risks attached to it – mainly the reduction of interest paid to the Fidelity Fund by sheriffs and the reduction of gross income of sheriffs.

Income revenue

The SABFS does not receive any funding from the Department of Justice and Constitutional Development. Revenue is generated from the sheriff's profession via a 1.5% levy on the gross income of sheriffs. Further to the levy, an administration fee is received from the Fidelity Fund and from other smaller revenue generating services. The Fidelity Fund generates its revenue from interest earned on the trust accounts of sheriffs as well as from investment income from the monies invested in line with the Sheriffs Act.

PROGRAMME 4: Enhancing the sheriffs' profession

The goal of this programme is to build capacity and professionalise the sheriffs' profession.

This is performed by increasing stakeholder awareness of the sheriffs' role, as well as public relations and marketing activities.

Processes used to meet these objectives:

- Skills Development Research and Planning for the sheriffs' profession.
- Implementing Training and Development Initiatives for sheriffs and deputy sheriffs.
- Identifying gaps in knowledge and supporting sheriffs through mentoring and coaching initiatives.
- Marketing activities conducted to enhance the reputation of the sheriffs' profession and the SABFS.

World Sheriffs Day

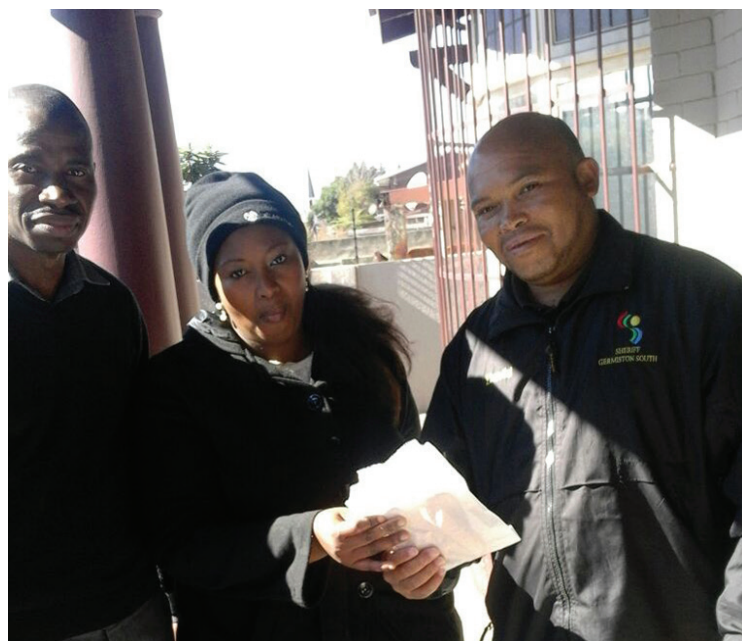
The tenth World Sheriffs' Day was celebrated on 08 June 2017. The theme chosen this financial year by the International Union of Judicial Officers (UIHJ) was devoted to **"The information of the litigant"**. The aim is to assist the public to understand the role of the sheriff when explaining the intention of the litigant.

The role of the sheriff?

The sheriff is the legal professional who is responsible for informing the litigant about his rights and obligations and their consequences.



The late Mr N. Govender (third from the right), Sheriff Durban South and his staff, generously assisting the needy to enhance the image of the sheriff.



In the course of various activities, the sheriff faces the litigant daily and must provide him/her with useful information. By means of the document initiating proceedings, he informs him/her of the trial which is to take place, the need to appear or to be represented at the hearing, and the consequences he/she faces in the event he/she does not appear. In a word, the sheriff restores the balance between the parties and makes justice more accessible, closer to the litigant.

The SABFS would like to thank all sheriffs' offices that participated in World Sheriff's Day and made a difference in their communities.



The Board encouraged all sheriffs to participate and celebrate the World Sheriffs Day in their various districts by:

- Serving documents free of charge.
- Hosting soup kitchens.
- Donating blankets to the homeless.

- Visiting the Magistrate Courts and handing out the sheriffs' information pamphlets.
- Meeting with local and community organisations in each district.
- Promoting the sheriffs' profession.

The SABFS launched a six-week radio campaign to celebrate World Sheriffs Day. The campaign was aired on four different SABC radio stations namely:

- Umhlobo Wenene FM,
- Ukhozi FM,
- Metro FM and
- Lesedi FM.

The campaign was dedicated to World Sheriffs Day and ran from the 01 June 2017 to 09 July 2017. We have previously produced and paid for a generic thirty-second promotional sheriff's advert in four different languages that was used for the duration of the campaign. We reached a total of 14 899 000 people/listeners. The average frequency for this specific campaign was 9.66.

Below are statistics from the campaign that stood out the most:

- The Eastern Cape had the highest reach of 75.2%.
- Free State province had the highest average frequency at 14.7.
- Ukhozi FM reached the most listeners while Lesedi FM had the highest average frequency.
- On each station the top performing spots were on the weekend (three of them on Sundays).

“ Without education, your children can never really meet the challenges they will face. **So it's very important to give children education and explain that they should play a role for their country.** ”

Social media posts

The Board is active on two social media platforms namely Facebook and Twitter. Both the public and sheriffs engage with us on this platform.



	Facebook		Twitter	
MONTH	NO OF STAKEHOLDERS REACHED	NO OF STAKEHOLDERS ACTIVELY ENGAGED CONTENT	NO OF STAKEHOLDERS REACHED	NO OF STAKEHOLDERS ACTIVELY ENGAGED CONTENT
March 17	13 538	568	6673	153
April 17	9143	235	4141	127
May 17	18 636	825	13197	68
June 17	18 850	746	11 014	185
July 17	17 066	434	8642	167
August 17	17 866	451	7069	135
September 17	17 729	249	6879	155
October 17	14 825	446	9422	245
November 17	9059	374	6532	171
December 17	4870	205	5310	171
January 18	5380	225	6380	240
February 18	5000	206	4388	204
TOTAL	151 962	4964	89 647	2021

SMS and email communication to sheriffs

SMS communication still remains the most effective way in which the Board engages with sheriffs.

MONTH	NO OF INFORMATION EMAILS TO SHERIFFS	NO OF SMS'S TO SHERIFFS	TYPICAL COVERAGE AREAS
March 17	4	5	Human Rights Day, Legal Opinion on Property Sales and WSP.
April 17	3	4	Office closure, Eviction Guide, Interest-bearing Accounts and Legal Obligations.
May 17	9	10	Newsletter, WSD, RCC and thanking sheriffs for assisting the Board to promote sheriffs' profession ahead of WSD.
June 17	3	15	SIC, Brand Guide, Legal Obligations, Eid, Radio Campaign, Office Closure and Social Media.
July 17	1	11	Legal Obligations, Newly-appointed sheriffs, SIC and Mandela Day
August 17	5	5	Reminders NBT, RCC, Legal Obligations, Policies, Judicial Matters Amendment Act, Sheriffs' Guide and Newsletter.
September 17	2	12	Reminders NBT, RCC and Legal Obligations 2.
October 17	4	14	Invites to DOJCD conference Polokwane and stakeholder dinner, NBT and Legal Obligations reminders, Happy Diwali.
November 17	7	18	NBT and Legal Obligations reminders, new Tariffs, World Sheriffs Day, Maritime Law.
December 17	3	11	Office Closure, festive period greetings, Rule 46 and 43 training and reminders.
January 18	3	20	Rule 46 and 43 reminders and training.
February 18	4	31	Rule 46 and 43 reminders and training, Stakeholder Survey and Directive on language.
Totals	48	156	

Press releases 2017/2018

The table below reflects the press releases issued to the media and some coverage of same. A total of 14 press releases were written for the year.

NO	NAME	DISTRIBUTED
1	Discussion on evictions at Needs-Based Training 2016	Yes
2	Fraud Hotline	Yes
3	Human Rights Month	Yes
4	Theft of Trust Monies – Liezel Gertze	No
5	Theft of Trust Monies – Mr Simelane	No
6	Theft of Trust Monies – Ms Seti	Yes
7	Women finding their feet in a male-dominated profession	No
8	Service of processes by sheriffs on public holidays and long weekends	No
9	Evictions during winter	No
10	SASSA Card and ID Cape Times	No
11	Theft of Trust Monies – Dumisani Godlwana	Yes
12	SABFS Stakeholder Dinner	Yes
13	Acting Sheriffs	Yes
14	Appointment of new SABFS Board Members	Yes

Sheriffs' self-assessment survey analysis and report

One of the objectives of the SABFS three-year strategy was to conduct a sheriffs' self-assessment survey. The initial survey results were reported to the Board in 2016. However, since an additional 33 people were appointed in 2017, the survey was revised and distributed to these newly appointed sheriffs via Survey Monkey in September 2017. Survey Monkey is an online platform that allows users to create customised surveys utilising basic templates.

Upon completion of the survey, we were able to gather that 12 of the 24 sheriffs did not have the sheriff's pledge in full view of the public. To ensure the above, the Board posted glass-framed pledges to 17 of the 24 sheriffs, some of whom requested additional frames.

The survey also revealed that some sheriffs were not receiving email and SMS communication from the Board. In order to fill the gap, we contacted those sheriffs and updated our database with their recent contact details.

In conclusion, there were three sheriffs who had not received deputy sheriff ID cards at the time they responded to the survey, however, the compliance team resolved this matter and issued the sheriffs with their deputy ID cards.

We would like to encourage all sheriffs to participate in the Board's surveys in order for them to receive efficient services from the Board.

Newsletters

These are issued quarterly. The publication is distributed to all SABFS stakeholders including sheriffs' offices. Besides a total of 2000 printed newsletters, the Board ensures that the publication is emailed to stakeholders and uploaded to its website www.sheriffs.org.za.

ITEM	COVERAGE
Quarter 1 newsletter May Issue	<ol style="list-style-type: none"> 1. Chairperson's Note 2. Legal Obligations Phase 1 3. Sheriffs Introductory Course 4. Mentorship programme 5. Human Rights Month 6. Blog - Spotlight on problematic court orders 7. STP Insurance 8. Handling Trust Account Monies 9. Fraud Hotline 10. New Acting sheriffs appointed since March 2017 11. The South African Sheriffs' Guide: Practice and Procedure Advert
Quarter 2 newsletter August Issue	<ol style="list-style-type: none"> 1. Chairpersons Note 2. Deputy Minister's Speech at the SABFS Stakeholder Dinner 3. 16 Days of Activism for No Violence against Women and Children by Advocate Mohamed 4. Legal Obligations 5. Fraud Hotline 6. Third party GAP cover insurance and subsidy for smaller offices 7. World Sheriffs Day 8. Legal Obligations Phase
Quarter 3 newsletter November Issue	<ol style="list-style-type: none"> 1. Chairperson's Note 2. Deputy Minister extracts 3. Article by Advocate Mohamed 4. Stakeholder Dinner 5. Needs Based Training Summary 6. World Sheriffs Day 2018 notice 7. Brand Guide for Sheriffs letter/notice 8. Legal Obligations Phase 2 and first compliant sheriff 9. Fraud Hotline Radio Campaign Summary 10. The South African Sheriffs' Guide: Practice and Procedure Advert
Quarter 4 newsletter February Issue	<ol style="list-style-type: none"> 1. Note from the chairperson 2. Rule 46 and 43 3. Needs Based Training 4. Legal Obligations 5. Fraud Hotline Advert 6. World Sheriffs Day 2018 7. Brand Guide for Sheriffs 8. Employee of the Months pics of 2017 9. The South African Sheriffs' Guide: Practice and Procedure Advert

Attendance at exhibitions and stakeholder functions

THE SABFS STAKEHOLDER DINNER 2017

The Board invited the Honourable Deputy Minister of Justice and Constitutional Development, Mr J.H. Jeffery, to deliver the keynote address at its Stakeholder Dinner on 17 October 2017 in Johannesburg.

We thought it prudent to share an extract of the insightful message delivered by Mr Jeffery and wish to thank him for honouring our esteemed event.

In line with our theme for the evening, "Doing the right thing and doing things right", the Honourable Deputy Minister declared the following.

"The first part speaks to 'doing the right thing' which serves to remind us that sheriffs must rise to the high moral and ethical standards of conduct that was envisaged when the office of the sheriff was created.

The second part 'doing things right', speaks to the competency and effectiveness of sheriffs.

A lack of ethics results from many different things: organisational culture, feelings of "getting away with it," seeing other corrupt actions being met with impunity, general lawlessness in society, a fear of blowing the whistle, and possibly the most common of all – greed.

One cannot speak of ethics in various professions if there are no professional or regulatory bodies. Whether it be the law societies in the case of attorneys, or the bar councils in the case



of advocates, or, as in the case of sheriffs, the Board, someone has to ensure and maintain standards of ethics and professionalism."

Training of sheriffs and deputy sheriffs

The Board approved the development of the following learning material during the financial year.

ITEM	DATE
Updated SIC Material	July 2017
Insolvency Law	September 2017
Evictions Guide	September 2017
Right, Title and Interest	September 2018
CCMA Matters	September 2018
Ambiguous Court Orders	September 2018
Updated Trust and Business Accounts	September 2018
Maritime Law Manual	November 2017
Rule 46 & 43 Guide	December 2017

WSP, ATR and SSP

The SABFS submits its WSP and ATR to the SASSETA each year. Conforming to these criteria allows the Board to apply for Discretionary Grant Funding for training, during specified funding windows as determined by the Seta.

However, despite our annual submission to the SASSETA, the SABFS has been unable to secure any funding from the statutory body for four years. For this reason the Board's annual budget for training has had to be increased drastically to cater for the growing need for skills development in the profession.

Submitting an SSP to the SASSETA each year provides for the identified needs of the sheriffs' profession to be tabled and considered to be included in the list of projects that are advertised during funding windows.

Needs-Based Training 2017

KEEPING THE SHERIFFS CONVERSANT WITH NEW DEVELOPMENTS IN THE PROFESSION

We conduct a range of training programmes, of which the hosting of the 2017 Needs-Based Training [NBT] programme in the nine respective provinces was of significance because of the scale, logistics, preparatory work, insurance of delivery of educational outcomes and budgetary requirements.

The purpose of this training programme is to ensure that participants have basic competence to deal with matters relating to the civil justice system, procedures and processes, with specific reference to operational areas of work affecting the role and duties of the sheriff.

The NBT 2017 programme was based on a range of sources, such as information gathered from the evaluation forms of the 2016 NBT, interpretation of data from complaints to the Board, discussions on current

issues with stakeholders, management and members of the Board.

We invited specialists in particular learning areas, for example:

- The views of our general manager on corporate and financial services, focusing on management and administration of Trust and Business accounts and the zero-tolerance position of the Board in respect of embezzlement of public money;
- Representatives from the CCMA;
- Magistrates;
- The Office of the Chief Justice [OCJ]; and
- Sheriffs with valuable facilitative skills and knowledge.

There have been two distinct, though integrated, programmes forming part of the scope of the project, i.e. Rural training in context and Advanced Training on Trust and Business Accounts. The workshops have been characterised by a high number of participants. A total of

PATRICIPANTS PER PROVINCE

80	30	66	24	51	56	16	25	35
Eastern Cape	Kwazulu - Natal	Limpopo	Northern Cape	Mpumulanga	North West	Free State	Western Cape	Gauteng

“ For to be free is not merely to cast off one’s chains, **but to live in a way that respects and enhances the freedom of others.** ”

383 participants attended the training, compared to 264 in 2016. The Board spent R 471 803 for this activity.

Some of the venues were provided free of charge by sister organisations such as the Department of Justice in Pretoria, however, this generosity also had its own challenges such as:

- the operational state of equipment [e.g. data projector],
- venues that are not conducive for training,
- parking facilities and general logistical challenges.

It needs to be noted that despite these challenges, significant working relationships have been established with kindred organisations and institutions.

A body of knowledge has been developed, specifically regarding the CCMA process, Right, Title and Interest, ambiguous court orders and the workings of Trust and Business Accounts.

A number of issues related to policy of the Board was raised at training sessions, for example:

- the applicability of various forms [claims that some are outmoded] to be completed in relation to the Fidelity Fund Certificate,
- unclaimed and residue funds in trust accounts,
- strategic and coherent strategy on issues related to the Sheriffs Act and Regulations.

Sheriff's Introductory Course 2017

The Skills Programme (Sheriffs' Introductory Course – SIC ID 57712), at NQF Level 4, is pitched at matric level.

The programme demands that learners spend two weeks in the classroom and one week at a mentor's/sheriff's office.

This qualification provides the learner with skills to be employed within the sector, with specific references to the sheriffs' profession. Put another way, the SIC is a basic requirement for sheriffs to discharge their responsibilities in a professional fashion.

The project is funded by the SABFS but quality assured and certified by the SASSETA. Since Justice College is the accredited training provider, the SABFS partners with the college and provides facilitators, assessors and moderators for them to contract.

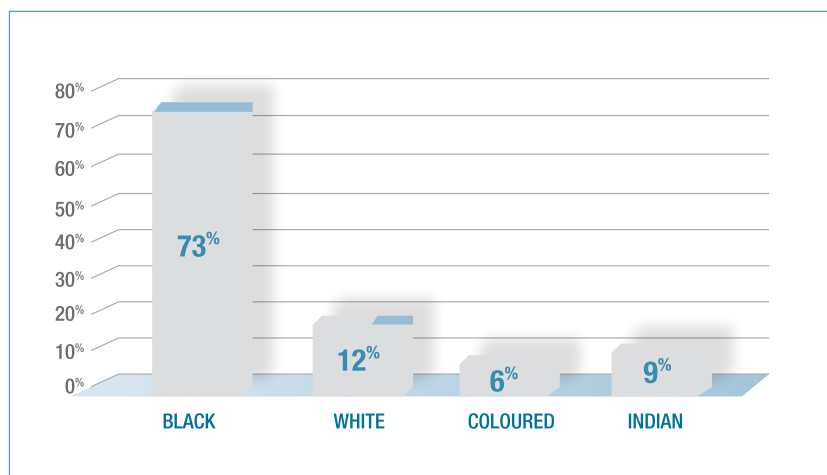
The 2017 SIC was challenging though we were very well prepared in terms of making a success of this programme. A huge disadvantage is the uncertainty around when appointments of new sheriffs will be effective and how many will qualify for exemption from the SIC.

The programme demands detailed technical administrative precision such as the allocation of mentors, facilitators, assessors and moderators, applying and assessing criteria for accepting additional deputies and stakeholders to the course, contractual arrangements with learners, liaison with Justice College as the service provider and ensuring that we stay within the limitations of the budget. Despite these challenges, the learners in particular were impressed with the skills sets they gained.

The Board budgeted R 362 000.00 for this activity.

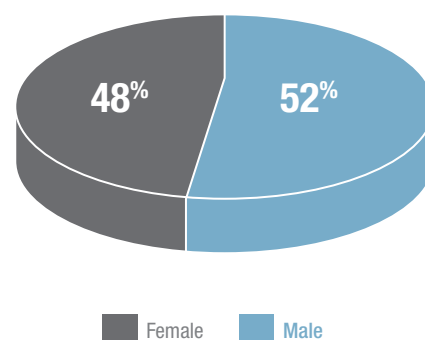
The following graphics indicate that we are in sync with the transformation goals we set ourselves.

SHERIFFS INTRODUCTORY COURSE



SHERIFF INTRODUCTORY COURSE

Percentage age of gender representation



Rules 43 & 46 Training

The South African Board for Sheriffs hosted a workshop on 29 and 30 November 2017 to develop a Guide for Sheriffs: Execution Rule 43 & 46. This initiative emanated from the recent amendment of the rules regulating the attachment and sales in execution proceedings of the Magistrates' Courts Act and the High Court Act of South Africa, respectively.

The changes to the rules impacts on the existing processes for sheriffs. These changes were gazetted in November 2017 and were effective from 22 December 2017.

One training session was arranged in each province, except for the Eastern Cape where two sessions were required in different cities to ensure accessibility to this new information. The Board spent R 271 341 for this activity.

PROVINCE	PARTICIPANTS
Eastern Cape	46
Mpumulanga	23
Gauteng	58
Western Cape	47
Kwazulu Natal	34
Northern Cape	13
Limpopo	29
Free State	28
North West	25
Total	303

“ One of the things I learned when I was negotiating was that **until I changed myself, I could not change others.** ”



Learner opinion of the resource material

EXCELLENT	GOOD	AVERAGE	POOR	ABSTENTIONS
100	134	26	1	8
37%	50%	10%	0%	3%

Learner opinion of the subject matter

TOPICS	EXCELLENT	GOOD	AVERAGE	POOR	ABSTENTIONS
Rule 46A, Role of the sheriff	55%	41%	1%	0%	3%
Rule 46A (9)(d)-Report & Returns	52%	44%	0%	0%	4%
Rule 46 Attachment & Sale Procedure	54%	42%	1%	0%	3%
Form 21 Conditions of sale	50%	43%	4%	0%	3%
Consumer Protection Act	51%	40%	4%	0%	5%
Sheriffs' Tariffs	37%	41%	4%	0%	18%

PROGRAMME 5: Governance and corporate support services

The goal of this programme is to improve compliance with legal requirements and good governance principles to increase stakeholder trust.

This is performed through:

- 1.1. Governance activities of the Board and Committees of SABFS.
- 1.2. Managing the human-capital resources and performance to deliver effectively on SABFS mandate.
- 1.3. Effective and Efficient Financial Management and procurement processes.
- 1.4. Implementing Quality Management System and practices.
- 1.5. Using Information Technology to support operational processes.
- 1.6. Enterprise-Wide Risk Management at SABFS.
- 1.7. Provision of internal and external assurance to the Board.

Processes used to meet these objectives:

- Corporate Governance processes
- Quality Management processes
- Risk Management processes
- Human Resource Management processes
- Financial Management and Procurement processes
- Information Technology Management processes
- Internal and External Assurance processes

The Board established an Audit and Risk committee with an independent chairperson in the previous period. This committee was fully functional for the year under review.

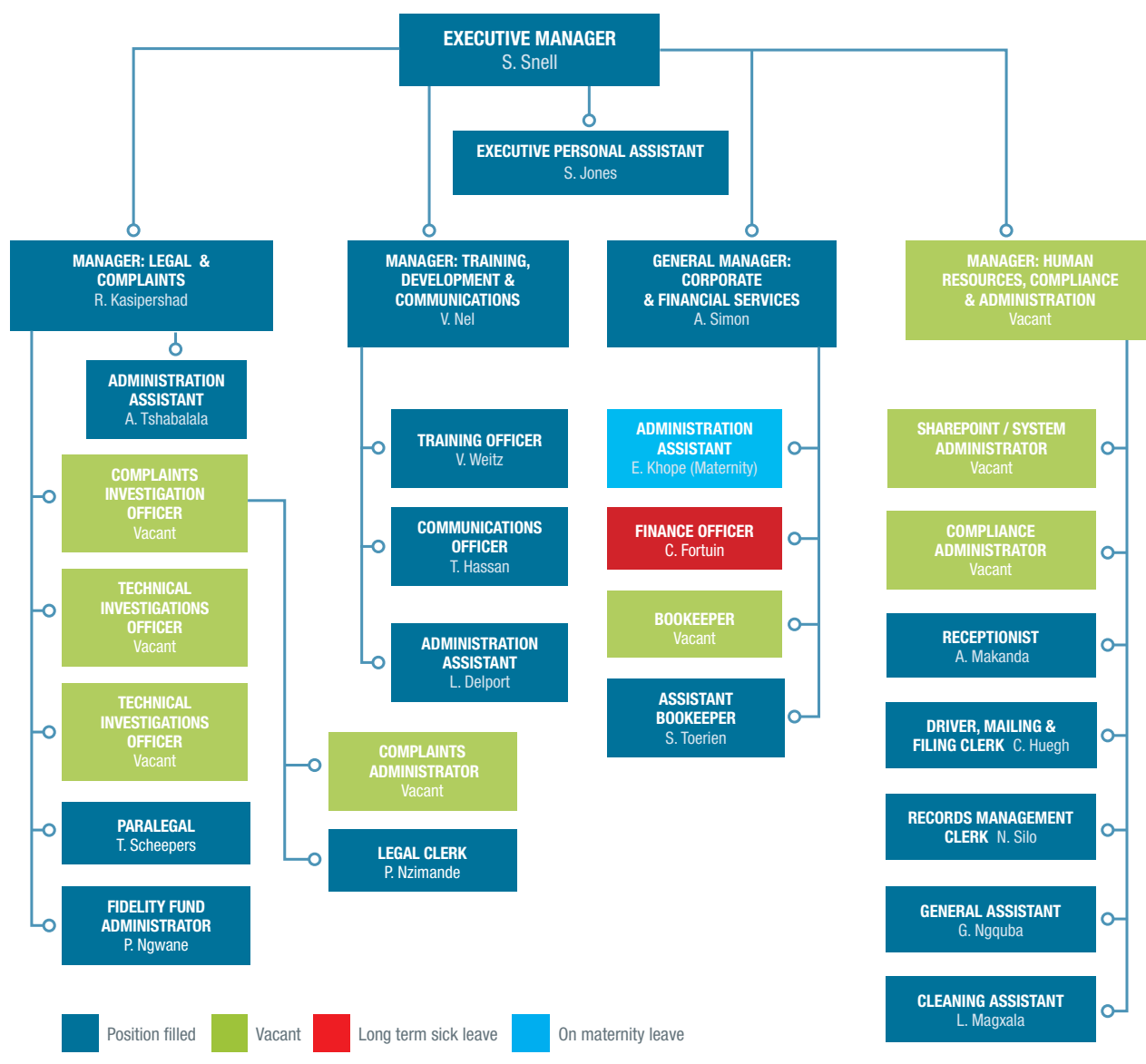
PART D

HUMAN RESOURCE DEVELOPMENT

“ Never, never and never again shall it be that this beautiful land will again experience **the oppression of one by another.** ”

ORGANISATIONAL STRUCTURE – OFFICE OF THE BOARD 28 February 2018

The Board has approved an organogram for SABFS. The Board is managed by an Executive Manager who reports directly to the Board.



Human resource oversight statistics

The office operates as four divisions, each with a clear line of authority and reporting. They in turn support the Board – which has established six committees – to carry out their functions during this reporting period.

The Board's day-to-day functions are carried out by a dedicated team of professionals under the guidance of an Executive Manager. NEHAWU is the representative union and the SABFS has entered into a recognition agreement with them.

STAFF COMPLEMENT as at 28 February 2018					
	Management		Staff		Total
	Male	Female	Male	Female	
African	0	0	1	11	12
Coloured	2	1	5	8	16
Indian	0	1	0	0	1
White	1	0	0	0	1
Total	3	2	6	19	30

The Board has an administrative staff establishment of 28 approved and funded posts as at 28 February 2018. Of the 28 posts, 8 were vacant. However, 10 persons were contracted during the reporting period to ensure maximum productivity.

Staff movement

One permanent appointment was made during the period under review, that of the Legal and Complaints Manager. However, a number of fixed-term staff have been employed to assist where there were vacancies.

Staff appointments

The new Legal and Complaints Manager, Mrs Reesha Kasipershad, has been appointed and commenced employment as at the 1 December 2017.

Permanent staff resignations

The following permanent staff members resigned during the period:

- Bonggi Luthuli
- Fahemah Mohamed
- Lizeka Matyolo

Employee costs

Employee cost for the period amounted to **R 9.22m** (2016/17: **R 8.94m**). The Board approved a 7.6% increase for staff and 6.2% for management, in March 2017.

Medical aid scheme

The Board provides medical aid benefits for staff through Discovery Health.

Retirement Fund

The Board is a Participating Employer under the Sanlam Umbrella Pension Fund which provides retirement and benefits for its staff members. The risk benefits are provided under a separate risk scheme also underwritten by Sanlam. Seed Benefit Consulting CC provides the required intermediary and consulting services for the employer and staff members alike.

Performance management

The organisation has a performance management system in place which is regulated by a performance management policy. The performance management policy makes provision for performance incentives to be paid to deserving staff members who have performed consistently well throughout the year.

For the year under review, eleven staff members were awarded performance incentives by the Board to the total value of **R 66 459**.

Staff training and development

Annually the staff and managers of SABFS prepare individual learning plans for each staff member guided by the requirements of their position, and the development needs of the staff member. The Board prioritises accredited training and the interventions consisted of funding bursaries to complete degrees and diplomas; short skills programmes and internal training initiatives. In the reporting period, the Board spent R 205 086.92 on training its staff.

During the financial year the Board empowered its staff by providing training in the following categories:

NO	TYPE OF TRAINING	COST
1	Individuals sessions	R86 602.79
2	Group sessions	R92 753.84
3	In-house sessions	R9 324.06
4	OHS sessions	R16 406.23
	TOTAL	R205 086.92

Disciplinary action taken against staff

During the financial year, the Board suspended three of its employees who were allegedly involved in a case of bribery and corruption with a sheriff. Two of the employees involved resigned before a disciplinary process was instituted whilst the third employee was issued with a letter of warning.

Occupational health and safety

The OHS Committee was established in 2015. Committee members attended various training initiatives as listed in the table below, during the financial year.

Women's Day at SABFS

Mrs Roshan Isaacs was our guest speaker for Women's Day 2017. All our female staff members attended her address in the boardroom at the office of the Board.



Her credentials are detailed below:

- Bachelor of Arts (B.A.), Communication Sciences
- Managing Director / Editor in Chief – Style Africa Fashion Network
- Diploma – Business Management, Marketing and Related Support Services

Work integrated learning

Four students completed their internship successfully in the HR, Training and Communications and Finance divisions. A closed-out report, together with the financials, has been processed for submission to the PSETA.

It is important to note the four interns are currently employed in temporary positions at the SABFS. The Board has learnt a great deal through the quadrangular relationship and respective roles between the PSETA, the tertiary education institution, the employer and the student. We intend to continue with this project, which is in line with our commitment to produce quality future employees and by implication, contributing in a small but significant way to the reduction of unemployment in the country.



SABFS staff celebrating Women's Day.

PART E

FINANCIAL INFORMATION

“ Money won't create success,
the freedom to make it will. ”

SOUTH AFRICAN BOARD FOR SHERIFFS

Established in terms of the Sheriffs Act 90 of 1986, as amended

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
DETAILED STATEMENT OF FINANCIAL PERFORMANCE	74-75

STATEMENT OF BOARD'S RESPONSIBILITY AND APPROVAL

The Board is required by the Sheriffs Act no. 90 of 1986, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known risks to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of

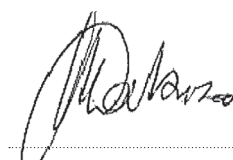
internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Board has reviewed the entity's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on the basis that the entity is a going concern and that the Board has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

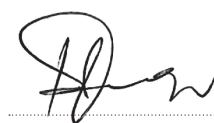
Although the Board is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 50 to 51.

The annual financial statements set out on pages 52 to 75, which have been prepared on the going concern basis, were approved by the Board on 29 June 2018 and were signed on its behalf by:



Charmaine Mabuza
Chairperson of the SABFS Board



Ms. K Sigenu
(Chairperson: Finance Committee)



Mrs P. Roodt
Acting Executive Manager

Independent Auditors' Report

To the Minister of Justice and Correctional Services.

Opinion

We have audited the annual financial statements of South African Board for Sheriffs, which comprise the statement of financial position as at 28 February 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 53 to 73.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of South African Board for Sheriffs as at 28 February 2018, its financial performance and its cash flows and statement of comparison of budget and actual amounts for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Sheriffs Act No. 90 of 1986, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), and the general notice issued in terms thereof. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of South African Board for Sheriff in accordance with IRBA requirements which is in accordance with International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. No such matters were identified during the audit.

Other supplementary information

We draw attention to the fact that supplementary information set out on pages 74 to 75 does not form part of the annual financial statements and is presented as

additional information. We have not audited this information and accordingly do not express an opinion thereon.

The members of the Board's Responsibility for the Annual Financial Statements

The members of the Board are responsible for the preparation and fair presentation of these annual financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices and the requirements of the Sheriffs Act No. 90 of 1986, as amended, and the Public Audit Act, 2004 (Act No. 25 of 2004).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the annual financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 of our 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the PAA and the General Notice issued in terms thereof, we report the following findings

on the performance information against predetermined objectives, non-compliance with legislations as well as internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We did not audit performance against predetermined objectives, as the entity is not required to prepare a report on its performance against predetermined objectives. The entity does not fall within the ambit of the PFMA and the entity-specific legislation does not require reporting on performance against predetermined objectives. There are no matters to report.

Compliance with legislation

We performed procedures to obtain evidence that the South African Board for Sheriffs had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation. We did not identify any significant deficiencies in internal control.

Sizwe Ntsaluba Gobodo Inc.

Sizwe Ntsaluba Gobodo Inc.

Director: Natalie Arendse

Registered auditor

30 June 2018

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Cape Town Office

2nd Floor, Block A - Century Falls

32 Century Boulevard, Century City 7441

BOARD MEMBERS' REPORT

The board members submit their report for the year ended 28 February 2018.

1. Review of activities

Main business and operations

The entity is governed in terms of the Sheriffs Act no.90 of 1986, the objectives of the Board are to maintain the esteem, enhance the status and improve the standard of training and functions performed by sheriffs who operates throughout South Africa.

2. Going concern

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

3. Events after the reporting period

The board members are not aware of any matter or circumstances arising since the end of the financial year that would materially impact on the financial position of the entity.

4. Public Finance Management Act

In a Board meeting held on the 15th October 2015, the Board resolved that the SABFS would no longer seek listing in terms of the Public Finance Management Act ("PFMA") schedules as required by S47(2) of the PFMA. The Board has resolved that it will adopt and implement the principles of the PFMA into its policies where it is economical and practical to do so.

5. Board Members

The board members during the year and to the date of this report are as follows:

NAME	CHANGES
C. Mabuza (Chairperson)	Reappointed 01 March 2018
H. Mohamed	Reappointed 01 March 2018
T. Tembe	Resigned 01 August 2015
P. Roodt	Term ended 28 February 2018
N. Soga	Term ended 28 February 2018
M. Lephadi	Reappointed 01 March 2018
I. Klynsmith	Reappointed 01 March 2018
L. Mashapa	Reappointed 01 March 2018
L. Fernandez	Term ended 28 February 2018
M. Magida	Reappointed 01 March 2018
K. Sigenu	Reappointed 01 March 2018
A. Murugan	Appointed 01 March 2018
P. Mogale	Appointed 01 March 2018
A. Ralehlaka	Appointed 01 March 2018
A. Nkumise	Appointed 01 March 2018

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Assets			
Current Assets			
Trade and other receivables	8	1,268,350	1,793,886
Receivable from related party	10	4,431,443	2,064,520
Cash and cash equivalents	9	9,782,489	7,482,084
		15,482,282	11,340,490
Non-Current Assets			
Property, plant and equipment	4	2,276,547	2,259,662
Intangible assets	5	1,382,675	1,349,681
Investments held to maturity	6	975,373	818,560
		4,634,595	4,427,903
Total Assets		20,116,877	15,768,393
Current Liabilities			
Trade and other payables	11	2,006,030	810,825
Provisions	12	145,704	134,750
Total Liabilities		2,151,734	945,575
Net Assets		17,965,143	14,822,818
Accumulated Surplus		17,897,981	14,755,656
Non- Distributable Reserve		67,162	67,162
		14,822,818	14,822,818
Total Net Assets		17,965,143	14,822,818

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Revenue	14	19,287,393	18,256,201
Other income	14	447,056	447,874
Operating expenses		(17,254,722)	(15,028,041)
Operating surplus	15	2,479,727	3,676,034
Investment revenue	17	662,598	393,991
Surplus for the year	28	3,142,325	4,070,025

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	ACCUMULATED SURPLUS	NDR - REVALUATION RESERVE	TOTAL NET ASSETS
Balance at 01 March 2016	10,685 631	67,162	10,752,793
Changes in net assets			
Surplus for the year	4,070,025	-	4,070,025
Balance at 01 March 2017	14,755,656	67,162	14,822,818
Changes in net assets			
Surplus for the year	3,142,325	-	3,142,325
Balance at 28 February 2018	17,897,981	67,162	17,965,143

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Cash flows from operating activities			
Receipts			
Receipts from sheriffs and Fidelity Fund		27,850 784	27,956,865
Payments			
Payments to suppliers and Fidelity Fund		(23,211,294)	(24,791,575)
Net cash from operating activities	19	4,639,490	3,165,290
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(268,436)	(207,495)
Proceeds on sale of assets		-	-
Purchase of intangible assets	5	(209,245)	(26,123)
Movement on receivable from related party		(2,366,923)	754,749
Movement in Investment held to maturity		(156,813)	(818,560)
Interest income		662,598	393,991
Finance cost	4	(265)	(833)
Net cash flows from investing activities		(2,339,085)	95,729
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		2,300,405	3,261,019
Cash and cash equivalents at the beginning of the year		7 482,084	4 221,065
Cash and Cash equivalents at the end of the period	9	9,782,489	7,482,084

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	APPROVED BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN BUDGET AND ACTUAL	NOTE
Revenue				
Levies received	7,000,000	6,734,551	(265,449)	26
Administrative fees	12,600,000	12,552,842	(47,158)	26
Investment income	455,000	662,598	207,598	26
SETA grants	113,000	76,384	(36,616)	26
Other income	305,000	370,672	65,672	26
Total revenue	20,473,000	20,397,047	(75,953)	26
Operating Expenses				
Board and sub committees	2,753,992	2,089,893	(664,099)	26
Executive Manager's Office	1,209,873	928,262	(281,611)	26
Legal and Complaints Division	338,331	181,416	(156,915)	26
Formal Disciplinary Hearings	2,396,535	1,279,026	(1,117,509)	26
Finance, Administration and Compliance Division	374,084	276,328	(97,756)	26
Communication Activities	639,087	468,189	(170,898)	26
Training	1,250,000	987,651	(262,349)	26
General Operations - Depreciation	378,713	427,803	49,090	26
Contracts i.e. Cleaning, Office Maintenance	874,207	801,831	(72,376)	26
Other General Office Expenditure	1,234,040	1,249,240	15,200	26
Personnel Expenditure	9,519,236	8,359,996	(1,159,240)	26
Staff Development	300,000	205,087	(94,913)	26
Contingency budget	100,000	-	(100,000)	26
Total expenses	21,368,100	17,254,722	(4,113,378)	26
Net Surplus	(895,099)	3,142,325	4,037,424	26

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1 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:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost

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

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Costs include costs incurred initially to acquire 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.

Measurement subsequent to initial recognition Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Measurement subsequent to initial recognition

Property

After recognition as an asset, Property whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Property will be revalued every 3 years.

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

Item	Average useful life
Property	50 years
Burglar alarms	10 years
Computer equipment	4 years
Furniture and fixtures	4 years
Kitchen appliances	3 years
Office equipment	3 years
Motor vehicles	5 years

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

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

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

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

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

Use of estimates and management judgement

In assessing the remaining useful lives and residual values of property, plant and equipment, management have made judgements based on historical evidence as well as the current condition of property, plant and equipment under its control.

1.3 INTANGIBLE ASSETS

An asset is identified as an intangible asset when it:

- 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, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

Initial recognition and measurement

Item	Average Useful life
Computer software	3 years
Copy Right Material	10 years
Electronic Database	10 years

1.4 FINANCIAL INSTRUMENTS

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Financial instruments at fair value;
- Financial instruments at amortised costs; and
- Financial instruments at cost.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently recorded at amortised cost.

1.5 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.

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.

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 - lessor

Operating lease revenue is recognised as revenue on a straight line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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.

1.6 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.7 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity 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 some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.8 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 the entity 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. An exchange transaction will be recognised as and when the Board receives a declaration from the sheriff.

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Interest, royalties and dividends

- Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Investment income will be recognised as and when the Fund becomes entitled to the income.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.9 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity,

which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulations, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

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 the entity 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.

1.10 COMPARATIVE FIGURES

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

1.11 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure which was made in contravention of the SABFS policies and procedures as approved by the Board.

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.

1.12 BUDGET INFORMATION

The entity is typically subject to budgetary limits in the form of budget authorisations (or equivalent), which is given effect through Board resolutions 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 annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 26.

1.13 RELATED PARTIES

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including

commitments, between an entity and its related parties;

- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person;
- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and

- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that a 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.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence.

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) on a basis consistent with the prior year except where new standards became available.

3. New standards and interpretations

3.1 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

During the current year, the entity has adopted all new and revised standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017.

The following standards were effective for the first time for financial statements covering periods beginning 1 April 2015, however, these standards were not applicable to the entity:

- GRAP 18 Segment reporting
- GRAP 105 Transfers of functions between entities under common control
- GRAP 106 Transfers of functions between entities not under common control
- GRAP 107 Mergers

3.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The following standards were issued, but were not yet effective for the 2018 financial year-end:

- GRAP 32 Service concession arrangements: Grantor
- GRAP 108 Statutory receivables
- GRAP 109 Accounting by principals and agents
- GRAP 110 Living and Non-living Resources

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment

FIGURES IN RAND	2018			2017		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Burglar alarms	2,700	(2,700)	-	2,700	(2,700)	-
Computer equipment	978,578	(737,302)	241,276	907,665	(641,069)	266,596
Furniture and fixtures	789,848	(735,955)	53,893	789,848	(692,265)	97,583
Kitchen appliances	13,644	(13,424)	220	13,644	(13,108)	536
Office equipment	240,289	(184,142)	56,147	205,583	(158,270)	47,313
Motor vehicles	197,890	(86,373)	111,517	197,890	(56,795)	141,095
Property	2,001,640	(188,146)	1,813,494	1,838,823	(132,284)	1,706,539
Total	4,224,589	(1,948,042)	2,276,547	3,956,153	(1,696,491)	2,259,662

Reconciliation of property, plant and equipment –	2018					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	VALUATION/ ADJUSTMENTS	CLOSING BALANCE
Burglar alarms	-	-	-	-	-	-
Computer equipment	266,596	70,913	-	(96,233)	-	241,276
Furniture and fixtures	97,583	-	-	(43,690)	-	53,893
Kitchen appliances	536	-	-	(316)	-	220
Office equipment	47,313	34,706	-	(25,872)	-	56,147
Motor vehicles	141,095	-	-	(29,578)	-	111,517
Property	1,706,539	162,817	-	(55,862)	-	1,813,494
	2,259,662	268,436	-	(251,551)	-	2,276,547

Reconciliation of property, plant and equipment –	2017					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	VALUATION/ ADJUSTMENTS	CLOSING BALANCE
Burglar alarms	-	-	-	-	-	-
Computer equipment	284,628	106,770	-	(124,802)	-	266,596
Furniture and fixtures	193,549	11,331	-	(107,297)	-	97,583
Kitchen appliances	1,685	-	-	(1,149)	-	536
Office equipment	11,325	54,624	-	(18,636)	-	47,313
Motor vehicles	170,673	-	-	(29,578)	-	141,095
Property	1,732,806	34,771	-	(61,038)	-	1,706,539
	2,394,666	207,496	-	(342,500)	-	2,259,662

Property

The Board have acquired a property situated at 88 Loop Street, Cape Town. The property was bought in the name of the SABFS as the Fidelity Fund can only invest in property and not own property. The property have been accounted for as follows:

	2018	2017
Cost of Building	13,370,326	13,370,326
less Portion Accounted for in the books of the Fidelity Fund	(12,127,897)	(12,127,897)
	1,242,429	1 242 429
Additions as per Board Approval	513,901	513,901
Renovations 2015	94,278	94,278
Total Cost 28 February 2015	1,850,608	1,850,608
Less Accumulated Depreciation at 29 February 2016	(113,718)	(113,718)
Add Revaluation at 29 February 2016	67,162	67,162
Total Revalued amount/Cost 28 February 2018	2,001,640	1,838,823

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment (continued)

A Valuation of the property was undertaken by Powells, Asset Valuation and disposals on the 25th February 2016. The portion reflected is the portion related to the SABFS only. The property was valued at R13,750,000

5. Intangible Assets

	2018			2017		
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer software	228,459	(207,838)	20,621	227,888	(183,168)	44,720
Copyright material	1,531,313	(433,307)	1 098,006	1,322,639	(286,145)	1,036,494
Electronic database	408,871	(144,823)	264,048	408,871	(140,404)	268,467
Total	2,168,643	(785,968)	1,382,675	1,959,398	(609,717)	1,349,681

Reconciliation of intangible assets –		2018				
	OPENING BALANCE	ADDITIONS	DISPOSALS	AMORTISATION	VALUATION/ IMPAIRMENT ADJUSTMENTS	CLOSING BALANCE
Computer software	44,720	571	-	(24,670)	5,293	20,621
Copyright material	1,036,494	208,674	-	(147,162)	-	1 098,006
Electronic database	268,467	-	-	(4,419)	-	264,048
	1,349,681	209,245	-	(176,251)	5,293	1,382,675

Reconciliation of intangible assets –		2017				
	OPENING BALANCE	ADDITIONS	DISPOSALS	AMORTISATION	ACCUMULATED AMORTISATION ON DISPOSALS	CLOSING BALANCE
Computer software	50,596	26,123	-	(31,999)	-	44,720
Copy right material	1 186,145	(27,620)	-	(122,031)	-	1,036,494
Electronic database	268,467	27 620	-	(27,620)	-	268,467
	1,505,208	26,123	-	(181,650)	-	1,349,681

6. Investments held to maturity

	2018	2017
StanLib investment	975,373	818,560
	975,373	818,560

The investment in STANLIB represent the amount which are now available to be transferred to the normal accounts of the SABFS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

7. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables

Trade and other receivables

Cash and cash equivalents

1,268,350

1 793,886

9,782,489

7 482,084

11,050,839

9,275,970

8. Trade and other receivables

Accrued income

1,099,435

1,778,534

Provision for Bad Debts

(130,075)

(104,841)

Other receivables

52,317

50,368

Value Added Taxation

246,673

69,826

1,268,350

1,793,886

The ageing of trade and other receivables at the reporting date

The ageing of accounts receivables are as follows:

30 days

22,024

118,383

60 days plus

1,246,326

1,675,503

1,268,350

1,793,886

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand

5,388

2,503

Bank balances

508,797

318,345

Short-term deposits

9,268,304

7,161,236

9 782 489

7 482 084

10. Receivable from related party

Fidelity Fund for Sheriffs – owing amount

4,431,443

2,064,520

The loan is unsecured, interest free and has no fixed terms of repayment.

11. Trade and other payables

Trade creditors

1,634,101

440,860

Accrued expenses

371,929

369,965

2,006,030

810,825

12. Provisions

Leave provision

145,704

134,750

145,704

134,750

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

13. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Financial liabilities by category

Trade and other payables

371,929

369,965

14. Revenue

Levies received

6,734,551

6,681,450

Administrative fees received

12,552,842

11,574,751

19,287,393

18,256,201

Other income

320,500

165,000

Fines and penalties

135,228

643,272

Impairment of Assets/Liabilities

-

87,719

PSETA - Learnership Support

60,000

70,000

Royalties

50,172

81,327

SASSETA grants

16,384

43,828

447,056

447,874

19,734,449

18,704,075

The amounts included in revenue arising from exchange of goods or service are as follows:

Administrative fees received

12,552,842

11,574,751

Royalties

50,172

81,327

12,603,014

11,656,078

The amounts included in revenue arising from non-exchange transactions are as follows:

Levies received

6,734,551

6,681,450

Fines and penalties

320,500

165,000

PSETA - Learnership Support

60,000

70,000

Skills rebates - SASSETA

16,384

43,828

7,131,435

6,960,278

15. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Lease rentals on operating lease

257,374

268,352

Depreciation on property, plant and equipment

251,552

342,500

Amortisation of intangible assets

176,251

181,650

Auditor's remuneration

62,784

91,885

Consulting fees

467,658

171,218

Employee costs

9,224,185

8 937,001

16. Auditor's remuneration

62,784

91,885

Other services

-

-

Audit Fees

62,784

91,885

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

17. Investment Revenue

	2018	2017
Interest revenue		
Current accounts	21,353	22,599
Customer accounts	-	27,061
Short-term deposits	641,245	344,331
	662,598	393,991

18. Taxation

No provision has been made for 2017 taxation as the receipts and accruals to the entity are exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act.

19. Cash generated from operations

Surplus/(Deficit) for the year	3,142,325	4,070,025
Adjustments for:		
Depreciation	251,552	342,500
Amortisation	176,251	181,650
Interest received	(662,598)	(393,991)
Finance costs	265	833
Changes in working capital:		
Trade and other receivables	525,536	(372,416)
Provisions	10,954	2,031
Trade and other payables	1,195,205	(665,341)
	4,639,490	3,165,290

20. Commitments

Operating leases – as lessee (office equipment and telephone systems)

Minimum lease payments due

- within one year	144,874	217,311
- in second to fifth year inclusive	-	289,749
	144,874	507,060

21. Related parties

Relationships

Common Board members Fidelity Fund for Sheriffs

The South African Board for Sheriffs was established under the Sheriffs' Act and the Fidelity Fund is managed by the Board on behalf of the Minister of Justice and Correctional Services. The Board enters into various transactions at arm's length with the Fidelity Fund. The Board and the Fidelity Fund had common Board members for the year.

Related party balances

Receivable from related party

Fidelity Fund for Sheriffs	4,431,443	2,064,520
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Administration fees charged to related party

Fidelity Fund for Sheriffs	12,552,842	11,574,751
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The Administrative fee is based on the Sheriffs Act of 1986 as well as a Board Decision at what percentage the fee will be charged. This decision is then sanctioned by the Minister of Justice and Correctional Services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

22. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: liquidity risk, interest rate risk and credit risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an on-going review of future commitments.

Interest rate risk

The Board has interest-bearing assets and the income and operating cash flows are substantially dependent on the changes in the market interest rates. The interest-bearing assets consist of short term investments with floating interest rate that expose the Board to cash flow interest rate risks. The interest rate used is based on the Prime rate.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

23. Going Concern

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

24. Events after the reporting date

The Board is not aware of any matters or circumstances arising since the end of the financial year which significantly affect the financial position of the Board or the result of operations.

25. Public Finance Management Act

In a Board meeting held on the 15th October 2015, the Board resolved that the SABFS would no longer seeking listing in terms of the Public Finance Management Act ("PFMA") schedules as required by S47(2) of the PFMA. The entity has therefore not been audited against the requirements of the PFMA, and the entity has therefore maintained its financial year for this reporting period as the end of February in terms of the Sheriffs Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

26. Explanation of variances between Actual and budget

Revenue

The under recovery of revenue by R75,953 representing 0,37% is attributed to the following:

Levies

The under recovery of levies of 3.79% is due the lower than expected increase in Levies income from the sheriffs profession.

Administrative fee

The under recovery of 0.34% is immaterial.

Investment income

The over recovery of 45.63% on this line item is as a result of the increase in the interest income due from the STANLIB investment which were transferred at the end of the previous financial year from the fidelity fund to the SABFS.

SETA grants

The under recovery of 32,4% is due to the project still being ongoing and reports were submitted after year end. No provision were made for monies due after year end.

Other income

The over recovery of 21,53% on this line item is due to fines which were higher than what was budgeted for as more sheriffs were fined and the amounts were also higher per sheriff. Other income were in line with the budgeted amount.

Operating expenses

Total expenses is under budget by R4,113,378 representing a 19,25% under recovery which is attributed to the following:

Board and sub committees

The under recovery of 24,11% on this line item is due to a reduction in the number of meetings being held in certain committees. These Board activities were Consultative Forum, Rules Board and other stakeholder engagements and also saving measures implemented by the Board.

Executive Manager's office

The over recovery of this line item of 23,28% was due to under spend on special projects.

Legal and Complaints division

The under recovery of the line item of 46,38% is due to the reduction in investigations at sheriffs offices. These investigations were replaced by a more cost effective measure, namely desktop inspections which were performed from the offices of the SABFS. The number of actual investigations were also less due to staff shortages.

Formal Disciplinary hearings

The under recovery of 46.63% on this line item is directly related to the number of DC hearings held during the year under review as well as the transfer of expenses related to cases where monies were misappropriated, transferred to the fidelity fund. The number of DC's were more than the previous year. No consultants were used during the year to assist with DC's.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

26. Explanation of variances between Actual and Budget (continued)

Finance, Administration and Compliance Division

The under recovery of 26,13% on this line item is due to an underspend on all the line items. The major contributor were consultancy fees.

Communication activities

The under recovery of 26,74% on this line item was due to certain activities being less than what was budgeted for. Some projects were also not completed during the financial year.

Training

The under recovery of 20,99% on this line is due to the austerity measures implemented by the Board relating to training activities. Partnerships were formed with other organisations as well as making use of internal staff as well as venues from the department of Justice and Constitutional Development. All planned training has taken place.

General operations - depreciation

The over recovery of 12,96% on this line item relates to the depreciation which were under provided for in the budget in the current financial year. New Assets were also bought during the current financial year.

Contracts i.e. Cleaning and office maintenance

The under recovery of 8,28% on this line item is due to the increase in the under recovery in cleaning and security expenses.

Other general office expenditure

This over recovery of 1,23% on this line item is due to normal inflationary increases in the items procured and is immaterial.

Personnel expenditure

The under recovery of 12,18% in this line item is due to savings on vacant positions.

Staff development

The under recovery of 31.64% in this line item was due to some staff members not making use of the approved funds. All other training has taken place as planned.

Contingency

The under recovery of 100% in this line item is directly related to other savings incurred during the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

27. Executive management and Board member's remuneration

The following persons were employed by the Board in their respective executive capacities during the financial year.

Executive Management remuneration

S Snell	Executive Manager(Resigned 4 April 2018)	931,399	850,951
R Kasipershad	Legal And Complaints Manager	180,535	-
V Botha	Legal And Complaints Manager(resigned 30 November 2016)	-	549,206
BZ Luthuli	HR & Compliance Manager(resigned 27 November 2017)	445,592	521,441
VP Nel	Training and Communication Manager	543,718	514,043
AC Simon	General Manager Corporate and Financial Services	706,631	697,118
		2,807,875	3,132,758

Board Members emoluments (non-executive)

	2018		2017	
	ALLOWANCES	REIMBURSEMENT OF EXPENSES	ALLOWANCES	REIMBURSEMENT OF EXPENSES
C. Mabuza	71,136	48,046	58,368	54,289
H. Mohamed				
P. Roodt	86,616	10,009	83,896	7,630
T. Tembe	19,920	1,057	84,784	8,125
N. Soga	59,040	3,386	52,200	3,739
K. Sigenu	72,936	12,122	52,736	11,593
M. Magida	177,584	7,596	93,184	1,399
M. Lephadi	81,312	10,994	56,520	7,636
LD. Fernandez	88,200	4,484	48,960	458
L. Mashapa	-	2,684	-	1,800
I. Klynsmith	80,368	48,590	81,064	32,651
G. Cronje - Independent Chairperson of Audit Committee	42,443	-	41,090	-
	779 555	148 966	652,802	129,320

28. VAT Ruling impact

Value Added Taxation (VAT)

Net surplus/(deficit) as per Income statement	3,142,325	4,070,025
Vat apportionment adjustment	-	-
Surplus for the year	3,142,325	4,070,025

29. Contingencies

Trade Creditor

An amount of R100,000 owing to a service provider during the purchase of the building, 88 Loop Street have been reversed due to the nature of the long outstanding debt under trade creditors. The amount have now prescribed.

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Revenue			
Levies received		6,734,551	6,681,450
Administrative fees		12,552,842	11,574,751
Income	14	19,287,393	18,256,201
Other income			
Fines and penalties		320,500	165,000
Impairment of Assets/Liabilities		-	87,719
PSETA - Learnership Support		60,000	70,000
Royalties		50,172	81,327
Skills rebates - SASSETA		16,384	43,828
	14	447,056	447,874
Operating income		19,734,449	447,874
Investment income	17	662,598	393,991
Total revenue		20,397,047	19,098,066

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
28 FEBRUARY 2018** (continued)

FIGURES IN RAND		2018	2017
Operating expenses			
Accommodation		340,346	327,466
Auditor's remuneration	16	62,784	91,885
Bad Debts		25,234	(13,716)
Bank charges		50,668	49,472
Catering expenses		329,723	144,958
Cleaning		83,112	75,969
Communication and public education		329,159	105,913
Consulting fees		467,658	171,218
Criminal and credit clearance		16,688	21,174
DC & Inspections		271,971	45,731
Depreciation		427,803	524,150
Electricity and water		128,897	142,129
Employee costs		9,224,185	8 937,001
Finance Charges		265	833
Gifts		7,300	19,135
IT expenses		54,092	58,112
Insurance		127,445	128,936
Lease rentals on operating lease		257,374	268,352
Legal fees		566,104	220,421
Parking expenses		51,092	53,146
Postage		181,106	235,400
Printing and stationery		546,972	512,286
Recruitment expenses		243,893	294,845
Repairs and maintenance		221,353	164,668
Security		6,446	6,129
Staff welfare		138,711	118,053
Subscriptions		113,505	55,609
Telephone and fax		240,943	275,234
Training		1,192,738	800,195
Travel – local		1,547,155	1 193,337
		17,254,722	15,028,041
Surplus for the year		3,142,325	4,070,025

FIDELITY FUND FOR SHERIFFS

Established in terms of the Sheriffs Act 90 of 1986, as amended

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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STATEMENT OF BOARD'S RESPONSIBILITY AND APPROVAL

The Board is required by the Sheriffs Act, No. 90 of 1986, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Board has reviewed the entity's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on the basis that the entity is a going concern and that the Board has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

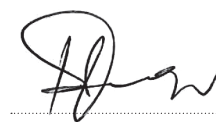
Although the Board is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on pages 78 to 79.

The annual financial statements with selected notes set out on pages 80 to 97, which have been prepared on the going-concern basis, were approved by the Board on 29 June 2018 and were signed on its behalf by:



Charmaine Mabuza
Chairperson of the SABFS Board



Ms. K Sigenu
(Chairperson: Finance Committee)



Mrs P. Roodt
Acting Executive Manager

Independent Auditors' Report

To the Minister of Justice and Correctional Services.

Opinion

We have audited the annual financial statements of the Fidelity Fund for Sheriffs, which comprise the statement of financial position as at 28 February 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 81 to 96.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Fidelity Fund for Sheriffs as at 28 February 2018, its financial performance and its cash flows and statement of comparison of budget and actual amounts for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Sheriffs Act No. 90 of 1986, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), and the general notice issued in terms thereof. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Fidelity Fund for Sheriffs in accordance with IRBA requirements which are in accordance with International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. No such matters were identified during the audit.

Other Supplementary Information

We draw attention to the fact that supplementary information set out on page 97 does not form part of the

annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

The Members of the Board's Responsibility for the Annual Financial Statements

The members of the Board are responsible for the preparation and fair presentation of these annual financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices and the requirements of the Sheriffs Act No. 90 of 1986, as amended, and the Public Audit Act, 2004 (Act No. 25 of 2004).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the annual financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual 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 of our 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory requirements

In accordance with the PAA and the General Notice

issued in terms thereof, we report the following findings on the performance information against predetermined objectives, non-compliance with legislations as well as internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined Objectives

We did not audit performance against predetermined objectives, as the entity is not required to prepare a report on its performance against predetermined objectives. The entity does not fall within the ambit of the PFMA and the entity-specific legislation does not require reporting on performance against predetermined objectives. There are no matters to report.

Compliance with Legislation

We performed procedures to obtain evidence that the Fidelity Fund had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal Control

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation. We did not identify any significant deficiencies in internal control.



Sizwe Ntsaluba Gobodo Inc.

Director: Natalie Arendse

Registered auditor

30 June 2018

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BOARD MEMBERS' REPORT

The board members submit their report for the year ended 28 February 2018.

1. Review of activities

Main business and operations

The entity is governed in terms of the Sheriffs Act no.90 of 1986, the objectives of the Board are to maintain the esteem, enhance the status and improve the standard of training and functions performed by sheriffs who operates throughout South Africa.

2. Going concern

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

3. Events after the reporting period

The board members are not aware of any matter or circumstances arising since the end of the financial year that would materially impact on the financial position of the entity.

4. Public Finance Management Act

In a Board meeting held on the 15th October 2015, the Board resolved that the SABFS would no longer seek listing in terms of the Public Finance Management Act ("PFMA") schedules as required by S47(2) of the PFMA. The Board has resolved that it will adopt and implement the principles of the PFMA into its policies where it is economical and practical to do so.

5. Board Members

The board members during the year and to the date of this report are as follows:

NAME	CHANGES
C. Mabuza (Chairperson)	Reappointed 01 March 2018
H. Mohamed	Reappointed 01 March 2018
T. Tembe	Resigned 01 August 2015
P. Roodt	Term ended 28 February 2018
N. Soga	Term ended 28 February 2018
M. Lephadi	Reappointed 01 March 2018
I. Klynsmith	Reappointed 01 March 2018
L. Mashapa	Reappointed 01 March 2018
L. Fernandez	Term ended 28 February 2018
M. Magida	Reappointed 01 March 2018
K. Sigenu	Reappointed 01 March 2018
A. Murugan	Appointed 01 March 2018
P. Mogale	Appointed 01 March 2018
A. Ralehlaka	Appointed 01 March 2018
A. Nkumise	Appointed 01 March 2018

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Assets			
Current Assets			
Trade and other receivables	6	303,005	304,564
Cash and cash equivalents	7	30,003,306	30,148,409
		30,306,311	30,452,973
Non-Current Assets			
Investment in Property	4	11,570,672	11,811,727
Investments held to maturity	7	139,910,679	96,374,639
		151,481,351	108,186,366
Total Assets		181,787,662	138,639,339
Non Current Liabilities			
Trust account balances	9	35,555,985	2,833,000
Current Liabilities			
Trade and other payables	10	1,043,887	3,295,587
Payable to related party	8	4,431,443	2,064,520
Provisions	12	-	-
Total Liabilities		41,031,315	8,193,107
Net Assets		140,756,347	130,446,232
Net Assets			
Accumulated Surplus		140,279,395	129,969,280
Non-Distributable reserve		476,952	476,952
Total Net Assets		140,756,347	130,446,232

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Revenue	13	18,189,451	16,576,330
Operating expenses		(18,564,957)	(15,901,220)
Operating surplus	14	(375,507)	675,110
Investment revenue		10,685,621	10,207,420
Surplus for the year		10,310,115	4,070,025

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	ACCUMULATED SURPLUS	NDR - REVALUATION RESERVE	TOTAL NET ASSETS
Balance at 01 March 2016	119,086,750	476,952	119,563,702
Changes in net assets			
Surplus for the year	10,882,530	-	10,882,530
Balance at 01 March 2017	129,969,280	476,952	130,446,232
Changes in net assets			
Surplus for the year	10,310,115	-	10,310,115
Balance at 28 February 2018	140,279,395	476,952	140,756,347

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	NOTE(S)	2018	2017
Cash flows from operating activities			
Receipts			
Receipts from sheriffs and SABFS		37,742,031	16,056,869
Less cash payments to suppliers and SABFS		(7,403,637)	(13,118,789)
Net cash from operating activities	16	30,338,394	2,938,080
Cash flows from investing activities			
Interest income		10,685,621	10,207,420
Movement in Investment held to maturity		(43,536,040)	(12,894,831)
Movement in Payable to related party		2,366,923	(754,749)
Net cash flows from investing activities		(30,483,496)	(3,442,160)
Net increase in cash and cash equivalents		(145,102)	(504,080)
Cash and cash equivalents at the beginning of the year		30,148,409	30,652,489
Cash and Cash equivalents at the end of the year	9	30,003,306	30 148,409

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2018

FIGURES IN RAND	APPROVED BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN BUDGET AND ACTUAL	NOTE
Revenue				
Fidelity fund certificates	450,000	517,646	67,646	21
Interest income - Trust Accounts	16,000,000	17,671,805	1,671,805	21
Interest income - Investments	10,065,000	10,685,621	620,621	21
Interest income - Unclaimed Trust monies	-	-	-	21
Total revenue	26,515,000	28,875,072	2,360,072	21
Operating Expenses				
Board and sub committees	12,600,000	12,552,842	47,158	21
Executive Manager's Office	60,000	56,264	3,736	21
Legal and Complaints Division	-	(6,387)	6,387	21
Formal Disciplinary Hearings	8,575	8,299	276	21
Finance, Administration and Compliance Division	250,000	-	250,000	21
Communication Activities 22	10,000,000	3,534,999	6,465,001	21
Training	350,000	-	350,000	21
General Operations - Depreciation	250,000	241,056	8,944	21
Contracts i.e. Cleaning, Office Maintenance	350,000	155,331	194,669	21
Other General Office Expenditure	950,000	657,062	292,938	21
Personnel Expenditure	750,000	1,188,978	(438,978)	21
Staff Development	175,000	176,513	(1,513)	21
Total expenses	25,743,575	18,564,957	7,178,618	21
Net Surplus	771,425	10,310,115	(9,538,690)	21

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1 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:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost

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

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Costs include costs incurred initially to acquire 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.

Measurement subsequent to initial recognition Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Measurement subsequent to initial recognition Property

After recognition as an asset, Property whose fair value can be measured reliably shall be carried at a revalued

amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Property will be revalued every 3 years.

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

Item	Average useful life
Property	50 years

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

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

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

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

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

1.3 FINANCIAL INSTRUMENTS

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Financial instruments at fair value;
- Financial instruments at amortised costs; and
- Financial instruments at cost.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable,

it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently recorded at amortised cost.

1.4 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity 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 some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.5 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 the entity 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. An exchange transaction will be recognised as and when the Board receives a declaration from the sheriff.

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest as revenue will be recognised when a declaration is received from a sheriff along with an auditor's report.

Investment income will be recognised as and when the Fund becomes entitled to the income.

Fidelity fund applications will be recognised when the certificate is issued.

1.6 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulations, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

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 the entity 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.

1.7 COMPARATIVE FIGURES

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

1.8 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure which was made in contravention of the SABFS policies and procedures as approved by the Board.

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.

1.9 BUDGET INFORMATION

The entity is typically subject to budgetary limits in the form of budget authorisations (or equivalent), which is given effect through Board resolutions 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 annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 26.

1.10 RELATED PARTIES

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;

- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person;
- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and

- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that a 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.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence.

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) on a basis consistent with the prior year except where new standards became available.

3. New standards and interpretations

3.1 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

During the current year, the entity has adopted all new and revised standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017.

The following standards were effective for the first time for financial statements covering periods beginning 1 April 2015, however, these standards were not applicable to the entity:

- GRAP 18 Segment reporting
- GRAP 105 Transfers of functions between entities under common control
- GRAP 106 Transfers of functions between entities not under common control
- GRAP 107 Mergers

3.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The following standards were issued, but were not yet effective for the 2018 financial year-end:

- GRAP 32 Service concession arrangements: Grantor
- GRAP 108 Statutory receivables
- GRAP 109 Accounting by principals and agents
- GRAP 110 Living and Non-living Resources

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment

FIGURES IN RAND	2018			2017		
	REVALUED AMOUNT	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Investment in Property	12,052,783	(482,111)	11,570,672	12,052,783	(241,056)	11,811,727
Reconciliation of property, plant and equipment – 2018						
				DEPRECIATION CHARGE	REVALUATION RESERVE	CLOSING BALANCE
Investment in Property	11,811,727	-	-	(241,056)	-	11,570,671
Reconciliation of property, plant and equipment – 2017						
				DEPRECIATION CHARGE	REVALUATION RESERVE	CLOSING BALANCE
	12,052,783	-	-	(241,056)	-	11,811,727

Details of property

The property is situated at 88 Loop Street Cape Town

-Purchase price:

-South African Board for Sheriffs

Total Cost 28 February 2015

less Accumulated Depreciation at 29 February 2016

add Revaluation at 29 February 2016

Total Revalued amount/Cost 29 February 2016

	2018	2017
	13,370,326	13,370,326
	(1,242,429)	(1,242,429)
	12,127,897	12,127,897
	(552,066)	(552,066)
	476,952	476,952
	12,052,783	12,052,783

The Investment in property represent the 10% of the value of the Fidelity Fund's assets at the date of purchase of the property at 88 Loop Street, Cape Town on the 31 July 2013. A valuation of the property was undertaken by Powells, Asset Valuation and Disposals on the 25th February 2016. The portion reflected is the portion related to the Fidelity Fund only. The property was valued at R13,750,000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

5. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables	303,005	304,564
Trade and other receivables	139,910,679	96,374,639
Investments held to maturity	30,003,306	30,148,409
Cash and cash equivalents	170,216,990	126,827,612

6. Trade and other receivables

Trade Receivables	233,684	276,263
Provision for bad debts	(35,053)	(41,439)
Accrued income	101,942	68,025
SARS VAT	2,432	1,715
	303,005	304,564

The ageing of trade and other receivables at the reporting date

The ageing of accounts receivables are as follows:

30 days	120,396	98,469
90 days plus	169,902	206,095
	290,298	304,564

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	30,003,306	30,148,409
Investments held to maturity	139,910,679	96,374,639

An amount of R927,231 was invested in Stanlib. This investment was recalled by the Board and the balance related to African Bank limited will be made available in the next six months to the Fidelity fund. No further action was taken.

8. Payable to related party

South African Board for Sheriffs – owed amount	4,431,443	2,064,520
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The amount is unsecured, interest free and has no fixed terms of repayment.

9. Unclaimed trust monies

35,555,985	2,833,000
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The unclaimed trust monies are monies paid to the fidelity in terms of section 22(5) of the Sheriffs Act. The section, however, were not effective as yet as it is not signed by the President of the Country. The Board have made a decision to collect these funds to ensure that the funds are secured. No revenue were recognised on these funds. Revenue will be recognised as soon as the Section becomes effective.

Reconciliation of Unclaimed Trust Money

Total Capital amount as per note 9	35,555,985	2,833,000
Total Interest earned for the current period	507,990	-
Theoretical balance at end of year	36,063,975	2,833,000

10. Trade and other payables

Accrued expenses	37,548	140,811
Sundry Creditors	1,006,339	3,154,776
	1,043,887	3,295,587

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

11. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Financial liabilities by category

Trade and other payables	1,043,887	3,295,587
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12. Provisions

Opening balance 1 March	-	1,100,790
Less Claims paid	-	-
Reduction of provision	-	(1,100,790)
Provision for uninsured claims	-	-

The balance on the provision for Mogane claims has been reversed as the claimants could not be traced by year-end.
See note 24.

13. Revenue

Fidelity fund certificates	517,646	493,602
Interest on sheriffs trust accounts	17,671,805	16,082,728
	18,189,451	16,576,330

The amounts included in revenue arising from exchange of goods or service are as follows:

Fidelity Fund Certificates	517,646	493,602
	517,646	493,602

The amounts included in revenue arising from non-exchange transactions are as follows:

Interest on sheriffs' trust accounts	17,671,805	16,082,728
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14. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	241,056	242,558
Auditor's remuneration	56,264	50,000

15. Taxation

No provision has been made for 2015 taxation as the receipts and accruals to the entity are exempt from income tax in terms of section 10(1)(A)(i) of the Income Tax Act.

16. Cash generated from operations

Surplus for the year	10,310,115	10,882,530
Adjustments for:		
Depreciation	241,056	241,056
Interest income - Unclaimed Trust monies	-	-
Interest income	(10,685,621)	(10,207,420)
Trust balances	32,722,985	-
Changes in working capital:		
Trade and other receivables	1,559	45,410
Provisions	-	(1,100,790)
Trade and other payables	(2,251,700)	3,077,294
	30,338,394	2,938,080

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND		2017	2018
17. Related parties			
Relationships			
Common Board members	South African Board for Sheriffs		
The Sheriffs board was established under the Sheriff's act and the Fidelity fund is managed by the board on behalf of the Minister of Justice. The Board enters into various transactions, on arm's length with Fidelity Fund. The Board and the Fund had common board members for the year.			
Related party balances			
Payable amount – Owing to related party			
South African Board for Sheriffs		4 431 443	2 064 520
Related party transactions			
Administration fees charged by related party			
South African Board for Sheriffs		12 552 842	11 574 751

The Administrative fee is based on the Sheriffs Act of 1986 as well as a Board Decision at what percentage the fee will be charged. This decision is then sanctioned by the Minister of Justice and Correctional Services.

18. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: liquidity risk, interest rate risk and credit risk.

Liquidity risk

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

Cash is managed prudently by keeping sufficient cash in bank accounts. Cash is received from Sheriffs and the Fidelity fund.

Interest rate risk

The Board has interest-bearing assets and the income and operating cash flows are substantially dependent on the changes in the market interest rates. The interest-bearing assets consist of short term investments with floating interest rate that expose the Board to cash flow interest rate risks. The interest rate used is based on the Prime rate.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

19. Events after the reporting date

The Board is not aware of any matters or circumstances arising since the end of the financial year which significantly affect the financial position of the Board or the result of operations.

20. Public Finance Management Act

At a Board meeting held on the 15th October 2015, the Board resolved that the SABFS would no longer seeking listing in terms of the Public Finance Management Act ("PFMA") schedules as required by S47(2) of the PFMA.

The entity has therefore not been audited against the requirements of the PFMA, and the entity has therefore maintained its financial year for this reporting period as the end of February in terms of the Sheriffs Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND

2018

2017

21. Explanation of variances between Actual and budget

Revenue

The over recovery of revenue by R2,360,072 representing 8,90% is attributed to the following:

Sale of goods

The over recovery of 15,03% on this line item is directly related to the number of sheriffs and the number of deputy appointments made for the year under review. The new policy approved by the Board also contributed to the over recovery.

Interest received on trust accounts

The over recovery of 10,45% of this line item is directly linked to the fact that the board are more actively ensuring that correct and completed information is submitted by the sheriffs.

Interest receive on investments

The over recovery of 6,17% on this line item is a direct result of the stabilisation in the interest rate during the year.

Operating expenses

Total expenses is under budget by R7,178,618 representing a 27,89% under recovery which is attributed to the following:

Administrative fees

The under recovery of 0,37% on this line item is immaterial

Audit fees

The under recovery of 6,23% on audit fees is due the austerity measures implemented by the Board and the larger portion of the fees expensed in the SABFS.

Bank charges

The under recovery on this line item is due to less transactions on the fidelity fund bank accounts.

Building maintenance

All building expenditure was covered by SABFS Major building maintenance will take place in the new financial and will be expensed partly in the Fidelity fund.

Claims against the Fidelity Fund

The under recovery of claims of 64,65% is due to the fact that not all pending claims were approved which were carried forward from the previous financial year. More claims were approved in the current year than in any previous financial years.

Consulting fees

The under recovery of 100% on this line item is related to the fact that no special projects were undertaken where outside consultants were used.

Depreciation

The under recovery of R8,944 which is a 3,58%, is immaterial.

Disciplinary Inquiries & Inspections

The under recovery of 55,62% in this line item is due to the fact that less than planned DC's, where misappropriation funds took place, were scheduled.

Insurance

The under recovery of 30,84% in this line item is due to the zero percent increase in the insurance premium for the current financial year as well as the reduction in the premium.

Legal fees

The over recovery of 58,53% in legal fees is due to an increase in the number of court cases during the current financial year which involves misappropriation of trust monies by sheriffs.

Utilities

This over recovery of 0,86% is insignificant

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2018	2017
22. Claims against the Fidelity Fund		
Amount expended in the current year	3 534 999	8,643
<i>made up of</i>		
Current year claims	3 534 999	8,643
Mogane provision reduced to unpaid claims	-	-
Trust balances reversed where claims were paid against	-	-
Amount expended in previous financial years	2 676 790	1,850,527
Total claims paid for the year	6 211 789	1,859,170
23. VAT Ruling impact		
Value Added Taxation(VAT)		
Surplus as per Income statement	10 310 115	10 882 530
Vat apportionment adjustment	-	-
Surplus for the year	10 310 115	10 882 530

24. Contingencies

Litigation

As at 28 February 2018, claims amounting to R28,767,813 (2017: R19,610,920) are under litigation against the Fidelity Fund, in respect of certain sheriffs, with a possible loss amounting to R12,767,813 (2017: R13,538,365) the outcome of which was uncertain at the date of issuing these financial statements. Should the action be successful the Fidelity Fund does have insurance cover to cover litigation costs and claims. An additional amount of R15,004,740(2017:R15,004,740) were also misappropriated, but no claims were submitted for this amount. The outcome of the misappropriated amount are still uncertain.

Provision for Mogane Claims

During the 2013/2014 financial year the Board approved an amount R6,924,277 of which R5,823,487 were paid to the claimants. A balance of R1,100,790 was carried as a current liability in the statement of financial position. Due to the nature of the liability, it was decided to reverse the provision, but mentioned it as a contingent liability as the time of payment cannot be determined as the claimants concerned could not be traced. The SABFS is still in the process to tracing these claimants.

Claims against the fidelity fund where sheriffs were found to be negligent in service deliver in terms of Section 35 of the sheriffs act

During the prior financial years and the current financial year, the fidelity fund received a total of R4,667,648 claims where the sheriffs were negligent in executing their responsibilities. These amounts were referred to the Professional Indemnity Insurance(PI) of the respective sheriffs. In terms of Section 35, the fidelity funds might still be liable for the payment of the claim if the claimants are not successful with their claim against the PI of the sheriff. No current liability exist for these amounts, but a contingent liability is raised due to the nature of these claims which can be claimed against the fidelity fund in terms of Section 35 of the sheriffs act.

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 29 FEBRUARY 2016

FIGURES IN RAND	NOTE(S)	2018	2017
Revenue			
Fidelity Fund Certificates		517,646	493,602
Interest on Sheriffs trust accounts		17,671,805	16,082,728
Operating income		18,189,451	16,576,330
Other income			
Interest income		10,685,621	10,207,420
Interest income - Unclaimed Trust		-	-
		10,685,621	10,207,420
		28,875,072	26,783,750
Operating expenses			
Administration fees		12,552,842	11,574,751
Audit Fees		56,264	50,000
Bad Debts		(6,387)	4,579
Bank Charges		8,299	7,423
Claims against the Fidelity Fund	22	3,534,999	1,996,279
Depreciation		241,056	241,056
Disciplinary Inquiries & Inspections		155,331	145,627
Insurance		657,062	1,001,005
Legal fees		1,188,978	708,480
Utilities		176,513	172,020
		18,564,957	15,901,220
Surplus for the year		10,310,115	10,882,530

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Notes

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