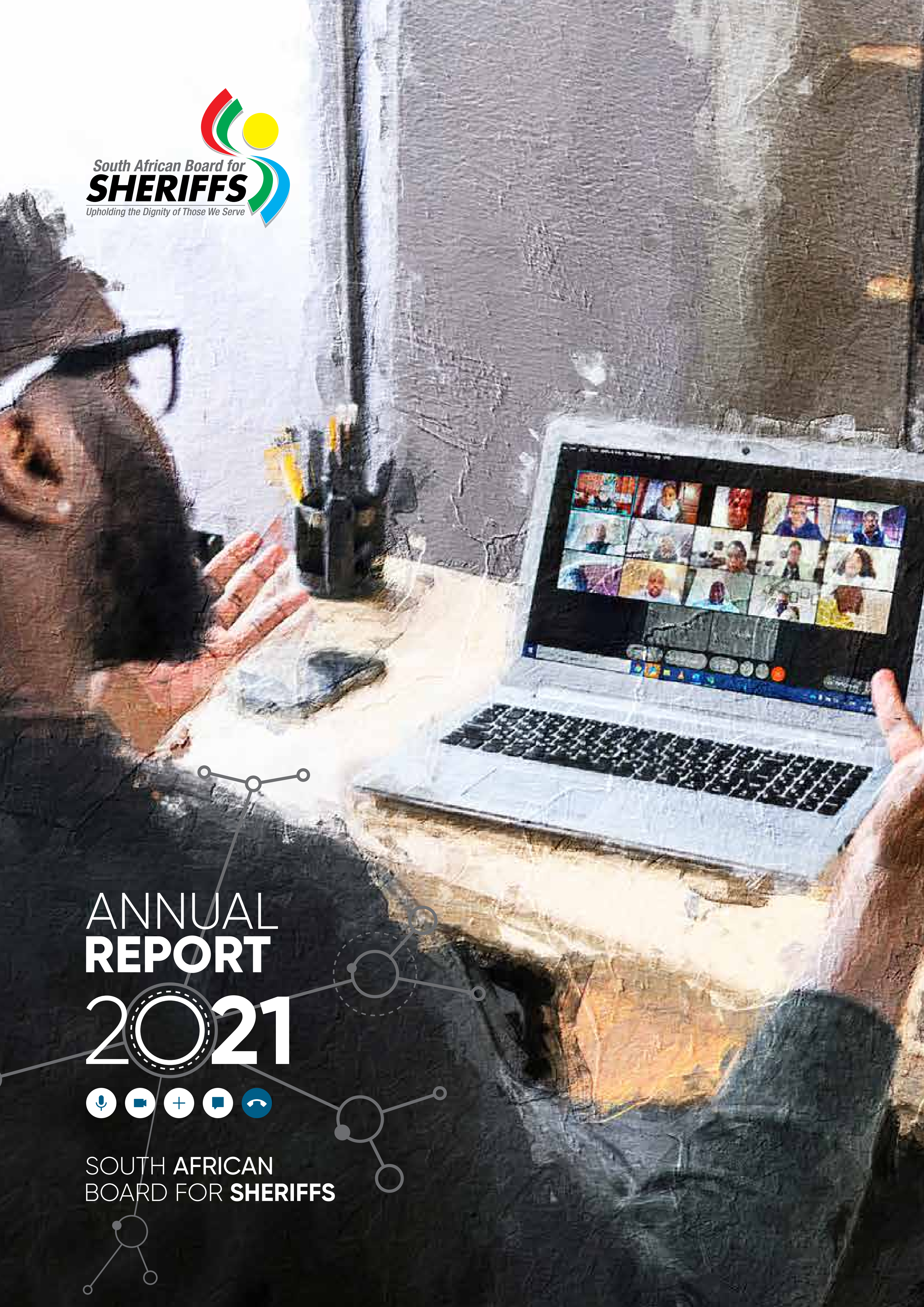


South African Board for
SHERIFFS
Upholding the Dignity of Those We Serve

ANNUAL **REPORT** 2021

SOUTH AFRICAN
BOARD FOR **SHERIFFS**

South African Board for
SHERIFFS
Upholding the Dignity of Those We Serve

ANNUAL REPORT 2021

SOUTH AFRICAN BOARD FOR SHERIFFS

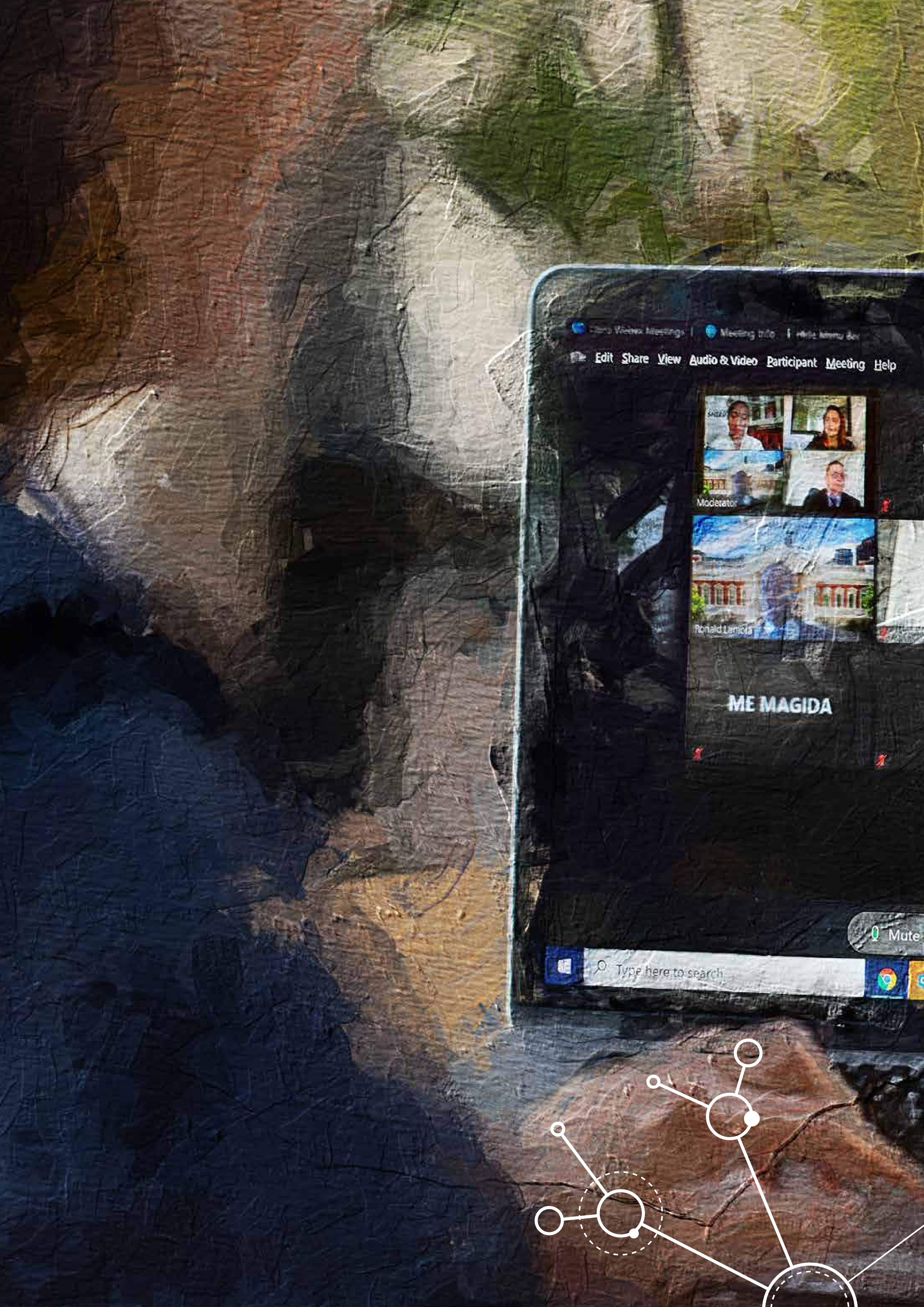
MARCH 2020 - FEBRUARY 2021

Honourable Minister of Justice and Correctional Services, Mr Ronald Lamola, it is with pleasure that we present you with the Annual Report of the South African Board for Sheriffs for the period 1 March 2020 to 28 February 2021.

the doj & cd
Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2021

SOUTH AFRICAN BOARD FOR SHERIFFS



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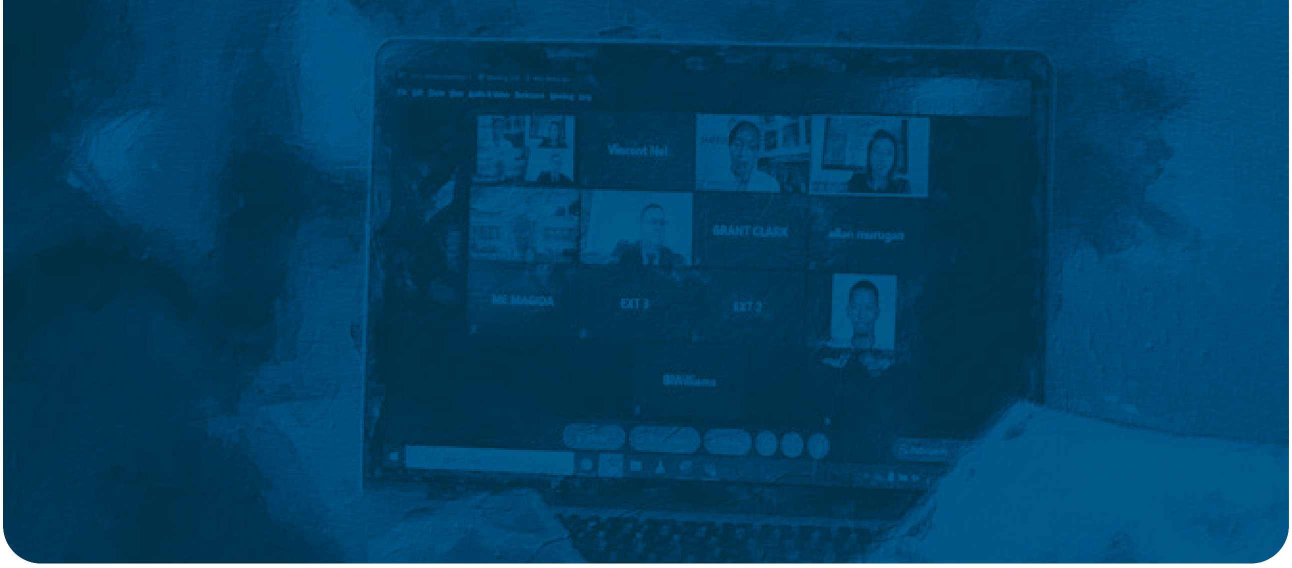
PART **A**

GENERAL INFORMATION



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 South African Board for Sheriffs with focused leadership
- We will enhance the image and goodwill of the sheriffs' profession

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 our legislative mandate and strive to entrench a culture of human rights as envisaged by the Constitution

CORE VALUES

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

CORE BUSINESS

The core business of the South African Board for Sheriffs

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 90 of 1986 (Sheriffs Act). The Sheriffs Act describes the objects of the SABFS as: '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.'

The mandate of the Board is therefore prescribed, and we aim to do the following:

- Transform the sheriffs' profession, the SABFS and its staff and bring it in line with constitutional imperatives
- Review all relevant legislation, among others the Sheriffs Act, and if necessary, lobby for reform in a manner which protects the interests of the sheriffs' profession and all stakeholders
- Communicate effectively with all stakeholders and sheriffs
- Discipline sheriffs
- Monitor the conduct of sheriffs
- Promote professionalism
- Set standards for training of persons who are, or who intend participating in, the sheriffs' profession
- Set up the necessary training programmes
- Formulate policy directives
- Ensure effective management of the SABFS and its office

STRATEGIC OBJECTIVES

The Board has adopted a Strategic Plan for the three year period of 2018 to 2021. The management team of the SABFS is charged with operationalising the Plan and reporting quarterly on the performance achievements in respect of the stated objectives.

PROGRAMME 1: Compliance

The goal of this programme is to ensure compliance by the sheriffs with the Sheriffs Act 90 of 1986, as amended, and subordinate legislation governing sheriffs. This is performed through promoting constitutional standards and enforcing the Code of Conduct for Sheriffs and Deputy Sheriffs, with due regard for the interests of the public.

PROGRAMME 2: Fidelity Fund

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

PROGRAMME 3: Enhancing the sheriffs' profession

The goal of this programme is to build capacity and professionalise the work and image of sheriffs. This is performed by providing training to the profession annually and by increasing stakeholder awareness of the sheriffs' role, as well as public relations and marketing activities.

PROGRAMME 4: Governance and corporate support services

The goal of this programme is to improve the financial sustainability of the sheriffs' profession and to maintain corporate governance standards.

PROGRAMME 5: Legal

The goal of this programme is to ensure compliance with legal requirements and to regulate the sheriffs' profession by conducting inspections and implementing disciplinary procedures against transgressing sheriffs.

CHAIRPERSON'S REPORT

> Accelerating access to justice and adapting the sheriffs' profession to the changing times

On 4 June 2021 the Honourable Minister of Justice and Correctional Services, Mr Ronald Lamola, appointed the new Board of the South African Board for Sheriffs (SABFS). The Board's appointment was followed by a formal inaugural meeting chaired by the Minister on 24 June 2021, as prescribed in the Sheriffs Act 90 of 1986 (the Act).

From my brief observation of the SABFS and the profession as the newly appointed Chairperson, I saw a serious need for the Board to accelerate access to justice and to adapt the sheriffs' profession to the changing times. This is necessary to make the profession more accessible, attractive, and responsive to the needs of the profession and society at large. We must explore novel and more innovative ways to advance the objectives of the SABFS and the profession (and to enhance its image nationally, regionally, and internationally) to ensure the sustainability and viability of the profession.

It is with deep gratitude that I thank the outgoing Board members for having assisted the SABFS and the profession to achieve a higher standard of service over the period of their term of office. I thus proudly present the SABFS achievements on its key strategic objectives under the leadership of the former Board for the year 2020 / 2021, as indicated in their handover report.

Transformation

Although we have made great strides, the SABFS is still in the process of transforming the profession to be in line with the demographic representation (both in terms of race and gender) of our country. We are proud to present the following statistics on the SABFS' tremendous improvement in this regard over the past 19 years:

- In 2001 the profession had a total of 386 sheriffs, of which 83% were White and 17% Black. In terms of gender representation the profession had 37 females and 386 males.
- In 2006 the number of Black sheriffs increased slightly to 26%, with White sheriffs decreasing to 74%. The representation of females increased to 13%.
- From 2007 to 2019 there was a tremendous increase in the race and gender transformation statistics as more sheriffs of colour (both male and female) were being appointed to fast-track transformation objectives.

- As of the end of the financial year of 2019 the SABFS had a total number of 254 sheriffs on its database, of which 63.8% were Black, 36.2% White and 31% female.

My view is that there is still a lot of room for improvement, particularly in terms of empowering more previously disadvantaged individuals (including white females) and the youth currently completing matric and tertiary studies. However, we must admit that - if we are to succeed in encouraging the youth to take up the sheriffs occupation - a lot of work needs to be done by this new Board. We must make the profession more attractive and modernise its approach if we are to keep pace with changing times.

Proposed and enacted amendments to the Sheriffs Act - unclaimed trust funds

The previous Board made proposals for substantive amendments to the Sheriffs Act. The new provisions were introduced and effected through the Judicial Matters Amendment Act 8 of 2017.

The new amendments have a substantial impact on the SABFS as they impose additional functions and responsibilities for the Board, namely the collection and management of unclaimed trust funds and the payment of execution costs for indigent litigants of the Small Claims Court from the unclaimed trust monies.

The previous Board appointed Directrix (Pty) Ltd as a service provider to develop an Unclaimed Trust Funds Model to facilitate these new functions. The new Board is making the necessary follow ups with the service provider and hopes to finalise the process and commence with implementation promptly.

Tasks completed by the previous Board in line with its strategic objectives

During the past financial year the previous Board managed to complete the following tasks as outlined in its strategic objectives:

- Review impact of legislation relevant to the profession

- Prepare various internal draft policies, such as the staff leave policy, for implementation

- Make proposals to the DoJCD and the Rules Board on the amendment of relevant sections of the Sheriffs Act

- Collate sheriffs' unclaimed trust forms in the new reporting format and appoint a service provider to develop an Unclaimed Trust Funds Model

- Capture all the sheriffs' unclaimed financial data and pay the claims that were submitted to the Board

- Commence with the collection of unclaimed funds in terms of the Board-approved process

National Efficiency Enhancement Committee (NEEC)

The previous Board, through its Chairperson, participated regularly in the NEEC meetings chaired by the Chief Justice. Key matters that affect the profession deliberated on were the problematic wording of court orders and fraudulent court orders.

Covid-19 relief for sheriffs

As we are all aware, the Covid-19 pandemic created great hardship for everyone. The profession was not immune, as it affected the nature of work done by sheriffs and their ability to generate an income. As the pandemic continued the previous Board approached the Minister again to approve the payment of relief funds as an initiative to benefit all members of the profession. The Minister acceded to the Board's request in terms of section 16(h) of the Act, to utilise the funds of the SABFS for these purposes.

Independent Regulator for Auditors (IRBA)

Currently the SABFS relies on signed audit reports from either the magistrates or auditors as testimony of the correctness of the figures submitted by sheriffs relating to sheriffs' trust accounts.

However, it has recently emerged that some of those certificates may have been obtained fraudulently and, as a result, were rejected by the previous Board. All the sheriffs that were removed for misconduct during the previous Board's term had filed audit reports which the previous Board placed reliance upon. Inspection reports showed that there are serious discrepancies and gaps in the auditing of trust accounts.

The Sub-Committee on Audit Guidelines developed a Code of Conduct for Sheriffs and an Audit Guideline that will be presented to the new Board for endorsement. The previous Board identified the need to interact with the IRBA to standardise auditing through the development of guidelines. This matter will be brought to the attention of the new Board for finalisation.

Banking Forum

A very important component of the work of the SABFS lies in the banking sector. The SABFS is a significant role-player in the Banking Forum, a collective forum of banks that work together with the sheriffs' profession to ensure greater cooperation between the two entities. Matters affecting sales in execution, attachments, and various other court orders are discussed. Conditions of sale have become a very contentious issue with new court decisions and legislation. The SABFS has brought many of these matters to the attention of the Rules Board, highlighting the challenges faced by it and the Banking Forum in relation to outdated prescripts in the respective Rules of Court.

Rationalisation of courts

The Department of Justice and Constitutional Development (DoJCD) in conjunction with the SABFS established a task team to work jointly on this project. A memorandum of understanding (MOU) was entered into outlining the terms and conditions of the collaboration. The joint project seeks to achieve the following rationalisation of magisterial district areas of jurisdiction:

- Resolve the contentious areas causing uncertainty and possible conflict between the affected sheriffs by conducting investigations on the areas of conflict
- Look at the recently proclaimed magisterial districts and propose and recommend the alignment to its jurisdiction where possible
- Consider the description and allocation of the sheriff service areas

Amongst others, the task team is also tasked with finalising outstanding sheriffs' service areas through: Consulting and investigating all affected areas with the sheriffs, the Board, and the other stakeholders; drawing maps depicting the areas of operation for the sheriffs (taking into account the outcomes of the rationalisation of the magisterial districts process where completed); drafting point-to-point description for the sheriffs based on the final maps; conducting impact analyses of the rationalisation of the magisterial districts on the sheriff service areas; making recommendations to the Minister on the resolutions; and investigating and reporting on any other matter regarding the re-description and allocation of the sheriffs' areas, as directed by the Minister from time to time.

Disciplinary action

The SABFS received a total of 254 formal complaints against members of the profession in the financial year reported, of which 250 were resolved. The remaining or pending disciplinary hearings were not finalised due to Covid-19 restrictions which discouraged, and at times prohibited, physical meeting.

Fidelity Fund

It is the Board's fiduciary duty to maintain, regulate and report on the Fidelity Fund. The value of the Fidelity Fund increased by 7.1% over the financial period under review. The Fund is now valued at R157,7 million, an increase from the 2019/2020 financial year in which it was valued at R147,2 million. The reason for the increase in the value of the Fund was due to a decrease in claims against the Fund and an increase in interest earned from sheriff trust accounts.

The Fund received 24 new claims during the period to the value of R4,088,504. Interest earned on investments was R9,7 million in contrast to R10,6 million, which was accumulated in 2019/2020. Over the last five years the total amount of claims paid was R14,369,073, with 73% paid directly from the Fidelity Fund (self-insurance) and 27% recovered from Fidelity Insurance.

Criminal action

Since 2017 a total of ten criminal actions have been initiated by the SABFS against sheriffs, one of which has resulted in a criminal conviction and the rest are pending. The Board adopted a zero tolerance approach to misappropriation of trust funds and were of the view that offenders should be prosecuted to ensure justice for those the profession serves.

Acknowledgements

I extend my gratitude to the outgoing Board members, chaired by Mrs Charmaine Mabuza, for having diligently discharged their fiduciary duties towards the SABFS. I look forward to building on this strong foundation to further the realisation of the SABFS regulatory functions and its objectives, as outlined in the Act.

I also wish to thank Minister Lamola for entrusting me and my fellow Board members to lead this organisation for the next three years. We will do our utmost to fulfil our regulatory function to the highest possible standard. It is imperative for the profession to discharge its duties responsibly if we are to realise the aspirations and vision enshrined in our Constitution. This will be for the betterment of the SABFS, the sheriffs' profession as a whole, and the greater society we serve.

Now more than ever we need to find new ways to adapt the profession to the changing times, especially given the tumultuous times we live in. With hard work, fortitude, commitment to our values and collective effort we will aim not only to achieve, but to go beyond, those objectives we have set for ourselves, as well as those we are expected to attain during our term of office.

In a nutshell, the new Board seeks to focus more on training sheriffs in order to reduce the need to discipline more sheriffs. We will seek to reinvent the profession to make it more modern, accessible and attractive to existing and aspirant sheriffs, thereby enabling its sustainability and viability for all its members, as well as making it more beneficial to the public.

In closing, there is a great quote by Ralph Waldo Emerson, which states: “Do not follow where the path may lead. Go instead where there is no path and leave a trail.” It is my earnest hope that this Board will demonstrate a commitment to access to justice that is unparalleled and unmatched. This Board hopes its commitment to the advancement and betterment of the sheriffs’ profession will be unprecedented, and hopes to chart a new path for those who follow us. The sheriffs’ profession - and accordingly the SABFS - is a very important cog in the wheels of justice and a vital strut in our constitutional democracy.

We look forward to working together with individual sheriffs, their respective associations, and all stakeholders in transforming and elevating the profession to greater heights. I thank you.

Adv Mark Morgan
Chairperson
26 July 2021

EXECUTIVE MANAGER'S REPORT

This reporting period is for the financial year ending 28 February 2021

Financial relief for sheriffs

The Executive Committee of the South African Board for Sheriffs met on 29 July 2020 and resolved to request the Minister of Justice and Correctional Services to approve Covid relief funding in the amount of R2,117,952.

The aim was to distribute the relief funding to sheriffs in the form of a reduction in their levies, on a sliding scale as follows:

Category A - 91 sheriffs with a gross income of more than R1 million to R3 million, an amount of R10,000, totalling R910,000.

Category B - 36 sheriffs with a gross income of more than R3 million to R5 million, relief of 25% of levies due, R457,669.

Category C - 31 sheriffs with a gross income of more than R5 million to R10 million, relief of 20% of levies due, totalling R516,620.

Category D - 8 sheriffs with a gross income of more than R10 million, relief of 15% on levies due, totalling R233,663.

At the time of submission of the proposal to the Minister, it was projected that 166 sheriffs qualified for the once-off levy reduction for sheriffs, based on the information available. However, after further assessment, on 10 December 2020 it was determined that only 153 sheriffs qualified for the additional once-off financial assistance, given that some sheriffs had resigned, retired or passed away in the interim.

Deputy sheriffs relief

- A once-off payment of R2,000 was paid to all deputy sheriffs, being 498 deputy sheriffs
- A total of R996,000 was therefore paid to 498 deputy sheriffs

Sheriffs relief

- A once-off payment of R10,000 was paid to all sheriffs with a gross income of less than R1 million for the 2018/2019 financial year
- A once-off payment in terms of Category B, C, or D above was paid

- As at Phase 1 (mid-year) this represented a total of R800,000 to 80 sheriffs in rebate relief

- As at Phase 2 (year-end) this represented a total of R1,997,030 to 153 sheriffs in rebate relief

Total relief

A total amount of R3,793,030 had been provided to assist the sheriffs' profession in Covid-19 relief as at 15 February 2021.

Financial management

The external auditors gave both the SABFS and the Fidelity Fund another unqualified audit report for the reporting period.

Levy payments and administrative fees were the main sources of funding for the SABFS. The total revenue collected was R18,8 million (2020: R22,2 million). Operating expenditure decreased from the previous period to R20,6 million (2020: R21,7 million). This resulted in a deficit of R0,6 million (2020: R1,7 million surplus).

Interest income from investments and interest on trust accounts collected from sheriffs were the main source of funding for the Fidelity Fund. The total revenue collected was R17,7 million (2020: R13,9 million). Operating expenditure decreased from the previous period to R16,8 million (2020: R17,7 million). This resulted in a surplus of R10,5 million (2020: R6,9 million).

Tax clearance certificates for sheriffs

It was identified that many sheriffs were experiencing problems with their SARS tax clearance certificates. As a result they were not receiving their payments from government departments. SABFS worked closely with the Department of Justice and Constitutional Development to identify the sheriffs that did not have tax clearance certificates and implemented a support project.

As a result of the Board's intervention, the Deputy Minister issued a circular to the Court Services facilitating payment of amounts due to sheriffs for services rendered to the courts. Sheriffs were given a period to become tax compliant, with the SABFS willing to assist sheriffs in this regard.

The Board also engaged with the Deputy Minister in respect of systemic problems relating to sheriffs' unpaid fees. It was agreed that the parties would work towards getting all sheriffs registered on the Central Supplier Database, to speed up payment of fees.

Compliance with legal obligations

The purpose of Legal Obligations Phase 1 (mid-year), is to collect levies and interest payable to the Board and the Fidelity Fund from sheriffs.

The purpose of Legal Obligations Phase 2 (year-end), is to have individual sheriffs apply to the SABFS for a Fidelity Fund Certificate. This is repeated annually.

The Board experienced 98.78% compliance by sheriffs, leading to the issuing of Fidelity Fund Certificates to them. Only three sheriffs were not issued with a Fidelity Fund Certificate for not complying with Legal Obligations for Phase 1. The three sheriffs not issued with a Fidelity Fund Certificate affected four offices.

SASSETA

The Board annually completes and submits the Workplace Skills Plan and Annual Training Report to the SASSETA. This was previously submitted through a consultant, but the Board has now made provision for the required documents to be completed internally.

Sheriffs training and new sheriffs appointments

The Board conducts formal training for newly appointed sheriffs and the required course is called the Sheriffs Introductory Course (SIC). It is an accredited program in partnership with the Justice College, which is the accredited training service provider.

Annually the Board also provides provincial Needs Based Training which consists of select topics of learning areas identified in consultation with stakeholders.

With the Covid-19 pandemic the Board arranged for in-house 'Master Class' training for sheriffs in areas that affect the sheriffs' profession. These sessions were very successful. Training and preparation for the 24 newly appointed sheriffs (who were expected to be appointed by the Minister at the end of February and take office in May) is still underway. The successful completion of the SIC is an important criterion for the issuing of a Fidelity Fund Certificate by the Board.

Learning material development

During the Board's term a decision was taken to develop learning material in key learning areas to create a comprehensive database that could be used by the sheriffs' profession.

Groundbreaking training project

A new training course to enhance sheriffs' and staff's understanding of the fundamentals of bookkeeping and accounting principles (particularly as they relate to the sheriffs' profession) was developed. As with most of our training initiatives, this compulsory bookkeeping course for sheriffs has been postponed more than once to accommodate the ever-changing national lockdown regulations. Options such as the provision of an e-course were considered, but due to the complexity of concepts in accounting, a face-face learning option is still preferred.

The course will be held during 2021. The legal service provider is Gawie le Roux Institute of Law. A Murugan, MK Naidoo, A Nkhumise and P Roodt were commissioned to review and assess the applicability of the proposed bookkeeping course from a sheriff's perspective.

Needs Based Training

The Needs Based Training (NBT) Course for staff in the sheriffs' profession has been offered for the past ten years. The content of this course is planned on an annual basis and is implemented in the respective provinces. The design and development of the NBT material is based on research undertaken with the main aim of ensuring that sheriffs are properly lectured and briefed on the latest amendments to legislation applicable to the work of sheriffs.

Due to the Covid-19 protocols, the virtual Master Classes have replaced the NBT course.

Outreach and stakeholder activities

Our first ever Virtual Imbizo was held in 2020. It was a significant event that illustrated the strategic shift by the SABFS to migrate its work programmes onto digital platforms.

This webinar staged virtual presentations by the Minister and Deputy Minister of Justice and Correctional Services, and the Chair of the SABFS, highlighting the achievements and celebrating another unqualified audited financial report this past year. The webinar, supported by a large audience, was moderated by well-known journalist Iman Rappetti. The polished and frank nature of the webinar was enticing and educational, with its participatory and interactive approach really engaging listeners and viewers.

Cost of consultants and technical advisors

The Board employed the services of consultants and technical advisors (for example legal services) the cost of which amounted to R1,588,798 for the financial year.

Inspections conducted

During the period March 2020 to February 2021, the Board only conducted four inspections due to Covid-19 lockdown restrictions. These emanated from complaints and a trust account mismanagement alert.

Staff meetings

Staff meetings are formal and limited to an hour. Managers alternate to chair these meetings. During the meetings each division highlights its key successes and challenges for the period. For the reporting period, seven meetings were conducted on the following dates: 16 March 2020, 15 June 2020, 6 October 2020, 29 October 2020, 05 November 2020, 24 November 2020 and 30 November 2020.

Statement of responsibility for performance information for the year ended 28 February 2021

The Executive Manager is responsible for the preparation of the performance information of the SABFS as a public entity 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 the 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 the SABFS for the financial year ended 28 February 2021.

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

Appreciation

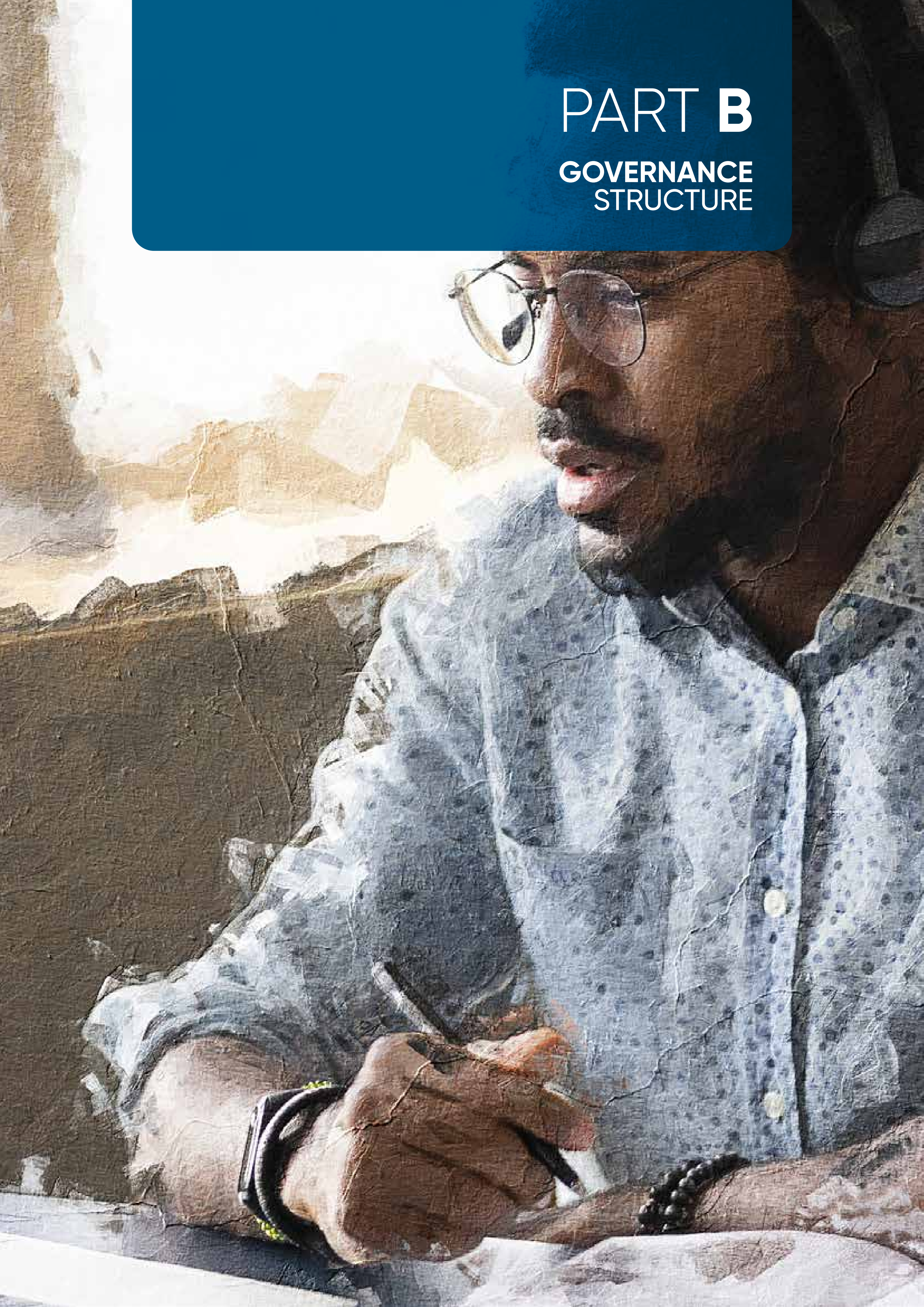
I wish to thank the outgoing Board members for their support and guidance during my first year of employment with the SABFS.

It is with great pleasure that I welcome the new Board that Minister Lamola has appointed to serve the sheriffs' profession for the next three years.

Mrs Jody van Wyk
Executive Manager
30 July 2021

PART **B**

GOVERNANCE STRUCTURE



GOVERNANCE AND LEGISLATIVE MANDATES

The SABFS is a regulatory statutory body established by the Minister in terms of section 7 of the Sheriffs Act 90 of 1986 (Sheriffs Act). The Sheriffs Act describes the objects of the SABFS as: '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. The SABFS spends a significant amount of time, effort and money in monitoring and reviewing these changes. Where necessary the SABFS employs the services of external legal experts to formulate opinions and assist with drafting recommendations for the Minister and the Rules Board for the Courts of Law. The following table outlines key legislation, reports and documents applicable to the work of the SABFS.

ENABLING LEGISLATION
Constitution **Core Purpose:** 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 **Core Purpose:** The Sheriffs Act guides the Board and sheriffs in respect of its rules and regulations.
Magistrates' Courts Act 32 of 1944 **Core Purpose:** The Magistrates' Courts Act deals with general directives to a sheriff and his or her duties when dealing with lower court matters.
Superior Courts Act 10 of 2013 **Core Purpose:** The Superior Courts Act deals with general directives to a sheriff and his or her duties when dealing with superior court matters.
Rules Board for Courts of Law Act 107 of 1985 **Core Purpose:** Members of the Rules Board for Courts of Law are appointed by the Minister and are responsible for court rules.
Code of Conduct for Sheriffs **Core Purpose:** The Code of Conduct regulates the manner in which sheriffs perform their functions to ensure they are aware of their role within the justice system of South Africa.
King III & IV **Core Purpose:** 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 **Core Purpose:** The Annual Performance Plan contains the SABFS performance targets, commitments and measurement framework for the period under review.

Outgoing Board members

The Minister of Justice and Correctional Services, the Honourable Mr Michael Masutha, appointed the Board in terms of section 9(2) of the Sheriffs Act effective 1 March 2018 until 28 February 2021. The Board consisted of 11 Members, namely:
Mrs C Mabuza (Chairperson), Mr M Magida (Deputy Chairperson), Mr I Klynsmith, Ms M Lephadi, Ms K Sigenu, Mr PC Mogale, Ms A Singh, Mr AK Nkhumise, Ms A Ralehlaka, Mr A Murugan and Mrs S Mashaba.

During the Board's term, the following sub-committees were established, each chaired by a Board member and supported by a divisional manager:

- HR and Communications Committee Chairperson - Mr Magida
- Training and Development Committee Chairperson - Mr Murugan
- Legal Committee Chairperson - Mr Klynsmith
- Fidelity Fund Committee Chairperson - Ms Lephadi
- Complaints Committee Chairperson - Mr Mogale
- Finance Committee Chairperson - Ms Sigenu
- Audit Committee Independent Chairperson - Mr Cronje

In addition to the above committees, the Board established a Consultative Forum which was chaired by Mr Magida.

New Board members

The Minister of Justice and Correctional Services, the Honourable Mr Ronald Lamola, applied the three month extension of the Board's tenure and appointed a new Board as from 4 June 2021. This new Board will be in office for the next three years. The newly appointed persons are:

Non-sheriffs
Adv Mark Morgan - Chairperson of the Board
Ms Zanele Nkosi
Mrs Sphiwe Mashaba
Ms Tshenolo Tshoaedi
Mr Kgaugelo Mahlaba

Sheriffs
Mrs Amanda Titus
Mr Ian Burton
Mr Simon Maremane
Ms Pakama Mlandu
Mr Andrew Shabalala

Deputy chairpersons
Mrs Amanda Titus: 1 July 2021 - 31 June 2022
Mrs Sphiwe Mashaba: 1 July 2022 - 31 June 2023
Ms Pakama Mlandu: 1 July 2023 - 31 June 2024

NEW BOARD MEMBERS 2021	
Finance Committee	Mr Kgaugelo Mahlaba (Chairperson) Mrs Amanda Titus Mr Andrew Shabalala
Audit and Risk Committee	Vacant - Independent (Chairperson) Mr Kgaugelo Mahlaba Ms Tshenolo Tshoaedi Ms Pakama Mlandu
Fidelity Fund Committee	Mrs Sphiwe Mashaba (Chairperson) Mr Kgaugelo Mahlaba Mrs Amanda Titus Mr Ian Burton
Training and Development Committee	Mr Ian Burton (Chairperson) Mrs Amanda Titus Ms Pakama Mlandu
HR and Social and Ethics	Mr Andrew Shabalala (Chairperson) Mr Kgaugelo Mahlaba Mr Ian Burton Ms Zanele Nkosi
Legal Committee	Ms Zanele Nkosi (Chairperson) Mr Simon Maremane Mrs Sphiwe Mashaba
Complaints Committee	Ms Tshenolo Tshaoedi (Chairperson) Ms Zanele Nkosi Mr Andrew Shabalala
Communications Committee	Mr Simon Maremane (Chairperson) Mrs Amanda Titus Ms Tshenolo Tshoaedi Vacant - DoJCD - Representative
Consultative Forum	Mrs Amanda Titus (Chairperson) Mrs Sphiwe Mashaba Ms Pakama Mlandu Ms Tshenolo Tshoaedi Mr Simon Maremane

Impact of Covid-19 on the sheriffs' profession

We find ourselves in year two of the pandemic and the difficulties faced by the profession have by no means lessened. The tools provided by the SABFS to assist the profession were of enormous help. However, the practical challenges of keeping the sheriffs' doors open has not changed. The full impact of the pandemic on the sheriffs' profession will only become known with time.

Offices under financial strain prior to the pandemic are now even more challenged. Two aspects which the small offices struggled with particularly, were productivity and effective service delivery. Clients (or their instructing attorneys) were not always willing to understand the difficulties presented by the current situation. Sheriffs may therefore have felt pressured into sometimes acting outside the scope of the rules or regulations to avoid conflict.

Smaller offices, where the sheriff fell ill, had no alternative but to close their doors for a period. This had a tremendous effect on service delivery and led to loss of income.

The impact of the pandemic on the profession has had far-reaching effects. The income lost by offices will in all likelihood never be recovered. Retrenchment of staff was inevitable, affecting not only them, but their families and households.

The fact that certain sheriffs were not tax compliant and did not qualify for Temporary Employment Relief Scheme assistance placed a great financial burden on the office during the hard lockdown.

The pandemic has and will, in some way or another, affect the sheriffs' profession and all other stakeholders, including the legal practitioners, their staff, clients, service providers, the courts and all other aspects of the administration of justice and the civil service.

It is now clear that sheriffs will need to become part of the electronic age. Currently in Gauteng, sheriffs must register on CaseLines, to ensure that they can provide the service of electronic issued documents. Further to this, sheriffs must be made aware that High Court documents can be sent to the sheriff via email.

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 is established 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 other supporting legislation. The Board is aware that the purpose of corporate governance is to 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 fulfilling their duties and responsibilities and also instils stakeholder confidence. The Board members are 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 for achieving this. 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 the SABFS is exposed.

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

The SABFS recognises that Board members or officials may at times have interests that conflict with the exercise of their powers and functions. There are therefore appropriate structures in place for declarations of interest as part of each meeting procedure.

BOARD AND SUB COMMITTEE MEETINGS, REMUNERATION AND DISBURSEMENTS

FINANCIAL YEAR 2021

Board remuneration for the financial year

Meeting Attendance

	Board	EXCO	Audit & Risk	Finance	Cons. Forum	Com-plaints	FF	Legal	Training and Dev.	HR	Telecon, other and combined meetings	Remuneration	Disbursement
Mrs C Mabuza	6	5									5	87,624	21,493
Mr M Magida	6	5	4		4					5	12	150,976	7,450
Mr A Murugan	6	5				4	7		5	5	17	212,176	5,793
Mr I Klynsmith	6	5				4		4			6	111,456	16,548
Mr PC Mogale	5	5				4		4			5	84,880	6,731
Ms K Sigenu	5	5	4	6							9	132,320	6,117
Ms M Lephadi	6	5		6			7				8	176,944	8,254
Mr AK Nkhumise	6							4	5		5	99,360	6,724
Mrs A Ralehlaka	6								5	5	3	53,580	6,360
Mrs S Mashaba**	6			6			7				2	-	3,000
Ms A Singh**	6							4			1	-	3,000
Mr G Cronje*			4								5		33,669
												1,109,316	**125,139**

** Mr Cronje was the Independent Chairperson of the Audit and Risk Committee.*

*** These Board Members are not eligible for meeting allowances as Government employees.*

AUDIT AND RISK COMMITTEE REPORT TO THE BOARD

The Audit and Risk Committee of the SABFS was 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 2021.

Audit and Risk Committee members and attendance

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

The Auditor-General is invited to send representatives to the Audit and Risk Committee meetings, but they have not attended any meetings for the period. The Chair and Deputy Chairperson of the Board have a standing invitation to attend all Audit and Risk Committee meetings.

NAME OF MEMBER	NO OF MEETINGS ATTENDED
Mr Cronje	4
Mrs Sigenu	4
Mr Magida	4

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

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

The Committee has:

- Reviewed and discussed the annual financial statements of the SABFS and the Fidelity Fund with the auditors, namely Mazars, the Board members and management. The annual financial statements are included in the Annual Report.
- Reviewed the auditor's management letter and management's responses to it
- Reviewed and discussed the report and audit opinion of the auditor with the auditor and management
- Reviewed changes in accounting policies and practices
- Reviewed the SABFS' compliance with legal and regulatory provisions

The Committee is 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 2021. The Committee concurs with 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 Committee confirms the financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice.

Efficiency and effectiveness of internal control

The SABFS does not currently have an internal audit function. The Committee has recommended to the Board that an internal audit function be introduced, with future assurance being managed with the assistance of a Combined Assurance Plan. The internal controls are currently monitored and implemented by management.

Performance management

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

Risk management

The SABFS has continued to enhance its enterprise wide risk management in the period. The Committee oversaw the activities of the SABFS Risk Management Committee. The SABFS subjected its risk management process to an independent benchmarking and is in the process of implementing the various recommendations for improvement.

Governance

The Board has formally adopted the principles of the King IV 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

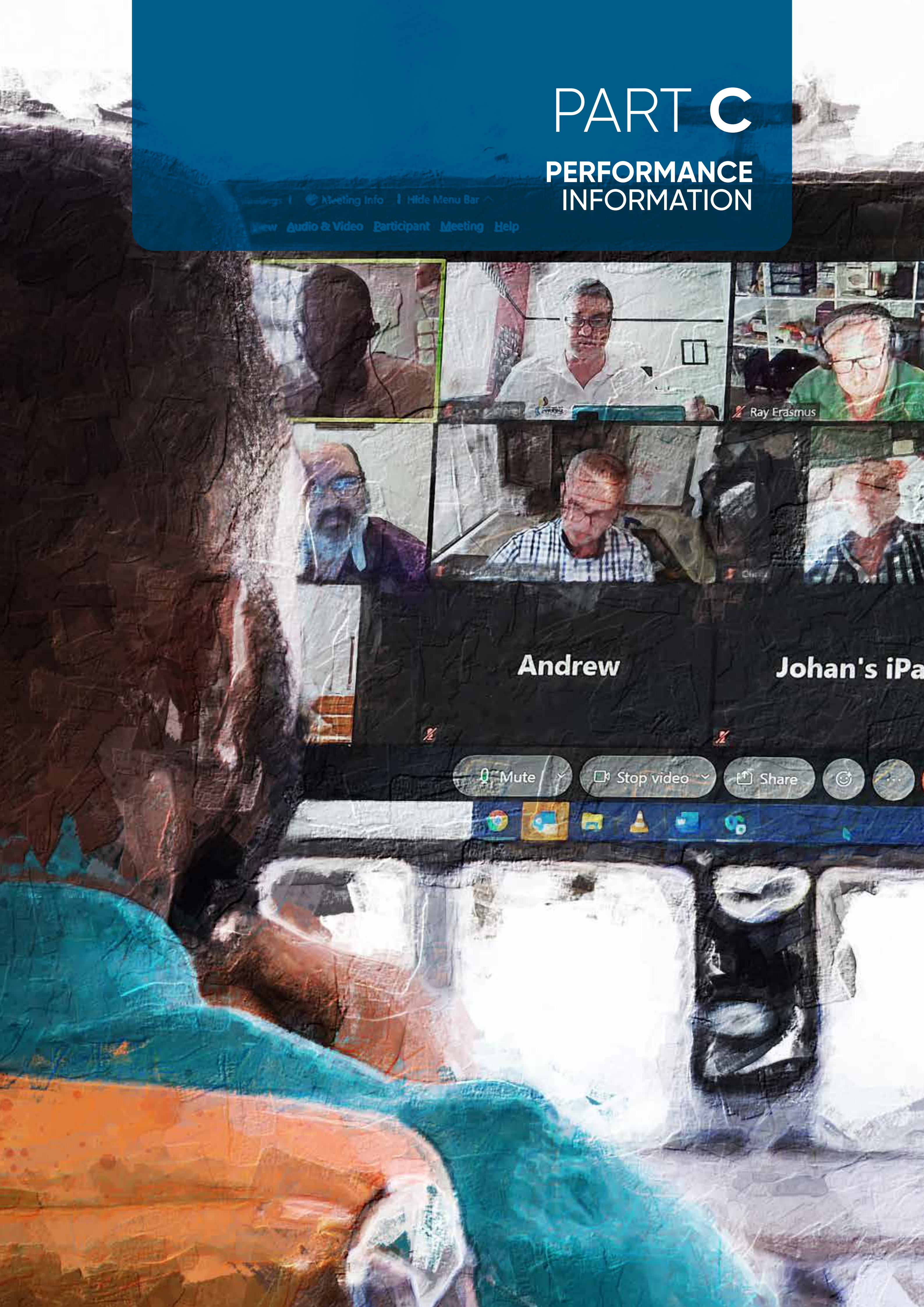
The Committee is very pleased with the progress made by the SABFS during the financial year in all the areas outlined in this report.

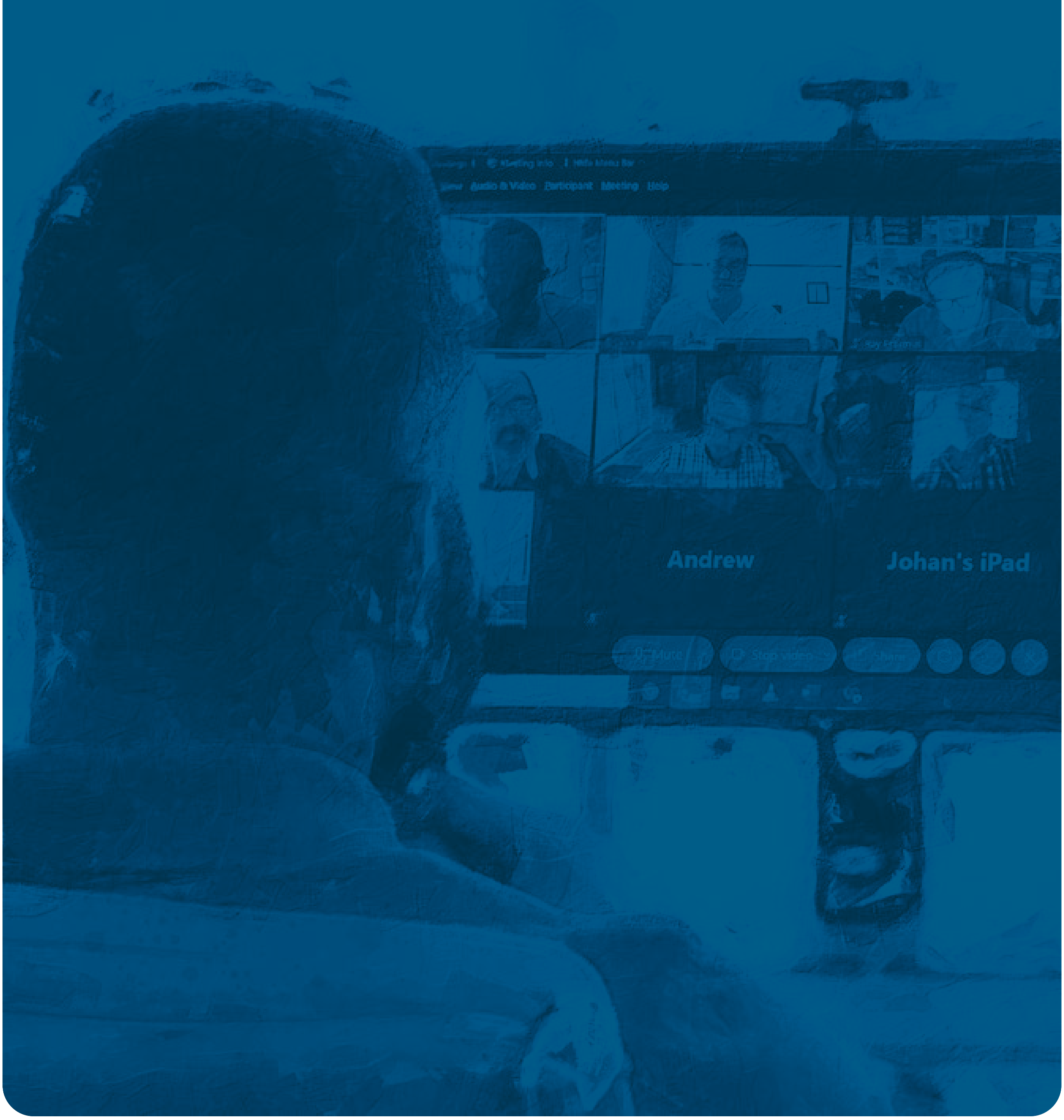
The Committee wishes to express its appreciation to the management of the SABFS and to the external auditors, Mazars, who enabled the Committee to perform its function as set out in the Audit Charter.

Mr Gregory Cronje
Independent Chairperson of the Audit and Risk Committee
30 June 2021

PART C

PERFORMANCE INFORMATION





OVERVIEW OF ORGANISATION'S PERFORMANCE

Service delivery environment

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

The SABFS 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 of them.

Sheriffs perform their duties in line with the Code of Conduct and Pledge for Sheriffs and are encouraged to uphold the dignity of those they serve.

Strategic outcome-oriented goals

What follows is qualitative information on the performance in respect of achieving stated objectives which are detailed in five different programmes.

PROGRAMME 1: COMPLIANCE

The goal of this programme is to enforce compliance, by the sheriffs, with the Sheriffs Act 90 of 1986 (as amended) and subordinate legislation governing sheriffs. This is performed through regulating and promoting the standard of conduct of sheriffs and deputy sheriffs, having due regard for the interests of the public.

Objectives:

- Provide high quality registration and renewal services
- Ensure compliance with legal obligations
- Define and monitor compliance with minimum professional standards for sheriffs

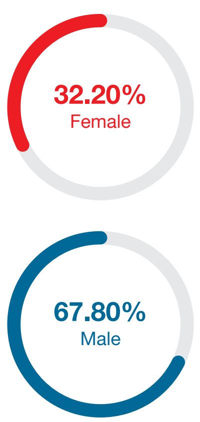
Registration of sheriffs and deputy sheriffs

The tables below provide registration information and demographics of sheriffs for 2020 and 2021.

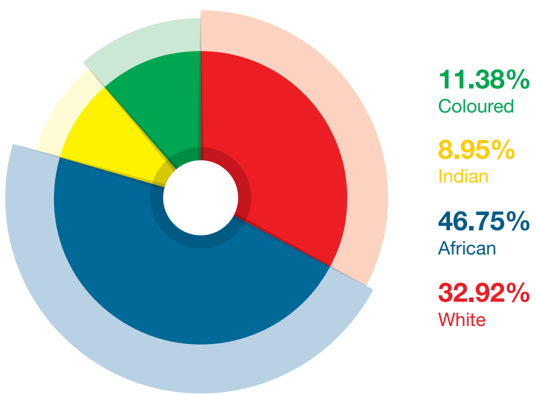
SHERIFFS STATS FROM 1 MARCH 2020 TO 28 FEBRUARY 2021

Province	Total	Race and Gender							
		White		African		Indian		Coloured	
		Male	Female	Male	Female	Male	Female	Male	Female
Eastern Cape	37	7	1	16	9	0	0	2	2
Free State	20	5	5	6	1	1	0	1	1
Gauteng	38	8	5	6	9	7	1	2	0
KwaZulu Natal	32	4	3	12	6	6	0	0	1
Limpopo	23	5	2	13	3	0	0	0	0
Mpumalanga	24	8	1	9	5	1	0	0	0
North West	19	8	1	4	4	0	1	0	1
Northern Cape	13	3	4	3	1	1	0	1	0
Western Cape	40	8	3	6	2	2	2	12	5
Total	**246**	**56**	**25**	**75**	**40**	**18**	**4**	**18**	**10**
	246								

GENDER



RACE



The table below provides registration information and demographics of acting sheriffs for 2020 and 2021.

ACTING SHERIFF STATS FROM 1 MARCH 2020 TO 28 FEBRUARY 2021									
Province	Total	Race and Gender							
		White		African		Indian		Coloured	
		Male	Female	Male	Female	Male	Female	Male	Female
Eastern Cape	4	0	0	3	1	0	0	0	0
Free State	1	0	0	0	1	0	0	0	0
Gauteng	6	1	1	3	0	1	0	0	0
KwaZulu Natal	3	0	0	2	1	0	0	0	0
Limpopo	2	0	1	1	0	0	0	0	0
Mpumalanga	3	0	1	2	0	0	0	0	0
North West	3	3	0	0	0	0	0	0	0
Northern Cape	1	1	0	0	0	0	0	0	0
Western Cape	3	0	0	1	1	1	0	0	0
Total	**26**	**5**	**3**	**12**	**4**	**2**	**0**	**0**	**0**
	26								

The table below provides registration information and demographics of deputy sheriffs for 2020 and 2021.

DEPUTY SHERIFF STATS FROM 1 MARCH 2020 TO 28 FEBRUARY 2021									
Province	Total	Race and Gender							
		White		African		Indian		Coloured	
		Male	Female	Male	Female	Male	Female	Male	Female
Eastern Cape	58	7	6	29	6	0	0	8	2
Free State	46	22	5	15	2	0	0	2	0
Gauteng	175	60	25	62	5	8	1	11	3
KwaZulu Natal	80	11	7	37	2	17	4	2	0
Limpopo	45	6	3	29	7	0	0	0	0
Mpumalanga	50	14	5	21	7	0	0	1	2
North West	34	3	3	19	5	1	0	3	0
Northern Cape	26	6	3	8	0	0	0	9	0
Western Cape	104	30	8	10	5	3	0	37	11
Total	**618**	**159**	**65**	**230**	**39**	**29**	**5**	**73**	**18**
	618								

REGIONAL COORDINATING COMMITTEE (RCC) – THE RATIONALISATION OF MAGISTERIAL DISTRICTS

Summary of the rationalisation project

The Court Rationalisation Process aims to redress the inequitable and racially biased locality of courts and demarcation of magisterial district boundaries under the pre-1994 political dispensation. It is premised on the constitutional imperative of access to justice, as expressed in section 34 of the Constitution. This report provides an overview of vacancies that were advertised, the current status of the rationalisation process, an update on progress in the respective provinces, and the way forward for the next few months.

Filling vacant sheriffs' service areas

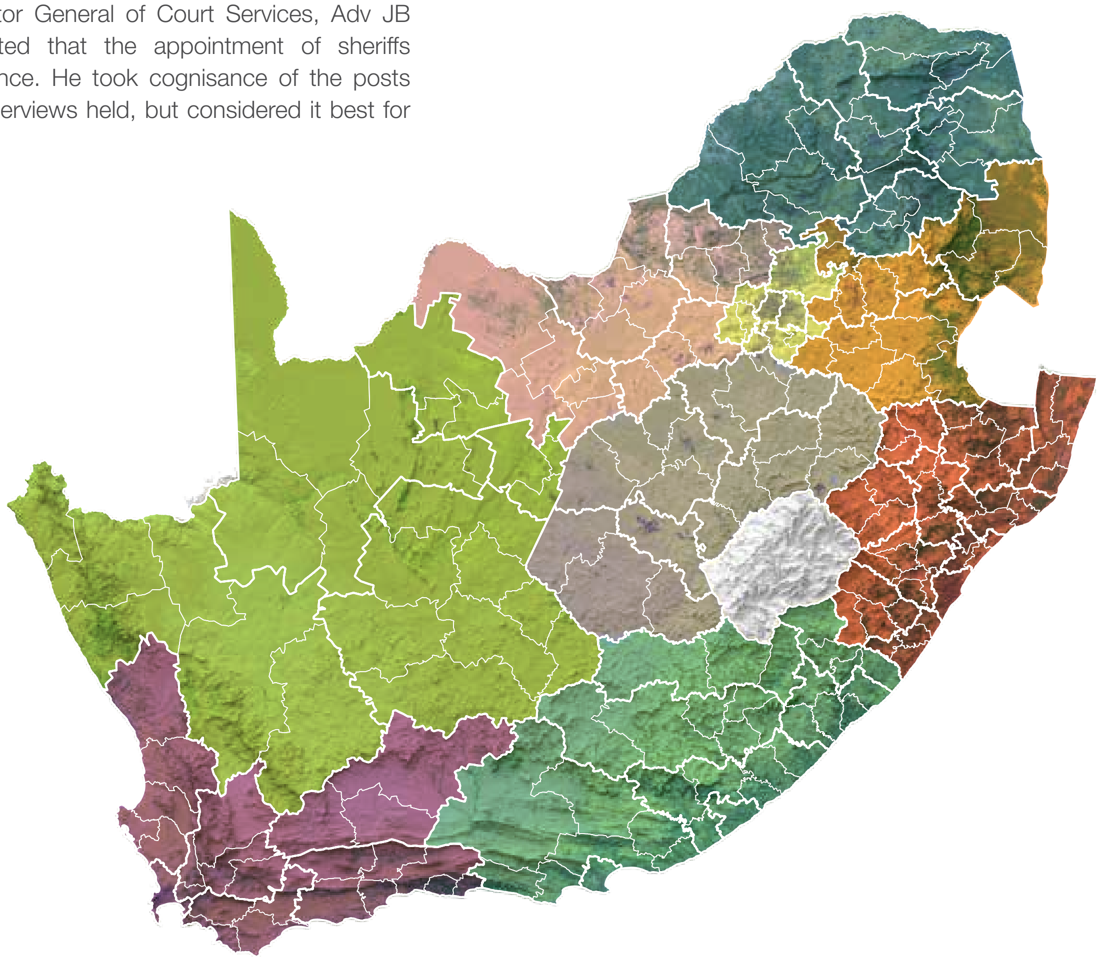
Although the intention was to advertise 89 of the 110 vacancies, only 21 vacancies were actually advertised. The remaining vacant sheriff service areas were not advertised. This was due to them being re-described and allocated to existing sheriffs (in terms of the rationalised magisterial districts), or to problems that needed to be resolved before they could be advertised.

At the Eastern Cape RCC meeting on 30 March 2021, the Deputy Director General of Court Services, Adv JB Skosana, requested that the appointment of sheriffs be held in abeyance. He took cognisance of the posts advertised and interviews held, but considered it best for appointments to be made in line with the new magisterial districts once gazetted. The anticipated date of publishing was before the end of May 2021, for implementation on 1 July 2021.

The principle of the process is that rationalisations should follow provincial and municipal boundaries as they are at present. Moving outside of such boundaries is only appropriate if there is proof of severe hardship on the people that cannot be avoided.

The rationalisation of service areas of sheriffs

Since the commencement of the rationalisation of magisterial districts on 1 December 2014, the magisterial districts of Gauteng, North-West, Limpopo, Mpumalanga and Northern Cape provinces have been rationalised. The maps and point-to-point descriptions of the magisterial districts and sub-districts in relation to the finalised rationalised magisterial districts have been completed. There will be a separate process of re-rationalising the magisterial districts of the remaining four provinces. This will be in line with the new District Development Model (DDM) announced by the President in 2019. The Eastern Cape, Free State, Kwa-Zulu Natal and Western Cape demarcated magisterial districts will be implemented with effect from July 2021.



PROGRAMME 2: FIDELITY FUND

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

Objectives:

- Improve the financial performance of the Fidelity Fund
- Process claims effectively and efficiently
- Reduce claims against the Fidelity Fund
- Establish a permanent unit for the administration of unclaimed trust funds and for Small Claims Court financial assistance

The Fidelity Fund is established in terms of section 26 of the Sheriffs Act 90 of 1986. Its primary function is to serve 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, with the capital guaranteed and the 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. 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 CLAIM LODGED	TOTAL NO OF CLAIMS RECEIVED PER FINANCIAL YEAR	TOTAL VALUE OF CLAIMS RECEIVED PER FINANCIAL YEAR (R)	*CUMULATIVE TOTAL VALUE OF CLAIMS STILL PENDING AND NOT YET APPROVED (R)	**CUMULATIVE TOTAL VALUE OF CLAIMS APPROVED BUT NOT YET PAID (R)	TOTAL CLAIMS PAID PER FINANCIAL YEAR (R)	CUMULATIVE TOTAL CLAIMS REJECTED (R)
2015/16 Opening balance as at 1 Mar 2016	50	8,428,460.17	4,660,900.73	412,278.52	0.00	828,995.88
2016/17 Opening balance as at 28 Feb 2017	57	13,173,316.65	19,170,023.90	412,278.52	2,000.00	2,017,474.40
2017/18 Opening balance as at 28 Feb 2018	75	21,794,294.60	30,447,701.73	426,967.56	6,219,603.06	6,301,799.07
2018/19 Opening balance as at 28 Feb 2019	106	16,172,255.90	43,169,155.52	416,613.06	6,829 880.10	2,836,190.53
2019/20 Opening balance as at 29 Feb 2020	27	6,433,665.52	32,515,333.45	1,219,620.03	18,278 020.34	14,122,336.95
2020/21 Opening balance as at 28 Feb 2021	20	4,088,503.67	33,120,349.44	4,334.54	1,315 278.52	8,195,872.18

PROGRAMME 3: ENHANCING THE SHERIFFS' PROFESSION

The goal of this programme is to build capacity and professionalise the work and image of sheriffs.

This is performed by increasing stakeholder awareness of the sheriffs' role, providing training opportunities for the profession, as well as undertaking public relations and marketing activities.

Objectives:

- Provide education and training for sheriffs and deputy sheriffs and their office staff
- Increase the visibility of the Board and the sheriffs' profession

TRAINING OF SHERIFFS AND DEPUTY SHERIFFS

The SABFS hosted four online Master Classes to upskill sheriffs between November 2020 and February 2021. The purpose of the four Master Classes was to fill the gaps identified within the industry. The Covid-19 pandemic regulations did not allow face-to-face interactions, hence the strategy of making use of online platforms.

The topics for the Master Classes were as follows:

- Charging of tariffs
- Software programmes
- Debt collection
- Maximising your income

The Tariffs Master Class was designed by Mr Murugan, a practising sheriff and Chairperson of the Training Committee. It took place on 10 November 2020 and had more than 60 attendees. Information about how to charge the correct tariffs and fees for sheriffs' services was given.

On 27 November 2020 the Software Programmes Master Class included presentations by five service providers explaining their sheriff-specific software applications. This workshop was attended by 96 attendees, who were given the opportunity to engage the providers and to pose questions. The service providers who presented their programmes were D Niewoudt, L De Kock, P Van Der Merwe, R Erasmus, E Schilz and J Harmse.

The Debt Collection Master Class was conducted by a consultant expert on 25 January 2021. This virtual session provided sheriffs with the principles of good practice when engaging stakeholders, the application of appropriate administrative systems, and the process to follow when collecting fees due to them. 121 attendees were recorded as present.

On 5 February 2021 121 sheriffs were taught how to maximise their income. At this Master Class there were thoughtful presentations from institutions such as the State Attorney's office, the CCMA, the Taxing Master, Court Services, and the Small Claims Court. Sheriffs could engage the panellists by posing questions and comments in the chat room to the moderator Mr A Murugan who asked the presenters to respond. All stakeholders agreed that the sheriffs' profession needs to forge stronger relationships through more workable communication mechanisms and - in some cases - by formulating an MOU between the sheriffs and other relevant parties.

National Bargaining Council information session

This online session was a relationship strengthening session specifically designed for sheriffs and the National Association of Bargaining Councils (NABC). Members of the Council and sheriffs were experiencing several challenges with regard to services delivered by sheriffs to the various bargaining councils. The SABFS and the NABC set up a Zoom workshop for Council to obtain a deeper understanding of the sheriffs' profession and the role of the SABFS.

The two sheriffs' associations (SASS and SANAPS), Court Services, and the Small Claims Court were invited to do presentations. The workshop also addressed various questions and concerns tabled by the NABC and sheriffs.

SABFS and NABC agreed that concerns were satisfactorily addressed during the workshop. It was resolved that follow-up sessions will be held between sheriffs, the SABFS, and the NABC.

Material development: Sheriffs Introductory Course 2021

In preparation for the Sheriffs Introductory Course (SIC) for newly appointed sheriffs in 2021, the SABFS set in place a process to revise the SIC material in its entirety. Guided by the Training and Development Committee and its administrative division, experienced sheriffs with recognised expertise within the sheriffs' profession and the SIC participated in this process.

Re-aligning the accuracy of the different guides to ensure their relevance and currency was a complex process. The participating sheriffs were Sheriffs Murugan, Dawood, Rajkumar, Adimoolum, Van Greunen, Singh, Carelse, Titus, Thoke and Soga.

Tasks completed included changes to the:

- Learner guide
- Current assessment instruments and the design thereof
- Assessment portfolio of evidence for the learners, including all templates to be used
- Assessor guide with memoranda and templates for the assessors

The meetings took place from October 2020 until March 2021. All the experts provided input and changes were captured. After the design process, the updated guides were submitted to SASSETA for approval. The SASSETA approval for the updated material was obtained.

Newsletters

The Siyanazisa newsletters are issued quarterly and distributed nationally to all sheriffs and SABFS stakeholders. Some salient articles for the reporting year included:

- June 2020 - Covid-19 Workplace policy
- August 2020 - Sheriffs and the Application of the POPIA Act
- November 2020 - Summary of Case Law: Proper Service of Summons
- February 2021 - Farewell to our outgoing SABFS Board members

Siyanazisa

Bookkeeping Course for Sheriffs

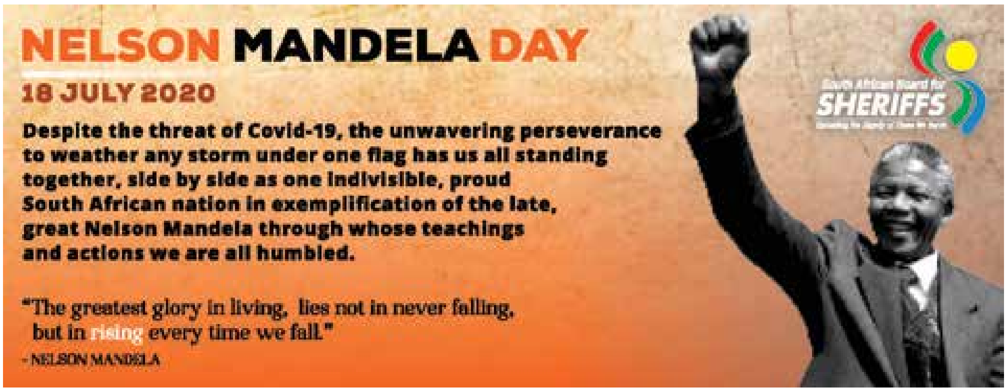
The fundamentals of bookkeeping and accounting principles relevant to the sheriffs' profession are covered in this short course. As with most of our training initiatives, this compulsory Bookkeeping Course for Sheriffs has been postponed more than once to accommodate the changing national lockdown regulations. Options such as the provision of an e-course were considered, although due to the complexity of concepts in accounting, a face-to-face learning option is still preferred.

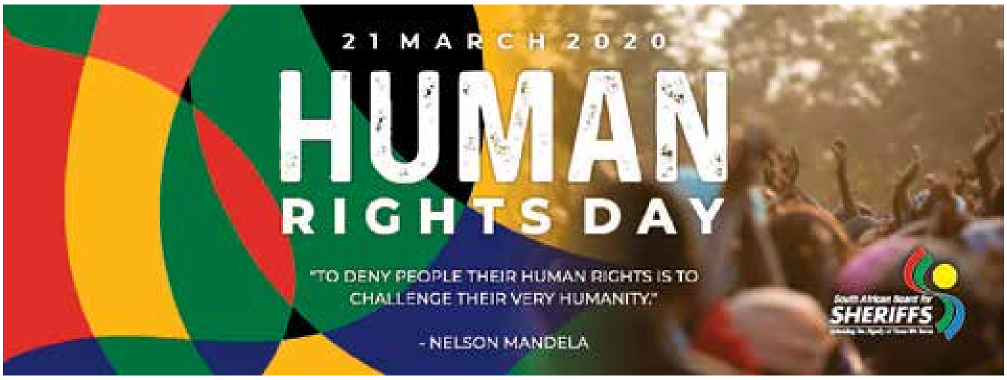
The course will be facilitated by a legal service provider, namely the Gawie le Roux Institute of Law. Expert inputs were given by A Murugan, MK Naidoo, A Nkhumise and P Roodt, with material changes made according to their directives. The developed material was then reviewed, and its applicability was assessed by our industry experts to ensure that it speaks to the sheriffs' profession.

The material development process started in May 2020. The Bookkeeping Course material was finalised and will hopefully be implemented during the 2021-22 financial year.

Communication initiatives

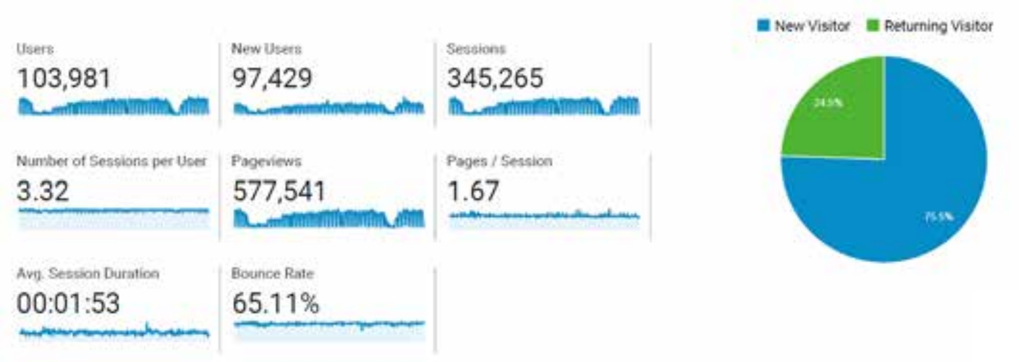
The staff complement were unable to physically attend outreach activities, due to lockdown restrictions. They were however able to be active on social media by distributing and supporting the following important events:





SABFS website

For the reporting period from March 2020 to February 2021 the SABFS website saw an increase in traffic of 103.9%, with organic searches constituting 83% on the website. There were 577,541 page views, with the most viewed page remaining the locate a sheriff page. The vacancies page came in a close second.



Social media

During the reporting period the SABFS has posted limited information on Twitter and Facebook. However, we continued to communicate with the public on these platforms to address their questions and further needs. The most effective communication platform between the Board and sheriffs still remains SMS.

Twitter engagement: 111
Twitter reach: 3,000

Facebook total post reach: 35,559
Facebook engagement: 781

Stakeholder Virtual Imbizo 2020

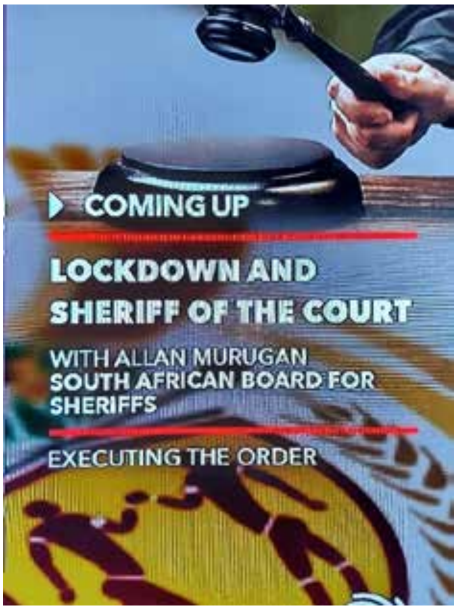
The SABFS successfully hosted its first Virtual Imbizo on 4 September 2020. The theme for the Imbizo was "*Keeping the wheels of justice turning despite Covid–19*". We were joined by the Honourable Minister Ronald Lamola, Deputy Minister Honourable John Jeffery, former Chairperson Charmaine Mabuza and award-winning journalist Iman Rappetti.

Radio campaign

A four-week national radio station campaign was aired from 1 to 30 November 2020 in all nine provinces. The total cost of this campaign was R460,092 (incl vat). The service provider was the SABC, which employed the services of seven radio stations nationally. The SABFS previously produced and paid for an advert entitled Evictions, to educate the public about the role of sheriffs in 30-second timed clips, in various languages. These were used for the duration of the campaign.

Role of the sheriff during the pandemic

The Board was invited by Newsroom Africa to inform the country about the role and function of the sheriff during the various lockdown levels. During the reporting period all evictions were stopped.



Sheriffs responded to new regulations by ensuring that the public, their offices and staff are protected in line with COVID-19 protocols.

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

Objectives:

- Maintain and adhere to the highest corporate governance standards
- Maintain ERM (Enterprise Wide Risk Management)
- Define stakeholder management for the sheriffs and the Board
- Determine the level of involvement of the Board in the appointment of deputy sheriffs
- Attract and retain highly competent and skilled individuals to ensure a culture of high performance at the office of the Board
- Achieve and maintain financial sustainability

Audit and risk

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

Procurement

During the current year the SABFS procured its goods and services from suppliers in a manner that complied with the requirements of the SABFS Supply Chain Management Policy. This policy has been reviewed and updated.

Fraud Hotline

The SABFS established a Fraud Hotline to help maintain the organisation's culture of ethical behaviour. 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.

No fraud-related matters have been lodged via the Hotline number during the financial year. As from March 2020 to date the Board has received 26 hotline complaints.

In the complaints raised the complainants allege that sheriffs:

- Fail to follow instructions
- Fail to produce identification cards whilst carrying out official work
- Fail to charge in accordance with the fees and tariffs as gazetted
- Harass, intimidate and threaten complainants
- Fail to follow the directions of court orders or enforcement awards
- Enter into settlement negotiations after a court order or enforcement award stipulates further execution steps
- Produce a false return of service
- Fail to render a return of service
- Lose court documents and instructions
- Fail to pay complainants timeously

In addition to the above sheriffs also fail to respond to complaints adequately and timeously.

Income revenue

The SABFS does not receive any funding from the Department of Justice and Constitutional Development. Revenue is generated from the sheriffs' profession via a 1.5% levy on the nett 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 its monies invested in line with the Sheriffs Act.

Risks

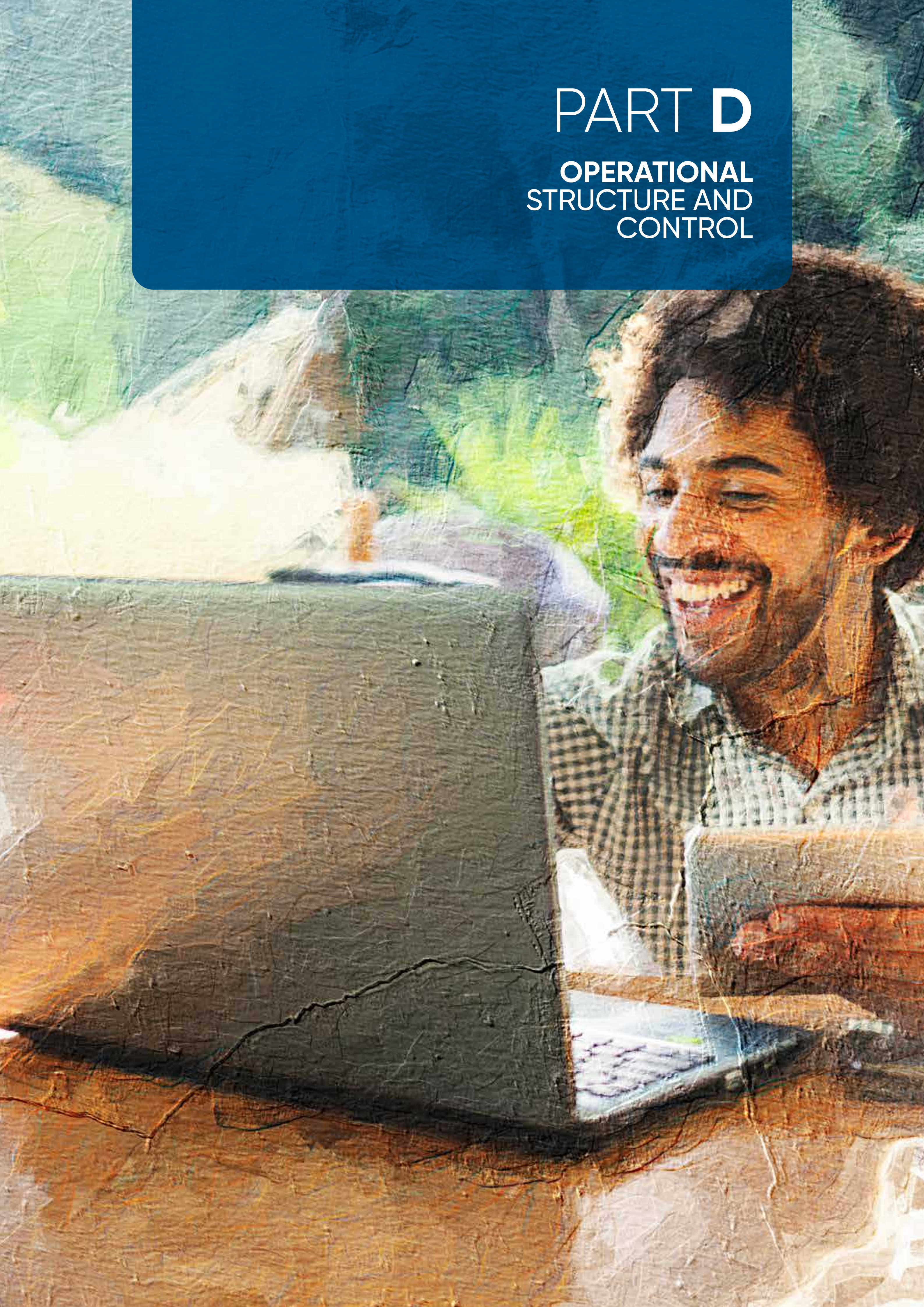
The SABFS and the Fidelity Fund are continually exposed to various risks. These risks are therefore diligently managed by the SABFS through the implementation of its risk policies. Risks are also reported to the Audit and Risk Committee and all identified risks are properly managed.

From time to time the Board requires the services of technical experts and advisors to assist with the execution of its duties. During the financial year, the Board incurred costs for additional services from various service providers, as listed in the table that follows.

COST OF CONSULTANTS AND TECHNICAL ADVISORS - SABFS' main service providers are listed below			
CONSULTANTS AND TECHNICAL ADVISORS	**OUTSOURCED SERVICE PROVIDED**	**COST FOR 2020/21**	**COST FOR 2019/20**
Mazars	External auditors	287,635	365,457
Hugo & Ngwenya Attorneys	Legal	46,343	61,077
Gravett Schoeman Inc	Legal	33,877	117,232
TNK Attorneys	Legal	0	99,291
Herold Gie	Legal	365,714	227,334
Goodes and Sedat	Legal	0	192,231
Leso Attorneys	Legal	95,625	102,132
MacRobert	Legal	597,684	623,914
IAC	Actuarial	0	26,206
Directrix	Actuarial	161,920	0
		1,588,798	**1,814,874**

PART D

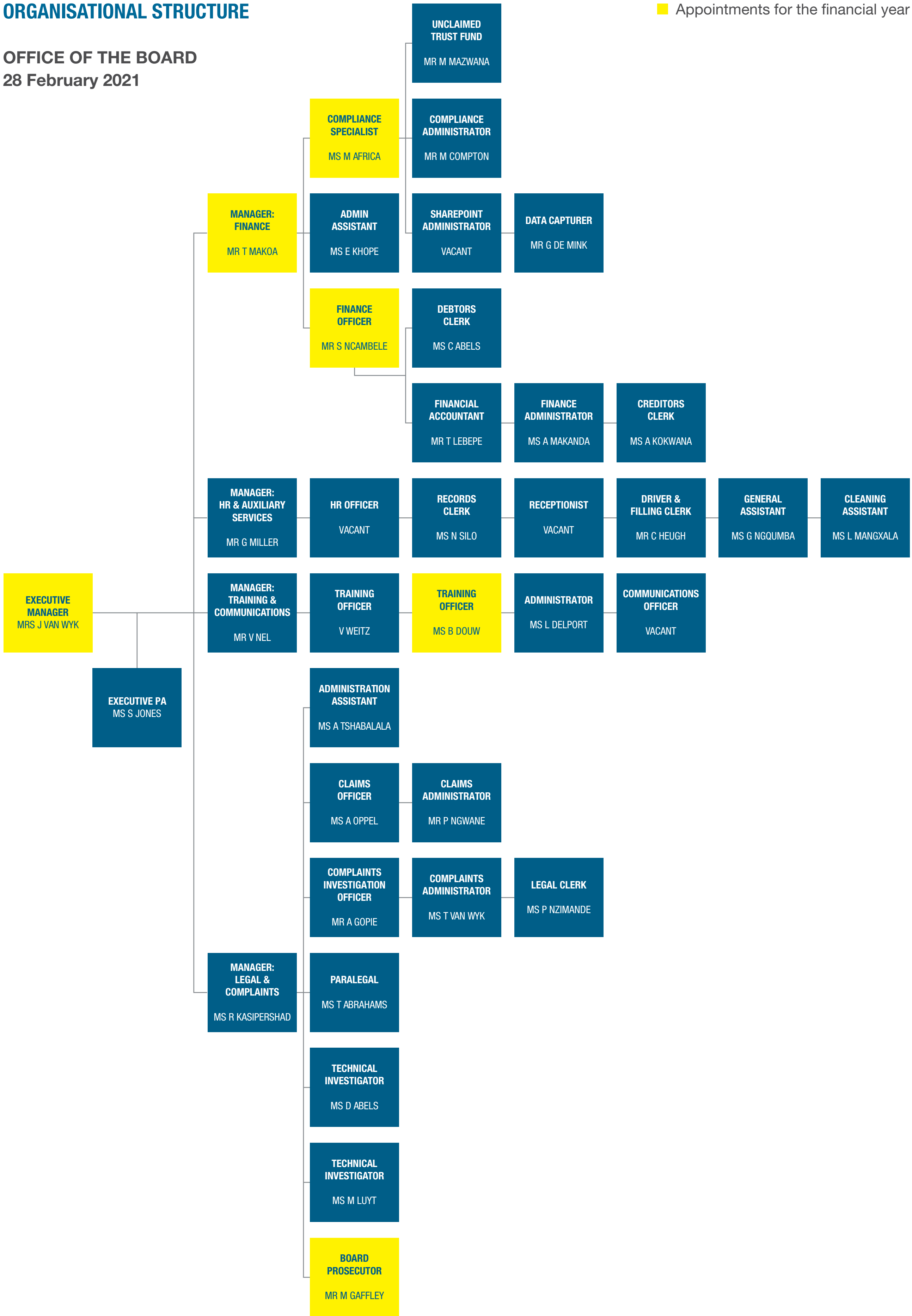
OPERATIONAL STRUCTURE AND CONTROL



ORGANISATIONAL STRUCTURE

OFFICE OF THE BOARD
28 February 2021

Appointments for the financial year



Impact of Covid-19 on the office of the Board

In the year since the pandemic began many South Africans have been infected and affected by Covid-19. Many organisations have revisited their employment policies to adapt to the ever-changing working environment. Government's implementation of the different alert levels to limit movement and free up the necessary resources in hospitals has been a positive move.

At the SABFS all necessary Covid-19 protocols have been documented and implemented to protect all staff and visitors to our office. An inspection of the office by the Department of Labour has verified that all protocols are in place.

Management have limited movement by allowing all staff to work remotely, especially during the peak of infections. This arrangement has helped keep staff safe and away from any potential super spreader events.

Our primary focus still remains to serve all the sheriffs and their offices as well as the public.

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 seven committees, to carry out their functions.

The office of 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 it.

STAFF COMPLEMENT AS AT 28 FEBRUARY 2021					
	MANAGEMENT		STAFF		TOTAL
	MALE	FEMALE	MALE	FEMALE	
African	1	0	5	11	17
Coloured	2	1	5	10	18
Indian	0	1	1	1	3
White	0	0	2	0	2
Total	**3**	**2**	**13**	**22**	**40**

Permanent Staff	28
Contract Staff	7
RCC MOU Contract Staff	5
Total	**40**

The office of the Board had an administrative staff of 36 approved and funded posts as at 28 February 2021. Of the 36 posts, five were vacant. However, seven persons were contracted during the reporting period to ensure maximum productivity with an additional five persons who are based at the Department of Justice (DoJCD MOU Contract – RCC). The salary for the five mentioned staff members is paid by the DoJCD and is therefore not included in the total employee cost disclosed.

Staff movement

Four contract appointments were made during the period under review:

- Mrs J van Wyk (Executive Manager) – contract position from 1 April 2020 to 31 March 2025
- Mrs M Kajie (Claims Specialist) – contract position from 8 February 2020 to 30 September 2021
- Mr T Makoa (Finance Manager) – contract position from 4 January 2021 to 3 January 2026
- Mr N Ntlokwane (Legal Administrator) – contract position from 2 February 2021 to 31 August 2021
- Ms E Morolong (Receptionist) resigned on 24 December 2020

POSITION	START DATE
Board prosecutor	1 October 2020
Debtor clerk	1 October 2020
Finance officer	27 July 2020
Receptionist	1 March 2020
Training officer	14 November 2020

Employee costs

Employee cost for the period amounted to R13,3 million (2020: R11,4 million). The Board approved a 5.5% increase for staff and management in March 2020.

Medical aid scheme

SEED Benefit Consulting CC is the liaison between the SABFS and Discovery Health. During the period under review 21 staff members were members of Discovery Health medical scheme.

Retirement Fund

The Board is a Participating Employer under the Sanlam Umbrella Pension Fund which provides retirement 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, 23 staff members were awarded performance incentives to the total value of R250,000.

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 and the organisation.

The interventions consisted of funding bursaries to complete degrees and diplomas, as well as short skills programmes and internal training initiatives. In the reporting period, the Board spent R75,307 on training its staff.

NO	TYPE OF TRAINING	COST
1	Individuals sessions	62,167
2	Group sessions	13,140
	TOTAL	**75,307**

Disciplinary action taken against staff

The Board had no reason to take disciplinary action against any staff members during the financial year.

Building maintenance 2020/21

During the reporting period, the SABFS commissioned maintenance and renovations to its building at 88 Loop Street, Cape Town.

PROGRAMME 5: LEGAL

The goal of this programme is to improve compliance with legal requirements and to regulate the sheriffs' profession by conducting inspections and implementing disciplinary procedures against transgressing sheriffs

Objectives:

- Conduct research and prepare new and amended legislation
- Conduct advocacy and lobbying on behalf of the sheriffs' profession
- Conduct investigations and implement disciplinary processes
- Conduct inspections

The standard procedure for lodging a complaint requires the complainant to complete a Form 3 complaint affidavit and submit it to the Board via the contacts@sheriffs.org.za email address. Other complaints received are registered as an enquiry, with enquiries dispensed with more swiftly.

Complaints against sheriffs and deputy sheriffs

Enquiries

Enquiries are dealt with in writing by the legal division. The Legal Manager's focus area has been on enquiries and formal complaints.

When an enquiry is serious and needs to be escalated, the complainant is required to submit an affidavit. A total of 438 enquiries have been received for the period March 2020 to February 2021.

MONTH	TOTAL ENQUIRIES RECEIVED	TOTAL ENQUIRIES CLOSED
March 2020	77	77
April 2020	28	28
May 2020	15	15
June 2020	18	18
July 2020	14	14
August 2020	19	19
September 2020	36	36
October 2020	54	54
November 2020	115	115
December 2020	38	38
January 2021	5	5
February 2021	19	19
TOTAL	**438**	**438**

Formal complaints

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

A total of 254 formal complaints have been received by the Board for the period March 2020 until February 2021, 251 of these complaints have been resolved. The following statistics indicate the number of complaints received, resolved and still pending.

Note that there is always a gap between the time when the formal complaint is received and when it is resolved, and not all formal complaints are resolved in the same month that they are dealt with.

MONTH	TOTAL COMPLAINTS RECEIVED	TOTAL COMPLAINTS CLOSED
March 2020	61	61
April 2020	3	3
May 2020	19	19
June 2020	20	20
July 2020	51	51
August 2020	32	32
September 2020	20	20
October 2020	18	18
November 2020	7	7
December 2020	10	10
January 2021	7	7
February 2021	10	10
TOTAL	**258**	**258**

Civil matters against sheriffs, instituted by the SABFS

In the interests of the public and the Fidelity Fund, the Board, where it deems necessary, institutes legal proceedings against a sheriff for the freezing of their trust and/or business account. In 2020, the Board instituted one such application.

Criminal matters

There has been one criminal case opened against a sheriff which is still ongoing.

Disciplinary hearings

Four disciplinary hearings were part heard for the period March 2020 to February 2021 encompassing complaints, technical charges and trust account shortages.

Appeals considered by the Board

Internal Appeals
No internal appeals were lodged for the period March 2020 to February 2021.

External Appeals
No external appeals were heard for the period March 2020 to February 2021.

Other matters dealt with by the Board

Removal of Sheriffs
One sheriff was removed for the period March 2020 to February 2021.

Consultative Forum

The Consultative Forum comprises members from the two sheriffs' associations, members of the Board, stakeholders from a broad range of sectors, as well as being 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:

- Consulting and advising on legislative and policy matters proposed by the Board, the two sheriffs' organisations and any other interested body
- Ensuring the inputs of the sheriffs' profession are discussed and debated
- Considering input on transformation within the profession
- Consulting and engaging on any matter affecting the profession
- Forwarding the Forum's recommendations to the Board for consideration

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

- 9 June 2020
- 10 September 2020
- 12 November 2020
- 8 February 2021

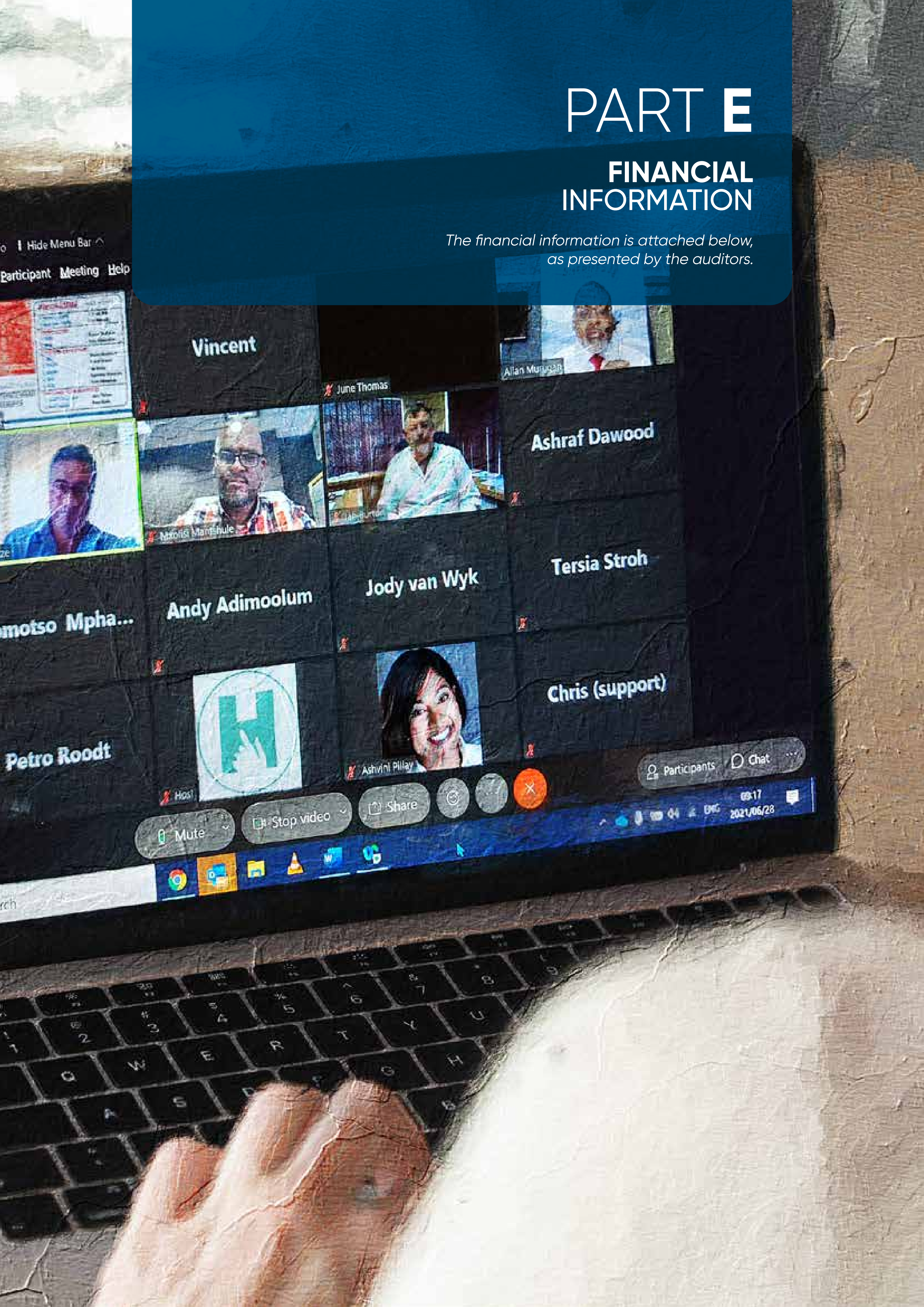
The purpose of the Consultative Forum is to create a platform for the Board and sheriffs' voluntary organisations to consult on industry related matters, such as, but not limited to:

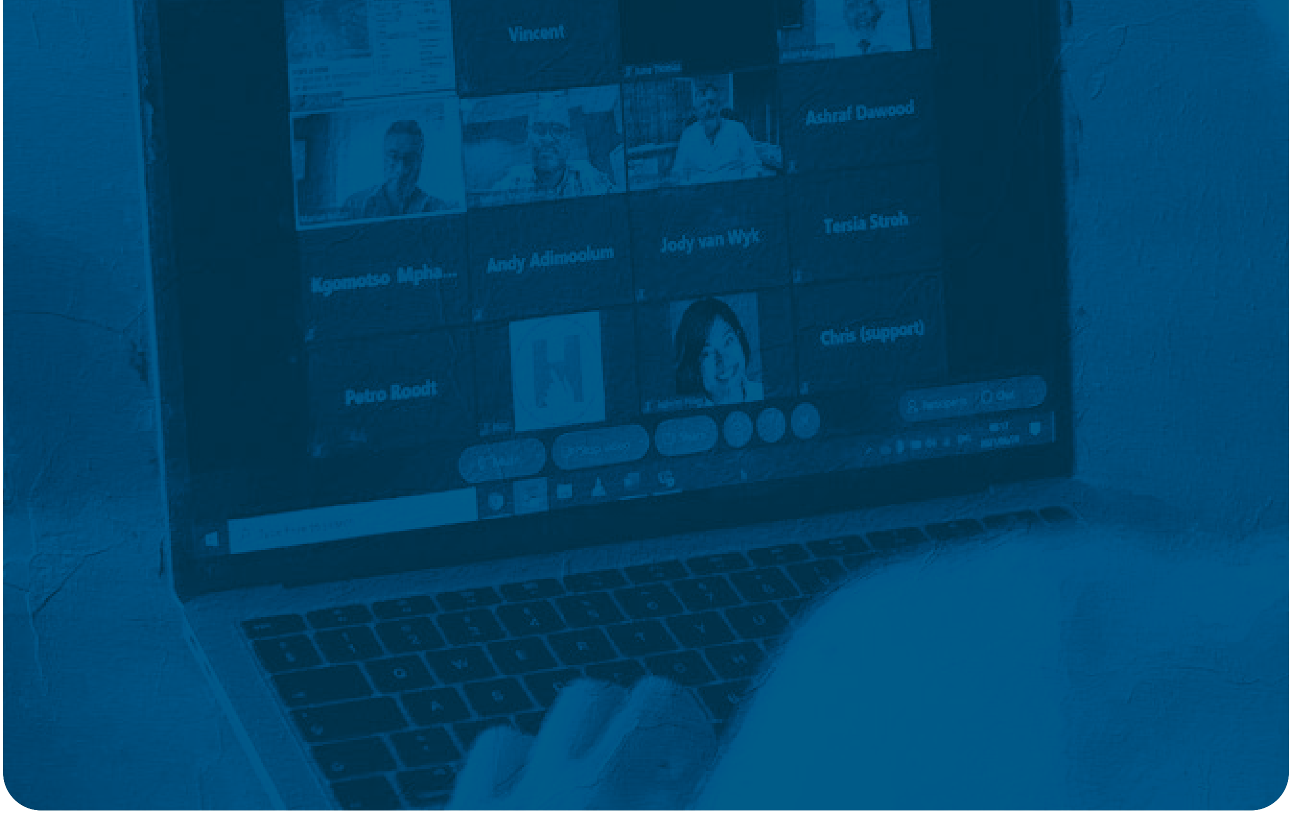
- Insurance Service Provider
- Form 16
- Point-to-point description and sheriffs' offices
- Tax invoices on levy payments
- Non-payment of sheriffs' accounts by attorneys
- Number of transactions - Audit Exemption Form Memorandum of Understanding (MOU) from the Department of Labour
- e – Justice project
- Impact on Amendments of Rule 43 and Rule 46 CCMA Enforcement awards and interpleaders and payment of accounts by CCMA.

PART E

FINANCIAL INFORMATION

The financial information is attached below, as presented by the auditors.





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 2021

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 2022 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.

The external auditors are responsible for independently auditing 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 44 to 46.

The annual financial statements and supplementary information set out on pages 47 to 73, which have been prepared on the going-concern basis, were approved by the Board on 28 July 2021 and were signed on its behalf by:

Mrs. J Van Wyk
(Executive Manager)

Mr. K Mahlaba
(Chairperson: Finance Committee)

INDEPENDENT AUDITORS' REPORT

28 February 2021

To the Minister of Justice and Correctional Services

Opinion

We have audited the annual financial statements of the South African Board for Sheriffs set out on pages 48 to 71, which comprise the statement of financial position as at 28 February 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Board for Sheriffs as at 28 February 2021, and 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the annual financial statements, which is not modified, we draw your attention to the board members view on the impact of the COVID-19 as disclosed on page 47, and the consideration on going concern and non-adjusting post balance sheet events in notes 22 and 23 to the annual financial statements.

Key Audit Matters

The key audit matters section is mandatory for all audits of complete sets of general purpose annual financial statements of listed entities; as well as where the auditor is required by law or regulation to communicate these matters.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters relate to the annual financial statements.

Other information

The Members of the Board are responsible for the other information. The other information comprises the Board Member's Report and the supplementary information. The other information does not form part of the annual financial statements and we do not express an opinion thereon in our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Annual Financial Statements

The Members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with the South African 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), and for such internal control as the members of the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 the members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

- Conclude on the appropriateness of the board members' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board members 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.

Mazars
Partner: Theeban Gangen
Registered Auditor
Date: 28 July 2021
Cape Town

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS (SA)
IRBA REGISTRATION NUMBER 900222

PARTNERS:
MC OLCKERS (NATIONAL CO-CEO), MV NINAN (NATIONAL CO-CEO), JM BARNARD, AK BATT, FJ CRONJE, AS DE JAGER, DS DOLLMAN, M EDELBERG, Y FERREIRA, T GANGEN, R GROENEWALD, AK HOOSAIN, MY ISMAIL, N JANSEN, J MARAIS, B MBUNGE, FN MILLER, G MOLYNEUX, A MORUCK, S NAIDOO, MG ODENDAAL, W OLIVIER, D RESNICK, BG SACKS, MA SALEE, N SILBOWITZ, SM SOLOMON, HH SWANEPOEL, AL SWARTZ, MJA TEUCHERT, N THELANDER, JC VAN TUBBERGH, EC VAN HEERDEN, N VOLSCHENK, J WATKINS-BAKER

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT
www.mazars.co.za

Hide Menu Bar
Meeting
Help
Vincent
June Thomas
Ashraf Dawood
Andy Adimoolum
Jody van Wyk
Tersia Stroh
Petro Roodt
Ashvini Pillay
Chris (support)
Mute
Stop video
Share
Participants
Chat
2021/06/28

BOARD MEMBERS' REPORT

The board members submit their report for the year ended 28 February 2021.

1. Review of activities

Main business and operations
The entity is governed in terms of the Sheriff's Act, No.90 of 1986, the objective of the Board is to maintain the esteem, enhance the status and improve the standard of training and functions performed by the sheriffs who operates throughout South Africa.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

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 realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has generated a deficit of R614,703 for the year under review.

The board members have considererd the continued impact of COVID-19 on the business and have seen the impact to date. The impact of COVID-19 doesn't pose a risk on the going concern of the business. They will continue to monitor the impact of COVID-19 on the business.

3. Events after the reporting period

The current on-going pandemic (COVID-19) continues to be a significant risk for the business this is being monitored continuously. The South African Board for Sheriffs (SABFS) has assessed the impact of COVID-19 on the financial statements. The future revenue of the SABFS will be impacted due to the reduction in interest rates as well as the decline in the revenue earned by sheriffs due to the inability to perform certain duties, which generates the levies for the SABFS. The impact of COVID-19 will also create a cash flow problem for sheriffs and the ability to pay levies timeously.

The Board members are not aware of any other matter or circumstances arising since the end of the financial year and up to the date of this report that would materially impact the financial position of the entity.

4. Public Finance Management Act (PFMA)

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

NAME	CHANGES
C. Mabuza (Chairperson)	Term ended 31 May 2021
M.Lephadi	Term ended 31 May 2021
I. Klynsmith	Term ended 31 May 2021
M. Magida	Term ended 31 May 2021
A. Singh	Term ended 31 May 2021
K. Sigenu	Term ended 31 May 2021
A. Murugan	Term ended 31 May 2021
P. Mogale	Term ended 31 May 2021
A. Ralehlaka	Term ended 31 May 2021
A. Nkumise	Term ended 31 May 2021
S. Mashaba	Reappointed 04 June 2021
Adv. M Morgan (Chairperson)	Appointed 04 June 2021
AJL Titus	Appointed 04 June 2021
T Tshoaedi	Appointed 04 June 2021
K Mahlaba	Appointed 04 June 2021
ZP Nkosi	Appointed 04 June 2021
AL Shabalala	Appointed 04 June 2021
I Burton	Appointed 04 June 2021
NS Maremane	Appointed 04 June 2021
P Mlandu	Appointed 04 June 2021

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	4	4,054,171	3,109,198
Intangible assets	5	1,038,537	1,086,731
Investments held to maturity	6	1,201,175	1,142,790
		6,293,883	5,338,719
Total Non-Current Assets		**6,293,883**	**5,338,719**
Current Assets			
Trade and other receivables	8	2,419,436	1,455,812
Cash and cash equivalents	9	8,326,340	11,236,209
Receivable from related party	10	7,891,594	5,841,520
		18,637,370	18,533,541
Total Current Assets		**18,637,370**	**18,533,541**
Total Assets		**24,931,253**	**23,872,260**
Current Liabilities			
Trade and other payables	11	2,991,726	1,574,558
Provisions	12	469,014	212,486
Total Liabilities		**3,460,740**	**1,787,044**
Net Assets		**21,470,513**	**22,085,216**
Accumulated Surplus		20,584,164	21,198,867
Non- Distributable Reserve		886,349	886,349
Total Net Assets		**21,470,513**	**22,085,216**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2021	2020
Revenue	14	18,795,343	22,163,143
Other income	14	879,269	665,687
Operating expenses		(20,576,301)	(21,698,058)
Operating (deficit) / surplus	15	**(901,689)**	**1,130,772**
Investment revenue	17	286,986	550,879
(Deficit) / Surplus for the year		**(614,703)**	**1,681,651**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	ACCUMULATED SURPLUS	NDR - REVALUATION RESERVE	TOTAL NET ASSETS
Balance at 01 March 2019	**19,517,216**	**886,349**	**20,403,565**
Surplus for the year	1,681,651	-	1,681,651
Balance at 01 March 2020	**21,198,867**	**886,349**	**22,085,216**
Deficit for the year	(614,703)	-	(614,703)
Balance at 28 February 2021	**20,584,164**	**886,349**	**21,470,513**

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2020	2019
Cash flows from operating activities			
Receipts from sheriffs and Fidelity Fund		26,390,089	28,910,041
Payments to suppliers and Fidelity Fund		(25,818,918)	(27,709,130)
Net cash from operating activities	19	**571,170**	**1,200,911**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(1,516,355)	(278,406)
Purchase of intangible assets	5	(201,596)	(41,326)
Advances & Admin fees due by related party	20	(16,733,547)	(16,814,018)
Payments received from related party	20	14,683,473	12,872,947
Interest income	17	286,986	550,879
Finance cost		-	(39,794)
Net cash flows from investing activities		**(3,481,039)**	**(3,749,718)**
Net increase in cash and cash equivalents		**(2,909,869)**	**(2,548,807)**
Cash and cash equivalents at the beginning of the year		**11,236,209**	**13,785,016**
Cash and Cash equivalents at the end of the year	9	**8,326,340**	**11,236,209**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	APPROVED MIDTERM BUDGET	BUDGET ALLOCATION FOR THE YEAR	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN BUDGET AND ACTUAL	NOTE
Revenue					
Levies received	8,000,000	8,000,000	4,584,129	(3,415,871)	25
Administrative fees	14,000,000	14,000,000	14,211,214	211,214	25
Investment income	220,000	220,000	286,986	66,986	25
SETA grants	-	-	590,488	590,488	25
Fair value adjustment	-	-	58,385	58,385	25
Royalties	-	-	396	396	25
Other income	200,000	200,000	230,000	30,000	25
Total revenue	**22,420,000**	**22,420,000**	**19,961,598**	**(2,458,402)**	25
Operating Expenses					
Board and sub committees	1,386,434	1,386,434	1,073,507	(312,927)	25
Executive Manager's Office	310,000	310,000	238,017	(71,983)	25
Legal and Complaints Division	172,500	172,500	126,954	(45,546)	25
Formal Disciplinary Hearings	425,000	425,000	288,264	(136,736)	25
Finance, Administration and Compliance Division	401,500	401,500	302,665	(98,835)	25
Communication Activities	1,085,000	1,085,000	840,953	(244,047)	25
Training	2,250,000	2,250,000	749,415	(1,500,585)	25
General Operations - Depreciation	455,000	455,000	821,173	366,173	25
Contracts i.e. Cleaning, Office Maintenance	1,197,000	1,197,000	1,361,995	164,995	25
Other General Office Expenditure	1,715,000	1,715,000	2,069,099	354,099	25
Personnel Expenditure	12,696,351	12,696,351	12,628,952	(67,399)	25
Staff Development	270,000	270,000	75,307	(194,693)	25
Sheriff Relief Benefits	3,793,030	3,793,030	-	(3,793,030)	25
Contingency budget	50,000	50,000	-	(50,000)	25
Total expenses	**26,206,815**	**26,206,815**	**20,576,301**	**(5,630,514)**	25
Net (Deficit) / Surplus	**(3,786,815)**	**(3,786,815)**	**(614,703)**	**3,172,112**	25

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. The 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 entity 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.

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. A provision for bad/doubtful debts is provided in terms of the policy of the SABFS.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost.

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 the 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.

Fair value estimation

The carrying value plus revaluation reserves and less impairment provisions of property, plant and equipment are assumed to approximate their fair values.

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 rate method, less accumulated impairment losses.

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

The receivable from the related party is a mechanism to handle the transactions between the SABFS and the Fidelity Fund. These transactions are all at arm's length.

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.

Provisions

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

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.

Investments held to maturity

Cash and Cash equivalents which are held for maturity is valued at fair value and are recorded inclusive of all interest amounts due at financial year end.

1.5 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 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.

1.6 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.

The provision for leave pay is based on the values as the payroll system as at the financial year end.

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

1.7 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.

Levies receivable from sheriffs in terms of Section 19 of the Sheriffs Act

Revenue from the submission of documents in terms of Section 19 of The Act is recognised when all the following conditions have been satisfied:

- Form 16 has been received and the amount required is paid;
- Invoices are raised on the date the amount due was paid and where the amount is not paid, an invoice will be raised and the amount collected within reasonable time;

Administration fee receivable from the Fidelity Fund

An administration fee of 8.5% is receivable from the Fidelity Fund based on the value of the Fidelity Fund. Revenue from this item is recognised when all the following conditions have been satisfied:

- It is based on the value of the fidelity fund, excluding the monies and interest received on unclaimed trust funds;
- The amount is calculated on a monthly basis;
- The amount is transferred through the related party receivable account;

Interest, royalties

Revenue arising from the use by others of entity assets yielding interest and royalties 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 SABFS becomes entitled to the income.

1.8 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.

1.9 COMPARATIVE FIGURES

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

1.10 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.

1.11 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.

1.12 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 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 32 Service concession arrangements: Grantor
- GRAP 108 Statutory receivables
- GRAP 109 Accounting by principals and agents
- GRAP 110 Living and Non-living Resources

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 2021 financial year-end:

- GRAP 35 Employee Benefits
- GRAP 104 Financial Instruments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment

FIGURES IN RAND	2021			2020		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Burglar alarms	13,964	(2,095)	11,869	13,964	(700)	13,264
Computer equipment	2,358,504	(1,184,668)	1,173,836	1,116,825	(907,494)	209,331
Furniture and fixtures	937,405	(810,287)	127,118	937,405	(774,473)	162,932
Kitchen appliances	15,343	(15,230)	113	13,644	(13,539)	105
Office equipment	304,293	(274,319)	29,974	304,293	(250,655)	53,638
Motor vehicles	197,890	(147,890)	50,000	197,890	(145,529)	52,361
Property	3,198,574	(537,312)	2,661,261	2,925,597	(308,030)	2,617,567
Total	**7,025,973**	**(2,971,802)**	**4,054,171**	**5,509,618**	**(2,400,420)**	**3,109,198**

Reconciliation of property, plant and equipment -

FIGURES IN RAND	2021					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	VALUATION ADJUSTMENTS	CLOSING BALANCE
Burglar alarms	13,264	-	-	(1,395)	-	11,869
Computer equipment	209,331	1,241,679	-	(277,174)	-	1,173,836
Furniture and fixtures	162,933	-	-	(35,814)	-	127,119
Kitchen appliances	105	1,699	-	(1,691)	-	113
Office equipment	53,638	-	-	(23,664)	-	26,974
Motor vehicles	52,361	-	-	(2,361)	-	50,000
Property	2,617,567	272,977	-	(229,283)	-	2,661,261
Total	**3,109,198**	**1,516,355**	-	**(571,382)**	-	**4,054,171**

Reconciliation of property, plant and equipment -

FIGURES IN RAND	2020					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	VALUATION ADJUSTMENTS	CLOSING BALANCE
Burglar alarms	-	13,964	(2,700)	(700)	2,700	13,264
Computer equipment	242,073	42,693	-	(75,435)	-	209,331
Furniture and fixtures	117,519	70,498	-	(25,085)	-	162,932
Kitchen appliances	106	-	-	(1)	-	105
Office equipment	72,908	18,642	-	(37,912)	-	53,638
Motor vehicles	81,939	-	-	(29,578)	-	52,361
Property	2,619,857	132,609	-	(134,899)	-	2,617,567
Total	**3,134,402**	**278,406**	**(2,700)**	**(303,610)**	**2,700**	**3,109,198**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Property	2020	2019
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 has been accounted for as follows:		
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
Additions since valuation	197,588	197,588
Total Revalued amount 28 February 2018	2,001,640	2,001,640
Less Accumulated Depreciation at 28 February 2019	(274,965)	(274,965)
Add Revaluation at 28 February 2019	819,187	819,187
Additions since valuation in 2019	71,704	73,994
Total Revalued amount February 2019	**2,617,567**	**2,619,857**
Less Accumulated Depreciation at 29 February 2020	-	(134,899)
Less Accumulated Depreciation at 28 February 2021	(229,282)	-
Additions 2020	-	132,609
Additions 2021	272,977	-
Total Revalued amount 28 February 2021	**2,661,261**	**2,617,567**

Other information

i. The Property represents the value of the SABFS at the date of purchase of the Property at 88 Loop Street, Cape Town at the 31 July 2013.
ii. A Valuation of the property was undertaken by The Valuation Group, on the 12th February 2019.
iii. The valuator was Mr. Karl Crosland, a registered Professional Valuer, with registration number 3760/0.
iv. The property was valued at R15,500,000 during the 2019 financial year. (2016: R13,750,000). The portion reflected relates to the SABFS only.
v. The valuation method used was The Income Capitalisation Method, which is consistent with the previous valuation method used.
vi. The assumptions used in the valuation is that the building is wholly owned and are owner used.
v. The following valuation will be performed before 28 February 2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible Assets

FIGURES IN RAND	2021			2020		
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer software	459,775	(308,935)	150,840	258,179	(233,791)	24,388
Copy right material	1,572,639	(948,990)	623,649	1,572,639	(774,344)	798,295
Electronic database	408,871	(144,823)	264,048	408,871	(144,823)	264,048
Total	**2,441,285**	**(1,402,748)**	**1,038,537**	**2,239,689**	**(1,152,958)**	**1,086,731**

Reconciliation of intangible assets -

FIGURES IN RAND	2021					
	OPENING BALANCE	ADDITIONS	DISPOSALS	AMORTISATION	VALUATION/ IMPAIRMENT ADJUSTMENTS	CLOSING BALANCE
Computer software	24,388	201,596	-	(75,144)	-	150,840
Copy right material	798,295	-	-	(174,646)	-	623,649
Electronic database	264,048	-	-	-	-	264,048
Total	**1,086,731**	**201,596**	**-**	**(249,790)**	**-**	**1,038,537**

Reconciliation of intangible assets -

FIGURES IN RAND	2020					
	OPENING BALANCE	ADDITIONS	DISPOSALS	AMORTISATION	ACCUMULATED AMORTISATION ON DISPOSALS	CLOSING BALANCE
Computer software	36,672	-	-	(12,284)	-	24,388
Copy right material	927,488	41,326	-	(170,519)	-	798,295
Electronic database	264,048	-	-	-	-	264,048
Total	**1,228,208**	**41,326**	**-**	**(182,803)**	**-**	**1,086,731**

6. Investments held to maturity

	2021	2020
StanLib investment	1,201,175	1,142,790
	1,201,175	**1,142,790**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020

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	1,984,143	1,133,818
Receivable from related party	7,891,594	5,841,520
Cash and cash equivalents	8,326,340	11,236,209
	18,202,077	**18,211,547**

8. Trade and other receivables

Trade Receivables	2,661,349	1,461,199
Provision for bad debts	(854,394)	(536,265)
Other receivables	177,188	208,884
Value Added Taxation	435,293	321,994
	2,419,436	**1,455,812**

The ageing of trade at the reporting date

30 days	736,334	360,746
60 days plus	1,925,015	1,100,453
	2,661,349	**1,461,199**

Reconciliation of provision for bad debts

Balance at beginning of year	(536,265)	(303,424)
Impairment losses recognised	(854,394)	(232,841)
Impairment losses reversed	536,265	-
Balance at end of year	**(854,394)**	**(536,265)**

9. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	-	6,690
Bank balances	392,442	273,968
Short-term deposits	7,933,898	10,955,551
	8,326,340	**11,236,209**

10. Receivable from related party

Fidelity Fund for Sheriffs - owing amount	**7,891,594**	**5,841,520**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020

11. Trade and other payables

Trade creditors	1,066,934	720,177
Accrued expenses	1,924,792	854,381
	2,991,726	**1,574,558**

12. Provisions

Leave provision		
Opening balance	212,486	156,479
movement for the year	256,528	56,007
Closing balance	**469,014**	**212,486**

Provisions relates to Leave pay provision. The amount is recognised as leave due as at the end of the financial year. No further provisions are raised.

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	**2,991,726**	**1,574,558**

14. Revenue

Gross Levies received	8,371,219	8,292,108
Sheriff Relief benefit	(3,787,090)	-
Net Levies Received	4,584,129	8,292,108,
Administrative fees received	14,211,214	13,871,035
	18,795,343	**30,455,251**

Revenue from Levies is recognised net of the Sheriff Relief Benefits provided for the 2021 financial year. The Sheriff Relief Benefit includes relief provided to the Deputy sheriffs. During the 2021 financial year the Minister approved Relief for Sheriffs in the form of a rebate on Levies due for the financial year. Deputy Sheriffs were provided a once-off R2 000 payout. The Deputy relief is also regarded as a reduction in the total revenue earned from the Sheriff.

Other income		
Fines and penalties	230,000	152,500
Fair Value gains on investment	58,385	86,556
Royalties	396	-
SASSETA grants	590,488	426,631
	879,269	**665,688**
	19,674,612	**31,120,939**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020
14. Revenue (continued)		
The amounts included in revenue arising from exchange of goods or service are as follows:		
Administrative fees received	14,211,214	13,871,035
Royalties	396	-
	14,211,610	**13,871,035**
The amounts included in revenue arising from non-exchange transactions are as follows:		
Levies received	4,584,129	8,292,108
Fines and penalties	230,000	152,500
Skills rebates - SASSETA	590,488	426,631
	5,404,617	**8,871,239**
15. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Lease rentals on operating lease	298,657	326,949
Depreciation on property, plant and equipment	571,383	303,611
Amortisation of intangible assets	249,790	182,803
Auditor's remuneration	191,661	187,054
Consulting fees	69,011	168,078
Employee costs	13,290,544	11,497,428
16. Auditors remuneration		
Audit Fees	**191,661**	**187,054**
17. Investment Revenue		
Interest revenue		
Current accounts	71	30,330
Short-term deposits	286,915	520,549
	286,986	**550,879**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020

18. Taxation

No provision has been made for 2021 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

(Deficit) / Surplus for year	(614,703)	1,681,651
Adjustments for:		
Depreciation	571,383	303,611
Amortisation	249,790	182,803
Interest received	(286,986)	(550,879)
Fair value gain on investments	(58,385)	(86,556)
Finance costs	-	39,794
Changes in working capital:		
Trade and other receivables	(963,624)	(941,630)
Provisions	256,528	56,008
Trade and other payables	1,417,167	516,109
	571,170	**1,200,911**

20. Related parties

Relationships

Common board members — Fidelity Fund 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		
Receivable from related party		
Fidelity Fund for Sheriffs		
Opening Balance	5,841,520	1,900,449
Advances/Receipts	2,522,333	2,942,983
Administration fees	14,211,214	13,871,035
Payments received	(14,683,473)	(12,872,947)
	7,891,594	**5,841,520**

Administration fees charged to related party		
Fidelity Fund for Sheriffs	**14,211,214**	**13,871,035**

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

21. 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.

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. The receivable from Related party is the mechanism use to record transactions between the SABFS and the Fidelity Fund. These transactions relates to normal transactions at arms length.

22. 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.

The Board has generated a deficit of R614,702 for the year under review.

The board members have considererd the continued impact of COVID-19 on the business and have seen the impact to date. The impact of COVID-19 doesn't pose a risk on the going concern of the business. They will continue to monitor the impact of COVID-19 on the business.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Events after the reporting date

Within the context of the current pandemic (COVID-19), the global picture remains uncertain and evolving rapidly. Subsequent to 28 February 2021, The South African Board for Sheriffs (SABFS) has assessed the impact of COVID-19 on the financial statements. The impact of the COVID-19 on the cash flow will create a cash flow problem for the SABFS as sheriffs might not be in a position to pay their levies due.

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

24. 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.

25. Explanation of variances between Actual and budget

Revenue

The under recovery of revenue by R2,458,402 representing 10.97% is attributed to the following:

Levies

The under recovery of 42.7% was due to Sheriff relief benefits which are recognised as a rebate / discount on levies. There was a R371,219 over recovery on actual levies. The total amount paid as relief benefits to sheriffs amounted to R3,787,090. Refer to note 14.

Administrative fee

The over recovery of 1.51% is in line with the expected returns on the fidelity Fund.

Investment income

The over recovery of 30.45% is due to higher balances in the bank.

SETA grants

The over recovery is due the increase in the amounts received from the SETA.

Other income

The over recovery of 15% on this line item reflects the nature of the line item which is dependant on the sheriffs being fined.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. Explanation of variances between Actual and budget (continued)

Operating expenses

Total expenses is under budget by R5,630,514 representing a 21.48% under spend which is attributed to the following:

Board and sub committees

The under spending of 22.57% 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, Engagements Rule board and Other Stakeholder Engagements and also austerity measures implemented by the Board. The cost is also lower because meetings moved to a virtual platform.

Executive manager's office

The under spending on this line item of 23.22% was due to under spend on special projects allocated to the office of the Executive Manager. No major projects were undertaken.

Legal and complaints division

The under spending on this line item of 26.40% is due to the reduction in investigations at sheriffs offices. These investigations were replaced by a more cost effective measures, namely Desktop inspections which were performed from the offices of the SABFS. Covid also had a impact on the effective execution of tasks.

Formal Disciplinary hearings

The under spending of 32.17% on this line item is directly related to the number of DC hearings held during the year under review. The number of DC's were more than the previous year. Impact from Covid 19 and the ability to perform the task.

Finance, Administration and Compliance Division

The under spending of 24.62% on this line item is due to an underspend on all the line items. The major contributor were consultancy fees.

Communication activities

The under spending of 22.49% on this line item was due to savings incurred on some of the projects. Due to lockdown not much communication was required.

Training

The under spend of 66.69% on this line is due to the sheriffs introduction course training which could not be held due to Covid 19.

General operations - depreciation

The over spend is due to the additions to the assets.

Contracts i.e. Cleaning and office maintenance

The over spending of 13.78% on this line item is due to the increase in the expenses related to Covid-19 and getting the staff equipped to work from home.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. Explanation of variances between Actual and budget (continued)

Other general office expenditure

This over spending of 20.65% on this line item is due to staff not being at office additional operational costs were incurred to get the staff operational from home for the year.

Personnel expenditure

The under spending of 0.53% on this line item is not significant and seems to be in line with the actual budget.

Staff development

The under spend of 72.11% on this line is due to the fact that less staff were encouraged to study due to the pandemic.

Sheriff Relief Benefit

The under spend of 100% was due to Sheriff relief benefits which are recognised as a rebate / discount on levies. The total amount paid as relief benefits to sheriffs amounted to R3,787,090. Refer to note 14.

Contingency

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

26. Executive management and Board member's remuneration

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

Executive Management remuneration

	2021	2020
R Gaoraelwe - *Executive Manager(1 April - 26 June 2019)*	-	318,473
R Kasipershad - *Legal And Complaints Manager*	889,137	867,442
V Botha - *Acting Executive Manager(end of contract 30 April 2019)*	-	172,297
AC Simon - *Acting Executive Manager(Appointed 26 June 2019)*	25,000	201,136
VP Nel - *Training and Communication Manager*	743,631	676,609
AC Simon - *General Manager Corporate and Financial Services*	667,288	875,931
G Miller - *HR & Auxiliary Services Manager*	586,978	-
J van Wyk - *Executive Manager (Appointed 01 April 2020)*	1,416,542	-
TM Makoa - *Financial Manager Corporate and Financial Services (Appointed 04 January 2021)*	120,000	-
	4,448,576	**3,111,888**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Board Members emoluments (non-executive)

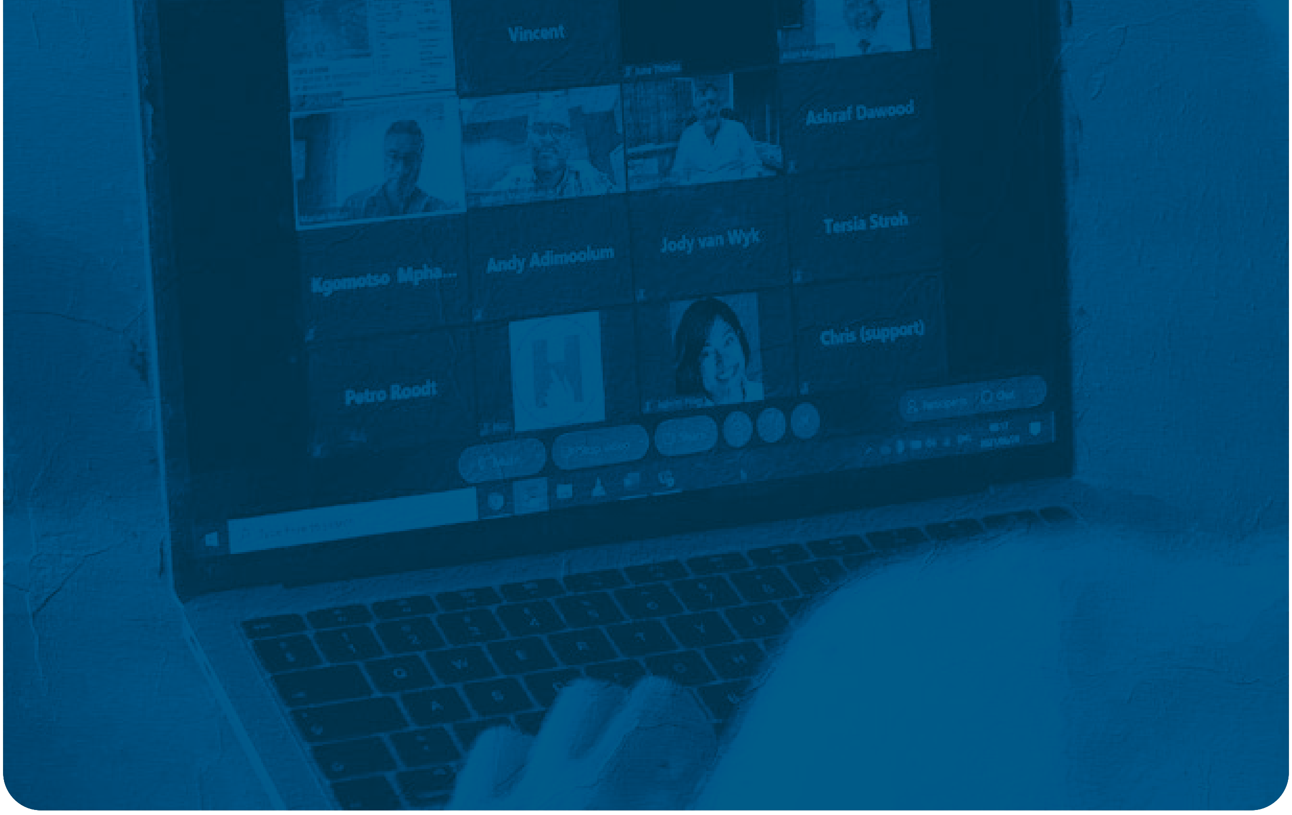
FIGURES IN RAND	2021		2020	
	ALLOWANCES	REIMBURSEMENT OF EXPENSES	ALLOWANCES	REIMBURSEMENT OF EXPENSES
C. Mabuza	87,624	21,493	56,598	9,028
S. Mashaba		3,000	-	417
A. Murugan	212,176	5,793	137,840	30,663
A Nkhumise	99,360	6,724	69,120	10,591
A Ralehlaka	53,580	6,360	57,600	8,859
P. Mogale	84,880	6,731	66,144	7,652
K. Sigenu	132,320	6,117	99,392	13,829
M. Magida	150,976	7,450	125,360	8,768
M. Lephadi	176,944	8,254	104,592	12,211
A. Singh	-	3,000	-	-
L. Mashapa			-	866
I. Klynsmith	111,456	16,548	63,376	19,523
G. Cronje *Independent Chairperson of Audit Committee*		33,669	-	38,891
	1,109,316	**125,139**	**780,022**	**161,298**

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2020	2019
Revenue			
Levies received		4,584,129	8,292,108
Administrative fees		14,211,214	13,871,035
Income	14	**18,795,343**	**22,163,143**
Other income			
Fines and penalties		230,000	152 500
Fair value adjustments		58,385	86 556
Royalties		396	-
Skills rebates - SASSETA		590,488	426 631
	14	**879,269**	**665 687**
Operating income		**19,674,612**	**22 828 830**
Investment income	17	286,986	550,879
Total income		**19,961,598**	**23,379,709**

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2020	2019
Operating expenses			
Accommodation		182,908	452,373
Auditor's remuneration	16	191,661	187,054
Bad Debts		318,017	232,841
Bank charges		62,009	61,447
Cash written off		6,690	-
Catering expenses		1,173	191,119
Cleaning		41,256	100,901
Communication and public education		753,084	1,104,157
Consulting fees		69,011	168,078
Criminal and credit clearance		18,060	21,871
DC & Inspections		-	147,177
Depreciation		821,173	486,414
Electricity and water		152,931	159,925
Employee costs		13,290,544	11,441,421
Finance Charges		-	39,794
Fines and penalties		101	-
Gifts		26,715	17,206
Insurance		187,458	148,325
IT expenses		23,933	55,581
Lease rentals on operating lease		298,657	326,949
Leave Accrual		256,528	56,007
Legal fees		27,788	363,423
Parking expenses		55,735	59,555
Postage		240,178	511,292
Printing and stationery		376,110	500,875
Recruitment expenses		533,117	631,689
Repairs and maintenance		797,394	272,607
Security		740	12,153
Staff welfare		273,439	191,623
Subscriptions		43,983	86,113
Telephone and fax		555,980	247,554
Training		865,296	2,351,818
Travel – local		104,631	1,070,716
		20,576,301	**21,698,05**
(Deficit) / Surplus for the year		**(614,703)**	**1,681,651**



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 2021

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 2022 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.

The external auditors are responsible for independently auditing 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 76 to 78.

The annual financial statements and supplementary information set out on pages 79 to 101, which have been prepared on the going-concern basis, were approved by the Board on 28 July 2021 and were signed on its behalf by:

Mrs. J Van Wyk
(Executive Manager)

Mr. K Mahlaba
(Chairperson: Finance Committee)

INDEPENDENT AUDITORS' REPORT

mazars

28 February 2021

To the Minister of Justice and Correctional Services

Opinion

We have audited the annual financial statements of the Fidelity Fund of Sheriffs set out on pages 80 to 100, which comprise the statement of financial position as at 28 February 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

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 2021, and 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the annual financial statements, which is not modified, we draw your attention to the board members view on the impact of the COVID-19 as disclosed on page 79 and the consideration on going concern and non-adjusting post balance sheet events in notes 20 and 21 to the annual financial statements.

Key Audit Matters

The key audit matters section is mandatory for all audits of complete sets of general purpose annual financial statements of listed entities; as well as where the auditor is required by law or regulation to communicate these matters.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters relate to the annual financial statements.

Other information

The Members of the Board are responsible for the other information. The other information comprises the Board Member's Report and the supplementary information. The other information does not form part of the annual financial statements and we do not express an opinion thereon in our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Annual Financial Statements

The Members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with the South African 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), and for such internal control as the members of the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 the members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

- Conclude on the appropriateness of the board members' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board members 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.

Mazars
Partner: Theeban Gangen
Registered Auditor
Date: 28 July 2021
Cape Town

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS (SA)
IRBA REGISTRATION NUMBER 900222

PARTNERS:
MC OLCKERS (NATIONAL CO-CEO), MV NINAN (NATIONAL CO-CEO), JM BARNARD, AK BATT, FJ CRONJE, AS DE JAGER, DS DOLLMAN, M EDELBERG, Y FERREIRA, T GANGEN, R GROENEWALD, AK HOOSAIN, MY ISMAIL, N JANSEN, J MARAIS, B MBUNGE, FN MILLER, G MOLYNEUX, A MORUCK, S NAIDOO, MG ODENDAAL, W OLIVIER, D RESNICK, BG SACKS, MA SALEE, N SILBOWITZ, SM SOLOMON, HH SWANEPOEL, AL SWARTZ, MJA TEUCHERT, N THELANDER, JC VAN TUBBERGH, EC VAN HEERDEN, N VOLSCHENK, J WATKINS-BAKER

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT
www.mazars.co.za

Cisco Webex Meetings
Meeting Info
Hide Menu Bar
File Edit Share View Audio & Video Participant Meeting Help
Vincent
June Thomas
Marius Kotze
Kgomotso Mpha...
Andy Adimoolum
Jody van Wyk
Petro Roodt
Ashvini Pillay
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BOARD MEMBERS' REPORT

The board members submit their report for the year ended 28 February 2021.

1. Review of activities

Main business and operations
The Fidelity Fund for Sheriffs (the Fund) is engaged and governed in terms of the Sheriff's Act, No.90 of 1986. The Fund is controlled and managed by the South African Board for Sheriffs (the Board), which shall utilise the money in the Fund in accordance with the Sheriffs Act, No. 90 of 1986.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

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 realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The board members have considererd the continued impact of COVID-19 on the business and have seen the impact to date. The impact of COVID-19 doesn't pose a risk on the going concern of the business. They will continue to monitor the impact of COVID-19 on the business.

3. Events after the reporting period

The current on-going pandemic (COVID-19) continues to be a significant risk for the business this is being monitored continuously. The Fidelity Fund for Sheriffs (FFS) has assessed the impact of COVID-19 on the financial statements The future revenue of the Fidelity Fund will be impacted due to the reduction in interest rates as well as the decline of the sale in executions, which generates the funds for the interest-bearing trust accounts of the sheriffs.

The Board members are not aware of any other matter or circumstances arising since the end of the financial year and up to the date of this report that would materially impact the financial position of the entity.

4. Public Finance Management Act (PFMA)

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

NAME	CHANGES
C. Mabuza (Chairperson)	Term ended 31 May 2021
M.Lephadi	Term ended 31 May 2021
I. Klynsmith	Term ended 31 May 2021
M. Magida	Term ended 31 May 2021
A. Singh	Term ended 31 May 2021
K. Sigenu	Term ended 31 May 2021
A. Murugan	Term ended 31 May 2021
P. Mogale	Term ended 31 May 2021
A. Ralehlaka	Term ended 31 May 2021
A. Nkumise	Term ended 31 May 2021
S. Mashaba	Reappointed 04 June 2021
Adv. M Morgan (Chairperson)	Appointed 04 June 2021
AJL Titus	Appointed 04 June 2021
T Tshoaedi	Appointed 04 June 2021
K Mahlaba	Appointed 04 June 2021
ZP Nkosi	Appointed 04 June 2021
AL Shabalala	Appointed 04 June 2021
I Burton	Appointed 04 June 2021
NS Maremane	Appointed 04 June 2021
P Mlandu	Appointed 04 June 2021

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2021	2020
Assets			
Trade and other receivables	6	783,795	373,269
Cash and cash equivalents	7	36,245,451	28,669,484
		37,029,246	29,042,753
Total Current Assets		**37,029,246**	**29,042,753**
Non-Current Assets			
Investment in Property	4	13,104,661	13,345,717
Investments held to maturity	7	190,005,628	172,565,581
		203,110,289	185,911,298
Total Non - Current Assets		**203,110,289**	**185,911,298**
Total Assets		**240,139,535**	**214,954,051**
Unclaimed Trust funds	9	63,659,100	52,140,350
Total Non-Current Liabilities		**63,659,100**	**52,140,350**
Current Liabilities			
Payable to related party	8	7,891,594	5,841,520
Trade and other payables	10	10,690,139	7,589,568
Provisions	12	177,832	2,172,578
		18,759,565	15,603,666
Total Current Liabilities		**18,759,565**	**15,603,666**
Total Liabilities		**82,418,665**	**67,744,016**
Net Assets		**157,720,870**	**147,210,035**
Accumulated Surplus		154,986,761	144,475,926
Non-Distributable reserve		2,734,109	2,734,109
Total Net Assets		**157,720,870**	**147,210,035**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2021	2020
Revenue	13	17,672,971	13,947,288
Operating expenses		(16,822,601)	(17,656,290)
Operating surplus / (deficit)	14	**850,370**	**(3,709,002)**
Investment revenue	15	9,660,465	10,611,536
Surplus for the year		**10,510,835**	**6,902,534**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	ACCUMULATED SURPLUS	NDR - REVALUATION RESERVE	TOTAL NET ASSETS
Balance at 01 March 2019	**137,573,392**	**2,734,109**	**140,307,501**
Surplus for the year	6,902,534	-	6,902,534
Balance at 01 March 2020	**144,475,926**	**2,734,109**	**147,210,035**
Surplus for the year	10,510,835	-	10,510,835
Balance at 28 February 2021	**154,986,761**	**2,734,109**	**157,720,870**

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	NOTES	2021	2020
Cash flows from operating activities			
Receipts from sheriffs and SABFS		32,438,532	29,452,844
Less cash payments to suppliers and SABFS		(19,133,057)	(30,394,336)
Net cash from operating activities	17	**13,305,475**	**(941,492)**
Cash flows from investing activities			
Interest income		9,660,465	10,611,536
Movement in Investments held to maturity		(17,440,047)	(17,641,462)
Advances to related party		16,733,547	16,814,018
Payments from related party	18	(14,683,473)	(12,872,947)
Net cash flows from investing activities		**(5,729,508)**	**(3,088,855)**
Net increase in cash and cash equivalents		**7,575,967**	**(4,030,347)**
Cash and cash equivalents at the beginning of the year		28,669,484	32,699,831
Cash and cash equivalents at the end of the year	7	**36,245,451**	**28,669,484**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2021

FIGURES IN RAND	REVISED APPROVED BUDGET	BUDGET ALLOCATION FOR THE YEAR	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN BUDGET AND ACTUAL	NOTE
Revenue					
Fidelity fund certificates	400,000	400,000	408,300	8,300	23
Interest income - Trust Accounts	16,000,000	16,000,000	17,264,671	1,264,671	23
Interest income - Investments	9,800,000	9,800,000	9,660,465	(139,535)	23
Total revenue	**26,200,000**	**26,200,000**	**27,333,436**	**1,133,436**	23
Operating Expenses					
Administration fees	15,000,000	15,000,000	14,211,214	(788,786)	23
Audit fees	80,000	80,000	80,000	-	23
Provision for bad debts	-	-	330,119	330,119	23
Bank Charges	6,000	6,000	4,040	(1,960)	23
Building maintenance	500,000	500,000	-	(500,000)	23, 26
Claims against the Fidelity Fund	2,500,000	2,500,000	4,335	(2,495,665)	23, 24
Consulting fees	400,000	400,000	161,920	(238,080)	23
Depreciation	300,000	300,000	241,056	(58,944)	23
Disciplinary Inquiries & Inspections	550,000	550,000	371,429	(178,571)	23
Insurances	1,550,000	1,550,000	207,082	(1,342,918)	23
Legal fees	950,000	950,000	978,751	28,751	23
Utilities	210,000	210,000	232,655	22,655	23
Total expenses	**22,046,000**	**22,046,000**	**16,822,601**	**(5,223,399)**	23
Net Suplus	**4,154,000**	**4,154,000**	**10,510,835**	**6,356,835**	23

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. The 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 entity 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.

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. A provision for bad/doubtful debts is provided in terms of the policy of the SABFS.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost.

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 the 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.

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.

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.

Fair value estimation

The carrying value plus revaluation reserves and less impairment provisions of property, plant and equipment are assumed top approximate their fair values.

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 uncollectible, 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 payables

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

Provisions

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

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.

Investments held to maturity

Cash and Cash equivalents which are held for maturity is valued at fair value and are recorded inclusive of all interest amounts due at financial year end

Unclaimed trust fund monies

Cash and cash equivalents which are regarded as unclaimed trust fund monies are held at fair value and are recorded inclusive of all interest amounts due at the end of the financial year. The interest on these funds is not recognized as revenue, until the applicable section, Sec22(5) are enacted into law. A corresponding liability is recognized for the capital amount as well as the interest received for the for the financial year.

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.

Provisions

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

Contingent assets and contingent liabilities are not recognised. Contingencies and Commitments are disclosed in note 25.

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.

Fidelity fund certificates

Revenue from the issuing of fidelity fund certificates is recognised when all the following conditions have been satisfied:

- an application form has been received and the amount required is paid;
- Invoices are raised on the date the amount due was paid and where the amount is not paid, an invoice will be raised and the amount collected within a reasonable time;

Interest received from sheriffs in terms of Section 22 of the Sheriffs Act

Revenue from the submission of Legal Obligations Phase 2 have been satisfied:

- an audit report or an exemption certificate has been received and the amount required is documented in terms of Section 22 of The Act;
- Invoices are raised on the date the amount due was paid and where the amount is not paid, an invoice will be raised and the amount collected within a reasonable time;
- Where a report indicates a zero amount due, an invoice will still be raised to ensure completeness of revenue recognition.

Interest

Revenue arising from the use by others of entity assets yielding interest and royalties 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 recognized 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 23.

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

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 2021 financial year-end:

- GRAP 35 Employee Benefits
- GRAP 104 Financial Instruments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment

FIGURES IN RAND	2021			2020		
	REVALUED AMOUNT	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Investment in Property	13,586,773	(482,112)	13,104,661	13,586,773	(241,056)	13,345,717

Reconciliation of property, plant and equipment – 2021

FIGURES IN RAND	2021					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	REVALUATION RESERVE	CLOSING BALANCE
Investment in Property	13,345,717	-	-	(241,056)	-	13,104,661

Reconciliation of property, plant and equipment – 2020

FIGURES IN RAND	2020					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	REVALUATION RESERVE	CLOSING BALANCE
Investment in Property	13,586,773	-	-	(241,056)	-	13,345,717

Details of property	2021	2020
The property is situated at 88 Loop Street Cape Town		
- Purchase price:	13,370,326	13,370,326
- South African Board for Sheriffs	(1,242,429)	(1,242,429)
Total Cost 28 February 2015	**12,127,897**	**12,127,897**
Less Accumulated Depreciation at 29 February 2016	(552,066)	(552,066)
Add Revaluation at 29 February 2016	476,952	476,952
Total Revalued amount 29 February 2016	**12,052,783**	**12,052,783**
Less Accumulated Depreciation at 28 February 2019	(723,167)	(723,167)
Add Revaluation at 28 February 2019	2,257,157	2,257,157
Total Revalued amount 28 February 2019	**13,586,773**	**13,586,773**
Less Accumulated Depreciation at 29 February 2020	-	(241,056)
Less Accumulated Depreciation at 28 February 2021	(482,112)	-
Total Revalued amount 28 February 2021	**13,104,661**	**13,345,717**

Other information

i. The Investment in Property represents the 10% of the value of the Fidelity Funds assets at the date of purchase of the Property at 88 Loop Street, Cape Town at the 31 July 2013.
ii. A Valuation of the property was undertaken by The Valuation Group, on the 12th February 2019.
iii. The valuator was Mr. Karl Crosland, a registered Professional Valuer, with registration number 3760/0.
iv. The property was valued at R15,500,000 during the 2019 financial year. (2016 : R13,750,000). The portion reflected relates to the fidelity fund only.
v. The valuation method used was The Income Capitalisation Method, which is consistent with the previous valuation method used.
vi. The assumptions used in the valuation is that the building is wholly owned and are owner used.
vii. The following Valuation will be performed before the end of the financial year for 2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020
5. 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	783,795	373,269
Investments held to maturity	190,005,628	172,565,581
Cash and cash equivalents	36,245,451	28,669,484
	227,034,874	**201,608,334**
6. Trade and other receivables		
Trade Receivables	1,196,809	464,792
Provision for bad debts	(579,590)	(249,192)
Accrued income	166,576	157,669
	783,795	**373,269**
The ageing of trade and other receivables at the reporting date		
The ageing of accounts receivables are as follows:		
Current	493,569	201,308
90 days plus	290,226	171,961
	783,795	**373,269**
Reconciliation of provision for bad debts		
Balance at beginning of year	(249,192)	(101,443)
Impairment losses recognised	(579,590)	(147,749)
Impairment losses reversed	249,192	-
Balance at end of year	**(579,590)**	**(249,192)**
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	**36,245,451**	**28,669,484**
Investments held to maturity	**190,005,628**	**172,565,581**
All cash and cash equivalents are held in ABSA Bank, NedBank, First National Bank and Standard Bank Limited.		
8. Payable to related party		
South African Board for Sheriffs – owed amount	**7,891,594**	**5,841,520**
The amount is unsecured, interest free and has no fixed terms of repayment.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020
9. Unclaimed trust funds		
The unclaimed trust monies are monies paid to the Fidelity Fund 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. These funds are not held as security, but are part of the Fidelity Fund.	**63,659,100**	**52,140,350**
Reconciliation of Unclaimed Trust funds		
Total Capital amount as per note 9	63,659,100	52,140,350
Total Interest earned to date	10,317,891	7,221,723
Theoretical balance at end of year	**73,976,991**	**59,362,073**
10. Trade and other payables		
Accrued expenses	-	65,263
Trade Creditors	308,514	300,008
Value Added Taxation	63,734	2,574
Unclaimed trust fund interest earned	10,317,891	7,221,723
	10,690,139	**7,589,568**
11. Financial liabilities by category		
The accounting policies for financial instruments have been applied to the line items below:		
Financial liabilities by category		
Payable to related party	7,891,594	5,841,520
Unclaimed trust funds	63,659,100	52,140,350
Provisions	177,832	2,172,578
Trade and other payables	10,317,891	7,286,986
	82,046,417	**67,441,434**
12. Provisions		
Opening balance 1 March	2,172,578	12,767,718
Additions	4,335	853,000
Less Claims paid	(1,999,081)	(11,448,140)
	177,832	**2,172,578**

Provisions relates to claims against the fidelity fund. These claims are recognised as and when the claims are approved. No further provisions are raised as mentioned in note 25, contingencies

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND	2021	2020
13. Revenue		
Fidelity fund certificates	408,300	485,596
Interest on Sheriffs trust accounts	17,264,671	13,461,692
	17,672,971	**13,947,288**
The amounts included in revenue arising from exchange of goods or service are as follows:		
Fidelity fund certificates	408,300	485,596
	408,300	**485,596**
The amounts included in revenue arising from non-exchange transactions are as follows:		
Interest on Sheriffs trust accounts	**17,264,671**	**13,461,692**
14. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	241,056	241,056
Auditor's remuneration	80,000	178,403
15. Investment revenue		
Interest on investments	9,571,785	10,341,305
Interest on current account	88,680	270,231
	9,660,465	**10,611,536**
16. Taxation		

No provision has been made for 2021 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FIGURES IN RAND		2021	2020
17. Cash generated from operations			
Surplus for the year		10,510,835	6,902,534
Adjustments for:			
Depreciation		241,056	241,056
Interest income		(9,660,465)	(10,611,536)
Trust balances		11,518,750	9,232,862
Changes in working capital:			
Trade and other receivables		(410,526)	(74,848)
Provisions		(1,994,746)	(10,595,140)
Trade and other payables		3,100,571	3,963,580
		13,305,475	**(941,492)**

18. 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.

	2021	2020
Related party balances		
Payable amount – Owing to related party		
South African Board for Sheriffs		
Opening Balance	5,841,520	1,900,449
Advances/Receipts	2,522,333	2,942,983
Administration fees	14,211,214	13,871,035
Payments	(14,683,473)	(12,872,947)
	7,891,594	**5,841,520**
Related party transactions		
Administration fees charged by related party		
South African Board for Sheriffs	**14,211,214**	**13,871,035**

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

19. 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.

20. 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. The board members have considererd the potential impact of COVID-19 on the business and have not seen any material impact to date. They will continue to monitor the potential impact of COVID-19 on the business.

21. Events after the reporting date

Within the context of the current pandemic (COVID-19), the global picture remains uncertain and evolving rapidly. Subsequent to 28 February 2021, The South African Board for Sheriffs (SABFS) has assessed the impact of COVID-19 on the financial statements. The impact of the COVID-19 on the cash flow will create a cash flow problem for the SABFS as sheriffs might not be in a position to pay their levies due.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. 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 year as the end of February in terms of the Sheriffs Act.

23. Explanation of variances between Actual and budget

Revenue

The over recovery of revenue by R1,133,436 representing 4.33% is attributed to the following:

Fidelity fund certificates

The over recovery of 2.08% on this line item is directly related to the number of sheriffs and the number of deputy appointments made for the year under review. This was impacted by the number of additional applications for Deputies.

Interest received on trust accounts

The over recovery of 7.90% of this line item is directly linked to monies remaining for longer periods in the sheriffs trust accounts and partial effect of the interest rates during the year.

Interest receive on investments

The under recovery of 1.42% on this line item is due to movements in the unclaimed trust funds and claims received within the fund that impacts the remaining balance of the investments, this is also due to the impact in the changes of the interest rates. Investments held at a higher interest rate matured and had to be invested at a lower interest rate.

Interest income Unclaimed trust monies

No revenue is recognised on this line item as the section is not yet effective.

Operating expenses

Total expenses are under budget by R5,223,399 representing a 23.69% under spend which is attributed to the following:

Administrative fees

The under spending of 5.26% on this line item is due to the slow increase in the value of the fund during the year, this was impacted by the changes in interest rates.

Bad debts

The amount for bad debts is related to the provision for bad debts which is in line with the long outstanding debtors.

Bank charges

The under spending on this line item is due to the fact that less requests for bank statements were made.

Building maintenance

The Fund contributed R500 000 towards the improvements and maintenance of the building. This has been disclosed under commitments as the maintenance is scheduled for the 2022 financial year.

Claims against the Fidelity Fund

The under spending on claims of 99.83% is due to the fact that the number of claims approved is less than budgeted as less submitted claims met the requirements of the Sheriffs Act to recognised as a valid claim. The Board has also become very strict in respect of approving claims.

Consulting fees

This was consultancy for the SCC Model that needed to be performed. Limited consultancy fees were incurred due to the fact that we were under lockdown.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Explanation of variances between Actual and budget *(continued)*

Depreciation

There is an under spend of 19.65% on depreciation, no costs were capitalised.

Disciplinary Inquiries & Inspections

The under spending of 32.47% on this line item is linked to the number of DC's and inspections that has taken place during the year. This is also due to Covid 19 which didn't allow much movement. The inspectors were unable to perform these tasks.

Insurance

The under spending of 86.64% in this line item is due to the fidelity fund was unable to secure insurance for the fidelity fund for the year. The Fund was self insured against claims.

Legal fees

The over spending of 3.03% in legal fees is due to the actual billing rate being higher than expected.

Utilities

This over spending of 10.79% is due to the valuation of the building increased significantly. The rates charged by the City of Cape Town also increased.

24. Claims against the Fidelity Fund

	2020	2019
Amount expensed in the current year	4,335	381,260
made up of		
Current year claims	4,335	853,000
Monies received from sheriffs trust accounts	-	(471,740)
Total claims paid for the year	**1,999,081**	**11,447,140**

25. Contingencies

Claims

As at 28 February 2021, claims amounting to R33,120,350 (2020: R30,768,781) were under investigation against the Fidelity Fund, in respect of certain sheriffs, with the outcome of which was uncertain at the date of issuing these financial statements. The probability of the claims to be approved/paid are null as the Board has to first admit the claim, before it can be seen as a valid claim. The Fidelity Fund is a fund of last resort and the Claimant has to excuses the sheriff fully. In terms of Section 37(2) of The Act, a claim can only be admitted after a Claimant has fulfilled the requirements of this section of The Act.

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 R2,768,06 (2020 : R5,567,112) 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. Commitments

Building renovations

As at 28 February 2021, the Fund had committed to spending R500,000 towards building repairs and maintenance. These costs haven't been accrued as they were not incurred. The repairs to the buildings started post year end even though the commitment was approved before year end.

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 29 FEBRUARY 2020

FIGURES IN RAND	NOTES	2020	2019
Revenue			
Fidelity fund certificates		408,300	485,596
Interest on Sheriffs trust accounts		17,264,671	13,461,692
Operating income	13	**17,672,971**	**13,947,288**
Other income			
Interest income	15	9,660,465	10,611,536
		9,660,465	**10,611,536**
Total income		**27,333,436**	**24,558,824**
Operating expenses			
Administration fees		14,211,214	13,871,035
Audit Fees		80,000	178,403
Provision for bad debts		330,119	147,749
Bank Charges		4,040	17,587
Claims against the Fidelity Fund	24	4,335	381,260
Consulting fees		161,920	-
Depreciation		241,056	241,056
Disciplinary Inquiries & Inspections		371,429	373,830
Insurance		207,082	293,809
Legal fees		978,751	1,959,461
Utilities		232,655	192,100
		16,822,601	**17,656,290**
Surplus for the year		**10,510,835**	**6,902,534**

NOTES

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South African Board for
SHERIFFS
Upholding the Dignity of Those We Serve