

5.5 Bafana Marketing Communications Campaign

A comprehensive brief has been developed. The next steps are to go on a limited pitch process with pre-identified agencies. An agency will be appointed by August 2008.

5.5.1 SABC

A workshop was held with the broadcaster on all aspects pertaining to the coverage and brand building of Bafana and other National teams. This resulted in a number of work streams which were established to follow up on specific issues.

5.6 Commercial Opportunities

5.6.1 The following Commercial opportunities were followed up:

McDonalds on sponsorship of the ball boys.
Potential sponsorship for the National U20 Team.

5.6.2 Rights Protection

The Association is to establish a rights protection for all merchandise.

5.7 Marketing Support

During the period under review; Teams participation; Bafana Bafana (playing 8 matches) and Amaglug-glug (playing 4 matches) and Banyana Banyana (with 3 matches). The pre-match campaigns were actively carried below-ground. This included road-shows, community radio activations, as well as banner campaigns.

5.8 Special Events

The Nelson Mandela Challenge match on 17 November

16. INFORMATION TECHNOLOGY

16.1 Executive Summary

The IT Department has finalised a number of projects, including the Finance Intranet module and the SAFA website that has registered over 8 million hits to date. The Department has also implemented an Editing Lab, where Match Analysis of all our national teams including counter-analysis is conducted. This will later culminate into Video library to be utilised by the technical-team for the past and future game planning and assessments.

Another programme on offer is a more sophisticated mailing system that integrates both mails forwarding to cell phones and vice versa across all types of phones regardless of the company make. Email can also be accessed from anywhere in the world including Internet Café, as long as there is internet-connectivity. Faxes have also been enhanced thereby allowing users to receive faxes from their mail boxes as well.

We are in the process of putting together an intranet system called Safaonline, this is basically an intranet application that collates all the manual operations throughout all SAFA departments and provides an automated platform where such tasks will be easily executed.

The Safaonline-intranet comprises of fifteen modules, and it has provision for growth to accommodate the Association's future needs.

Already four modules have been completed and are currently utilised in-house online, they are Referees-module, Competitions-Management-Module, HR-Module and Vehicle-Management system.

Currently the IT Department is planning to roll out training programmes ("Safaonline") to all the regions

Partners to sponsor the infrastructure and the services surrounding the implementation and running of SAFA's Wide Area Network (WAN) that will see all 52 regions getting interconnected thereby improving our communication within the association.

5.2 SAFA IT Programmes

1 January 2008 – 8 February 2008

Pilot Deployment Phase for HR System.

Status: System Completed and fully operational.

1 January 2008 – June 2008

Finance Management System vr 3 & HR System

Pilot Testing of FMS vr 3.

Status: System Completed and fully operational.

15 February 2008 – 1 March 2008

Testing of the new Website version.

Status: Completed and fully operational.

1 March 2008 – April 2008

Migration of email services to hosted environment due to load-shedding.

Status: System Completed and fully operational.

April 2008

Enhance remote email access via cell phones devices.

Status: Ongoing: Seven users brought devices and they are all up and running.

April 2008 – May 2008

Establishing Video Editing Lab for serving all national teams.

Status: Completed and fully operational, Video footage supply services ad hoc for now.

Testing and Implementation of Performance Management System.

Status: System Completed

June 2008 – July 2008

- Roll-out and Monitoring of the system across all regions.

• July 2008

- Assessments of all 52 regional office's office automation equipments (PCs Printers etc).

- Establishing a Wide Area Network (WAN) interconnecting all 52 SAFA Offices.

- Granting and configuring mail and fax services (four-users maximum) at every region.

• July 2008 – August 2008

- Testing League Administration Sub-Module.

- Services: This sub-module will provide a centralized administrative platform upon which the day to day activities of various SAFA leagues will be handled.

E.g., tracking of all players cards info, scheduling and modification of fixtures, Handling of Logs Results etc. and auto uploading onto SAFA's Website.

• August 2008

- Testing and Implementation of International Players Sub-Module.

- This module will handle the registration and also monitor the movement of players both locally and internationally.

- It will also provide a platform for the administration of Player Agents, the scheduling and coordination both FIFA and CAF workshops etc.

• September 2008

-Testing and Implementation of Kit Warehouse Sub-Module.

- Testing and Implementation of National Teams Events Scheduler and Handler Sub-Module.

• October 2008

- Testing and Implementation Legal Sub Module.

- Testing and Implementation Reports handler: HOD-reports, Coaches-reports, Departmental-reports etc.

• November 2008

17. ADMINISTRATION AND OPERATIONAL ISSUES

17.1 The Department

The department is in its second year of operation.

17.2 Main Functions

To organise travelling and accommodation for the National Executive Committee members, all sub-committee members throughout the country and internal transportation for other departments, national teams and office routine.

To manage and maintain the Association's motor vehicle fleet.

17.3 Office Maintenance

General up-keeping of the office plant and maintenance such as cleanliness and properly functioning switchboard and reception area.

17.4 Chief Executive Officers Office

The office provides Operational support to the office of the Chief Executive Officer.

17.5 The Association's Vehicle Fleet

A large number of vehicles are under the control of the department for the use by amongst others NEC members, other sub-committees members and staff in general.

17.6 National Executive Committee

Travelling and Accommodation for the NEC members mostly for meeting purposes and any other business related to the Association. We are also responsible for meetings and event logistics.

17.8 CAF Club Competitions

The department forms the integral part of the CAF Competition activities.

17.9 Senior National Team and Others

The department forms part of the operations of these teams by organising amongst others, the team's internal road transport, team managers and staff.

Match Commissioners, Referees and Heads Of Delegation are also looked after in terms of internal road transport and accommodation.

17.10 Courier Service

The courier service that caters for all the departments NEC and regions has improved beyond expectation.

The operation is currently in full swing and yields desired results.

17.11 Highlights

- Arrangements of all the HOD's support staff and the presidency departing for Ghana AFCON 2008.
- Arrival of the Bafana Bafana bus that is now officially the Property of the Association.
- Arrangements for the hosting of the CAF 50th Anniversary Celebrations across the country.
- Arrangements and hosting of the trip to Durban for the Preliminary Draw for the 2010 FIFA World Cup™.
- Phasing out of all the Association's vehicles that have become obsolete. This has saved the Association a fortune financially.

the country.

A drop in the number of motor vehicle accidents within the department, other staff members, NEC and the regions.

Improved professionalism in organisation and despatch of minutes and other correspondence to NEC members and others.

NEC members' attire organised before members went to the next Annual General Meeting.

Improved and high moral with the staff in the department.

The willingness and commitment of the departmental staff to assist the Legal Department in their endeavour to reduce penalties and fines through Disciplinary Appeals, Arbitrations and other formations of Dispute Resolutions.

7.12 Committee Members

A new list of sub-committees and members was sent to the membership.

7.13 NEC Members

A new list of NEC members that includes one honorary president and two honorary members was sent out.

7.14 Schedule of Meetings

A schedule of meetings for both NEC and Sub-committees was sent to members.

18. INTERNATIONAL AFFAIRS

18.1 Executive Summary

The main function of this department is to process the daily requests for international transfer certificates, to attend to the registration and transfer of players, to coordinate the CAF Inter-Club Competitions and to communicate between the Association and its sister Federations in the FIFA family.

18.2 International Events

- *Referees Instructors Refresher Course: 22 – 28 July 2007*
FIFA requested the Association to host this course which was attended by 30 participants at the High Performance Centre in Pretoria.
- *CAF 50th Anniversary Celebrations: 30 Aug – 11 Sep 2007*
CAF's 50th Anniversary Celebrations travelled on a journey between its four founding members, namely Egypt, Sudan, Ethiopia and South Africa. The last leg of these celebrations was successfully hosted in South Africa by Port Elizabeth, Cape Town and Johannesburg.

CAF's Awards Ceremony took place during the 50th Anniversary Celebrations and was hosted by the Western Province Government at the Cape Town International Convention Centre, where past and present football stakeholders were honoured. The recipients were recognised for their roles played in leading, administrating, refereeing and developing football in the country. Bafana Bafana played Zambia in a match which formed part of these awards. Those honoured are listed hereunder:

Players:

Bobby Chalmers Kaizer Motaung
Vincent Belgians Patrick "Ace" Ntsoelengoe
Godfrey de Kock Malcolm Rufus

Bill Stewart Basil Jansen
Zach Mosehle Eddie Lewis

Administrators:

Alexander Abercrombie Vincent Baartjies
SK Chetty Fred Fell
Lesole Gadinabokao Nathan Flaum
Viv Granger Raymond Hack
Daniel Jordaan Irvin Khoza
Wilphasius Maphaka Norman Middleton
Solomon Morewa Bethuel Morolo
Molefi Oliphant Rama Reddy
Ronnie Schloss Mahomed Sibda
Babs Sitherpersad Dave Snaier
Clive Solomons Leepile Taunyane
Alfred Thango George Thabe
Colin Trader Ashwin Trikamjee
Dan Twala Anthony Wilcox

CAF Administrators and Anglophone Women's

Coaching Instructors' Course: 28 Oct – 4 Nov 2007

This important course was held at Balalaika in Sandton with 100 participants from the English and French speaking countries attending.

Sport Law Seminar: March 2008

This department represented the Association at the Sport Law Seminar which was organised by Garlicke and Bousfield Attorneys in March 2008. It was realised that the football industry has developed exponentially and that it requires specialists to respond to the needs of players and administrators, in areas such as: registration and transfer of players, drawing of contracts, dispute resolutions, intellectual property, prohibited substances and tax.

CAF Inter-Club Competitions:

- MTN / CAF Champions League

This is the premier club championship in Africa which commenced in 1997. The eight (8) teams who are

Mamelodi Sundowns FC and Platinum Stars FC. However, neither team qualified for the group stages of the Champions League and were therefore integrated into the Confederation Cup.

- MTN / CAF Confederation Cup

Ajax Cape Town FC participated in this competition, but unfortunately bowed out before reaching the group stages. Mamelodi Sundowns and Platinum Stars Football Clubs did not reach the group stages of this competition and were then eliminated.

18.3 Players' Agents

There has been enormous public interest in applications to become a Players' Agent. We have received more than 2000 applications between the month of September 2007 and February 2008. The Association conducted the FIFA Players' Agents Examinations on 27 September 2007 and on 31 March 2008. To date all the candidates who sat for these examinations were unsuccessful and did not attain the minimum requirement of 66/1/3%.

18.4 International Transfer of Players

There is a decline in the number of South African players who are plying their trade in European countries.

18.5 Registration of Players

- First Registration Period: 1 July – 31 August
- Second Registration Period: January

18.6 FIFA and CAF Committee Appointments

The Association continues to enjoy a healthy relationship with FIFA and CAF through daily interaction with the two football bodies.

- Ms. Fran Hilton Smith was appointed by FIFA to

**SOUTH AFRICAN FOOTBALL ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
30 June 2008**

**SOUTH AFRICAN FOOTBALL ASSOCIATION
ANNUAL FINANCIAL STATEMENTS**

30 June 2008

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Report of the independent auditors to the members of the South African Football Association

Report of the independent auditors to the members of the South African Football Association

Report on the financial statements

We have audited the annual financial statements of the South African Football Association as at 30 June 2008, which comprise the balance sheet and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the report of the National Executive Committee as set out on pages 55 to 84.

National Executive Committee's responsibility for the financial statements

The association's National Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to perform reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management,

**Report of the independent auditors
to the members of the South African Football Association**

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

Consolidation of S A Football (Pty) Ltd

As disclosed in the report of the National Executive Committee, the association has not consolidated SA Football (Pty) Ltd as required by IAS 27 - Consolidated and Separate Financial Statements.

Opinion

In our opinion, except for the impact of the above, the annual financial statements present fairly, in all material respects, the financial position of the association as at 30 June 2008, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Emphasis of matter: SAFA House

Without further qualifying our opinion, we draw attention to the report of the National Executive Committee regarding the land on which SAFA house has been built.

Deloitte & Touche

Deloitte & Touche

**Ernest CN Mapaure
Partner**

15 August 2008

SOUTH AFRICAN FOOTBALL ASSOCIATION

COMPOSITION OF THE NATIONAL EXECUTIVE COMMITTEE

10 June 2008

President

Collefer Oliphant

Vice Presidents

Wendin Khoza

Thabwelo Nonkonyana

Abubakar Mahomed

Members

Thabwelo Pasiya

Thabwelo Molatedi

David Nhlabathi

Thabwelo Tsichlas

Thabwelo Mchunu

Thabwelo Nematandani

Thabwelo Mazibuko

Thabwelo Sebapu

Thabwelo Du Plooy

Thabwelo Seymour

Thabwelo Msimango

Thabwelo Mosese

Thabwelo Mtshatsha

Thabwelo Lekota

Thabwelo Madlala

Thabwelo Koopman

Thabwelo Masitenyane

Thabwelo Lebenya

Thabwelo Hack (Chief Executive Officer)

Thabwelo Jordan (Chief Executive Officer Local Organising 2010 Committee)

Honorary President

Thabwelo Gadinabokao

Honorary Members

Thabwelo Baarties (Appointed - September 2007)

SOUTH AFRICAN FOOTBALL ASSOCIATION
STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITY

30 June 2008

The members of the National Executive Committee are responsible for the preparation, integrity and fair presentation of the annual financial statements of the South African Football Association.

The National Executive Committee members are required by the association's constitution to maintain adequate accounting records and to prepare annual financial statements for each financial year which fairly present the state of affairs of the association at the end of the financial year, the results of its operations and cash flows for the year then ended. In preparing the accompanying annual financial statements, South African Statements of Generally Accepted Accounting Practice have been followed.

The annual financial statements incorporate full and responsible disclosure. The National Executive Committee members have reviewed the association's budget and cash flow forecast for the year ending 30 June 2008. On the basis of this review and in light of the current financial position and sponsorship facilities, the National Executive Committee is satisfied that the South African Football Association is a going concern and have therefore continued to adopt the going concern basis in preparing the annual financial statements.

The association's external auditors, Deloitte & Touche have audited the annual financial statements and their report appears on page 53 - 54. The annual financial statements for the year ended 30 June 2008 set out on pages 55 to 84 have been approved by the National Executive Committee on 15 August 2008 and are signed on its behalf by:



OLIPHANT
RESIDENT



SOUTH AFRICAN FOOTBALL ASSOCIATION CORPORATE GOVERNANCE STATEMENT

30 June 2008

The National Executive Committee supports the principles incorporated in the Code of Corporate Practices and Conduct as set out in King II. By supporting the Code, the Committee has recognised the need to conduct the association with integrity and in accordance with South African Statements of Generally Accepted Accounting Practice.

The Committee is in the process of addressing full compliance with all generally accepted principles embodied in the Code of Corporate Practices and Conduct.

Annual financial statements

The members of the National Executive Committee are responsible for preparing the annual financial statements and other information presented in the annual financial statements in a manner which fairly presents the state of affairs and results of the operations of the association. The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies adopted in the preparation of these annual financial statements are set out below and are consistent in all material respects with those applied in the previous year.

The auditor's responsibility is to express an opinion on these financial statements based on an audit conducted in accordance with International Standards on Auditing.

Internal controls

The members of the National Executive Committee are responsible for maintaining adequate accounting records and for taking reasonable steps to safeguard the assets of the association to prevent and detect fraud and other irregularities.

Finance committee

The committee members are appointed by the National Executive Committee.

The committee has met regularly over the past year to discuss accounting, auditing, internal control and other financially related matters. It provides an independent forum through which the independent auditors report to the National Executive Committee.

SOUTH AFRICAN FOOTBALL ASSOCIATION
REPORT OF THE NATIONAL EXECUTIVE COMMITTEE

30 June 2008

Nature of business

The association is the governing body for football in South Africa. Its main aim and objectives are to promote, advance, administer, co-ordinate and generally encourage the game of football in South Africa in accordance with the principles as laid down in the statutes of FIFA. There was no major change in the nature of the business of the association during the year.

Financial results

The association returned a net loss of R3 632 285 for the year ended 30 June 2008 (2007: net profit R53 481 907). In arriving at the loss (2007: profit), revenue from sponsors and others which were receivable in terms of contracts were recognised in terms of the contracts and not on a cash basis.

Going concern

It is emphasised that the continuation of the association's activities is presently dependent upon adequate continued financial and material support from sponsors. Several new contracts have already been concluded and the National Executive Committee is confident that other sponsors will extend their involvement in the light of SAFA's success in winning the right to host the FIFA World Cup™ in 2010.

The National Executive Committee is confident that these measures will result in the association being able to continue as a going concern for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis which presumes that assets will be realised and liabilities settled in the normal course of business. No adjustments have been made to the valuation or classification of assets or liabilities that may be necessary if the association is not able to continue as a going concern.

Property, plant and equipment

Details of changes in property, plant and equipment are shown in note 7 to the annual financial statements.

The association received R65.5 million from FIFA for the development of SAFA House during the 2006 financial year. SAFA House has been built at a cost of R56,9 million on land to which the association was granted a right to erect improvements. This land belongs to The Stadium and Soccer Development Trust ("the Trust"). In prior year, an agreement was signed by the Trust to transfer this land to the Department of Public Works. The actual transfer had not occurred as at 30 June 2008. In the opinion of the National Executive Committee the agreement, however, does

**SOUTH AFRICAN FOOTBALL ASSOCIATION
REPORT OF THE NATIONAL EXECUTIVE COMMITTEE**

30 June 2008

Auditors

The association's auditors are Deloitte & Touche who have been appointed in terms of paragraph 9.13 of the association's constitution.

Derivative financial asset

Netcare Healthcare Holdings Limited ("Netcare") established the Healthy Lifestyle Trust as part of its Broad Based Black Economic Empowerment initiative. The association was allocated 4 million trust units. This investment has been accounted for in terms of International Accounting Statement 39: "Financial Instruments: Recognition and Measurement". Refer to note 9.

There will be no cash flow impact on SAFA from the transaction until 15 July 2010. The cash flow to SAFA on 15 July 2010 will be dependent on the price at which the share trades on the exercise date should SAFA dispose of its shares on this date. The value of this investment has decreased during the year largely due to the significant decrease in the underlying value of the Netcare share.

Consolidation of SA Football (Pty) Ltd

The association has not consolidated the financial statements of SA Football (Pty) Ltd. Although SA Football (Pty) Ltd has been incorporated, the Memorandum of Agreement, which will govern the activities of the association and the manner in which they will report to the association has not yet been drawn up or signed. This will be done in the new financial year. In the opinion of the National Executive Committee, the impact of not consolidating SA Football (Pty) Ltd is not material. Accordingly, SA Football (Pty) Ltd has been accounted for at cost.

Taxation

The association has a tax liability of R19 849 162 at 30 June 2008. This consists of the current year tax charge of R3 204 089, and a portion of the 2007 liability amounting to R16 645 074. The association has not yet submitted its tax return for the 2007 tax year.

2010 FIFA World Cup™ bonuses

On 1 December 2007, a special annual general meeting approved the payment of bonuses to individuals who served on the National Executive Committee between 2000 and 2004 when South Africa was awarded the right to host the

SOUTH AFRICAN FOOTBALL ASSOCIATION**INCOME STATEMENT**

for the year ended 30 June 2008

Notes 30/06/2008 30/06/2007**RR****Revenue**

Sponsorship income	205 311 372 131 289 391
FIFA Grant	19 536 000 9 768 000
Rental income	7 293 609 2 873 313
	232 140 981 143 930 704
Operating costs	(210 604 315) (138 077 882)
Operating profit from operations	3 20 536 666 5 852 822
(Decrease) increase in fair value of derivative financial asset	(37 186 761) 20 139 761
Other income	4 5 493 649 41 366 133
Finance costs	5 (1 787 761) (649 905)
Finance income	5 8 210 068 5 043 946
(Loss) profit before taxation	(4 734 139) 71 752 757
Income tax credit (charge)	6 1 101 854 (18 270 850)
(Loss) profit for the year	(3 632 285) 53 481 907

SOUTH AFRICAN FOOTBALL ASSOCIATION

BALANCE SHEET

30 June 2007

Notes 30/06/2008 30/06/2007

RR

Assets

Non-current assets

Property, plant and equipment 7 63 566 779 58 403 072

Deferred taxation 8 16 431 837 12 125 894

Derivative financial asset 9 9 753 000 46 939 761

Investment in subsidiary 10 100 100

Total non-current assets 89 751 716 117 468 827

Current assets

Trade and other receivables 11 23 039 435 24 773 957

Bank balances and cash 20 82 982 623 89 639 191

Total current assets

106 022 058 114 413 148

Total assets

195 773 774 231 881 975

Reserves and liabilities

Accumulated profit (loss)

Accumulated loss - operating activities (53 908 566) (55 072 620)

Accumulated profit - grants and revaluations 92 643 816 97 440 155

38 735 250 42 367 535

Non-current liabilities

Long-term liabilities 12 5 244 111 1 578 744

Income received in advance 13 - 6 531 010

Deferred revenue 14 12 934 634 41 380 000

Total non-current liabilities 18 178 745 49 489 754

Current liabilities

SOUTH AFRICAN FOOTBALL ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

Accumulated Accumulated
loss - profit - Total
operating grants and Accumulated
activities revaluations (loss) profit

RRR

Balance at 30 June 2006	(53 963 662)	42 849 290	(11 114 372)
Profit (loss) for the year	(1 108 958)	54 590 865	53 481 907
Balance at 30 June 2007	(55 072 620)	97 440 155	42 367 535
Profit (loss) for the year	1 164 054	(4 796 339)	(3 632 285)
Balance at 30 June 2008	(53 908 566)	92 643 816	38 735 250

SOUTH AFRICAN FOOTBALL ASSOCIATION**CASH FLOW STATEMENT**

for the year ended 30 June 2008

Notes 30/06/2008 30/06/2007

RR

Operating activities:

Cash (utilised in) generated from operations	16 (6 072 639) 30 842 628	
Finance income		8 210 068 5 043 946
Finance costs		(1 787 761) (649 905)
Taxation paid	17 (5 347 028) -	
<i>Net cash (used in) generated from operating activities</i>		(4 997 360) 35 236 669

Investing activities:

Additions to property, plant and equipment to expand operations	18 (7 753 843) (37 663 988)	
Deferred revenue recognised	3 185 220 37 663 988	
Additions to property, plant and equipment to maintain operations	18 (1 500 744) (835 683)	
Increase in investment in subsidiary	- (100)	
Proceeds from disposal of property, plant and equipment	19 270 665 1 798 027	
<i>Net cash generated from (used in) investing activities</i>		(5 798 702) (962 244)

Financing activities:

Increase (decrease) in long-term liabilities	(3 665 367) (404 030)	
Increase (decrease) in current portion of long-term liabilities	474 118 (342 034)	
<i>Net cash generated from (used in) financing activities</i>		4 139 485 (746 064)
Net (decrease) increase in cash and cash equivalents		(6 656 568) 35 452 849

Cash and cash equivalents at beginning of the year 89 639 191 54 186 342

Cash and cash equivalents at end of the year 20 82 982 623 89 639 191

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30 June 2008

Presentation of financial statements

These financial statements are presented in South African Rands since that is the currency in which the majority of the association's transactions are denominated. These financial statements are presented in terms of IAS 1: Presentation of financial statements.

IAS 1 requires the disclosure of:

Judgement applied in the application of accounting policies where it could have a significant effect; and
Key assumptions concerning the future and other assumptions that have a significant risk of adjustment in subsequent periods.

This standard has an impact on disclosure but has no monetary impact. These disclosures are included in the annual financial statements, where appropriate.

Summary of significant accounting policies

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies adopted in the preparation of these annual financial statements are set out below and are consistent in all material respects with those applied in the previous year except for the adoption of the accounting standard below.

Adoption of new and revised Standard

In the current year, the entity has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the entity's financial instruments and management of capital.

The financial statements have been prepared under the historical cost convention with the exception of certain financial instruments that are carried at fair value.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation less accumulated impairment losses.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Motor vehicles 20%

Office equipment 20%

Land and buildings are considered to be investment property, which is property held to earn rentals and/or for capital appreciation. Investment property is valued in accordance with the cost model where land is not depreciated and buildings are stated at historical cost less accumulated depreciation less accumulated impairment losses. Depreciation is charged so as to write-off the cost of buildings over its expected useful life of 20 years, using the straight-line basis. The expected useful life, residual value and depreciation method are reviewed at each balance sheet date.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold improvements are capitalised and written-off at 20% per annum. The expected useful lives, residual values and depreciation method are reviewed at each balance sheet date. The effect of any changes in estimate is accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of any item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment

At each balance sheet date, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Impairment (continued)

The relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a valuation increase.

Income received in advance

Funds received from sponsors and other contract suppliers, which are not yet due in terms of the recognition of revenue associated with contracts, are deferred and recorded as “income received in advance”.

Grants and deferred grant income

Grants are not recognised until there is reasonable assurance that the association will comply with the conditions attaching to them and the grants will be received. Grants whose primary purpose is that the association should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Other grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the association with no future related costs are recognised in profit or loss in the period in which they become receivable.

Foreign exchange

Transactions in currencies other than the association’s functional currency (Rands) are initially recorded at the rates of exchange ruling on the date of the transactions.

Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date.

Exchange rate differences arising from the settlement of monetary items or on reporting the association’s monetary items at rates different from those at which they are initially recorded are recognised as income or expenses in the period in which they arise.

Provisions

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the association's balance sheet when the association has become party to the contractual provisions of the instrument.

Derivative financial assets

Derivative financial assets are initially measured at fair value at contract date and are re-measured to fair value at subsequent reporting dates.

Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated uncollectible amounts.

Trade and other payables

Trade and other payables are stated at their nominal value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the association are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue comprises sponsorship revenue from various sponsors, sale of broadcasting rights, royalties, gate revenue from competitions, club affiliation fees, advertising fees, grants and the cash equivalent value of non-cash items applied to the association.

Revenue from sponsors and others, which is receivable in terms of contracts, is recognised on a straight-line basis over the term of such contracts. Revenue received from FIFA to fund the SAFA House project is recognised by reference to the stage of completion of this project at the balance sheet date, as measured by the proportion that costs incurred for work performed to date to the estimated total project cost. Income in respect of non-cash items is accounted for at the time of supply of such items.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the interest rate applicable.

Borrowing costs

Borrowing costs are recognised in income in the period to which they relate.

Retirement benefits

Contributions to retirement contribution funds are charged against income as an expense in the period when the employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The association's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Taxation (continued)

Deferred Tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the association intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they are from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the fair value acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Significant accounting judgements and estimates

In the process of applying the association's accounting policies, management has made the following judgement, apart from those involving estimation, which have the most significant on the amounts recognised in the financial statements:

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

Summary of significant accounting policies (continued)

Significant accounting judgements and estimates (continued)

Valuation of investments (continued)

Investments according to one of the following bases as set out below:

Cost (less any provision required for a diminution in value)

Third party valuation

Discounted cash flow methodology

Earnings multiple

Net assets

Price of a recent transaction

Listed investments are valued at the quoted market price at the end of the financial year. For unlisted investments in which the company and association typically invests, the fair value of an investment is expected to be its initial cost for the first 12 months. Thereafter, one of the bases above is applied. If an earnings multiple is applied the price/earnings multiple of one or more comparable listed companies is applied to the investment's most recently audited earnings. If however, earnings in the current period are likely to be higher than the previous period, these earnings may be used as the basis of valuation. Equally, if the current period can be predicted with reasonable certainty to show significantly higher earnings and they are believed by the advisor to be sustainable, they may also be used as the basis of valuation. A write down of an investment is made where the performance of a specific investment is considered to fall short of acceptable levels.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations in any valuation technique involving investments of the type in which the company invests. Therefore, the fair values presented herein are not necessarily indicative of the amount that the company and association could realise in a current transaction.

Income taxes

The association recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets required the association to make significant estimates related to expectation of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
30 June 2008

Summary of significant accounting policies (continued)

Significant accounting judgements and estimates (continued)

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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Profit from operations

This is arrived at after taking the following items into account:

Auditors' remuneration:

Audit fees - current year 525 000 505 000

- prior year over provision 33 873 (5 359)

558 873 499 641

Compensation of key management personnel - short term benefits

National Executive Committee - Honoraria 2 615 000 2 051 250

- Allowances 3 407 285 1 589 308

- 2010 FIFA World Cup™

bonuses (2000 - 2004 NEC) 3 846 154 -

9 868 439 3 640 558

Honorarium - SAFA regional members 2 500 000 -

Consulting fees

2 021 158 1 820 872

Depreciation:

- Buildings

300 280 167 029

- Furniture and fittings 31 205 25 762

- Leasehold property (SAFA House) 2 765 294 -

- Motor vehicles

281 729 726 054

- Office equipment

11 608 8 874

- Computer equipment 370 063 203 069

- General equipment 52 159 57 536

- Buses

265 474 265 474

4 077 812 1 453 798

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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Other income

Bad debts recovered	- 111 653
SAFA House grant 3 185 220 37 663 988	
Other	2 308 429 3 590 492
	5 493 649 41 366 133

Finance costs (income)

Interest paid - bank and finance charges (1 787 761) (649 905)	
Interest received - bank 1 645 759 164 556	
Interest received - FIFA grants 6 564 309 4 879 390	
	8 210 068 5 093 946
Net finance costs 6 422 307 4 394 041	

Taxation

Current year	
- Current taxation 3 204 089 21 351 344	
- Deferred taxation (4 724 077) (10 852 494)	
- Rate change adjustment 418 134 -	
	(1 101 854) 10 498 850
Prior year under provision	
- Deferred capital gains taxation - 7 772 000	
	(1 101 854) 18 270 850

The charge for the year can be reconciled to the profit per the income statement as follows:

(Loss) profit before taxation (4 734 139) 71 752 757

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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Deferred taxation

Balance at beginning of the year	12 125 894 9 045 400	
Credit (charge) to income statement - current year	4 305 943 10 852 494	
	- prior year under provision - (7 772 000)	
Balance at end of the year	16 431 837 12 125 894	
Comprising:		
Deferred revenue		32 699 509 60 916 000
Derivative financial asset (9 753 000) (46 939 761)		
Instalment sales		- 73 075
Provision for doubtful debts 2 023 487 2 023 485		
Provision for leave pay 854 673 423 635		
Income received in advance 32 860 462 25 316 992		
		58 685 131 41 813 426
Deferred taxation at 28% (2007: 29)	16 431 837 12 125 894	

Derivative financial asset

Fair value at beginning of the year	46 939 761 26 800 000
(Decrease) increase in fair value during the year	(37 186 761) 20 139 761
Fair value at end of the year	9 753 000 46 939 761

Network Healthcare Holdings Limited (“Netcare”) established the Healthy Lifestyle Trust as part of its Broad Based Black Economic Empowerment initiative. SAFA is a beneficiary of the Trust and was allocated 4 million trust units linked to a corresponding number of Netcare shares.

Investment in subsidiary

At cost

Issued share Proportion of

Name of subsidiary capital ownership

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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1. Trade and other receivables

Trade receivables 5 267 268 21 529 178

Other receivables 17 772 167 3 244 779

23 039 435 24 773 957

Trade and other receivables are shown net of a provision for doubtful debts of R2 697 980 (2007: R2 697 980).

The national executive committee considers that the carrying amount of trade and other receivables approximate their fair values.

The average credit period on sponsorship revenue is 30 days. No interest is charged on trade receivables from the date of invoice. Generally, trade receivables more than 120 days old are provided for with reference to past default experience.

There are no receivables which are past due at the reporting date for which the association has not provided. There has not been significant change in credit quality and amounts are still considered recoverable. The association does not hold any collateral over these balances.

There are no debtors that are past due, but not impaired.

Ageing past due and impaired

30 + days

2 697 980 2 697 980

Movement in the provision for doubtful debts

Balance at beginning of the year 2 697 980 3 569 439

Amounts written off as uncollectable - (184 944)

Impairment losses reversed

- (686 515)

2 697 980 2 697 980

In determining the recoverability of a trade receivable, the association considered any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The national executive committee believe that there is no further credit provision required in excess of the

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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2. Long-term liabilities

Instalment sale agreements	25 925 199 491	
Less: current portion included under current liabilities (25 925)	(173 566)	- 25 925
Mortgage bond - Standard Bank and Rand Merchant Bank	6 110 865 1 801 065	
Less: current portion included under current liabilities (866 754)	(248 246)	
		5 244 111 1 552 819
Long-term portion of long-term liabilities		5 244 111 1 578 744
Current portion of long-term liabilities		895 930 421 812
Long-term liabilities		6 140 041 2 000 556

The instalment sale agreements are secured over motor vehicles detailed in note 7, with a carrying value of R21 099 (2007: R302 738). The monthly instalments per agreement range from R1 728 to R10 636 over the next 12 months. Interest is payable at an average rate of 11,5% (2007: 11, 5%) per annum.

Reconciliation of future instalments payable

Within 1 year 2 – 5 years Total

RR R

Minimum lease payments	39 554 - 39 554
Finance costs (13 629)	- (13 629)
Present value	25 925 - 25 925

The loans are secured by mortgage bonds registered against Erf 135 Hyde Park, extension 5, Sandton and improvements thereon and 209 The Raphael, Sandown extension, 49 Township.

Interest is charged at an average rate of 13,25% (2007: 10, 5%) per annum and the

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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3. Income received in advance

Non-current portion of income received in advance

FirstRand Bank Limited - 6 531 010

Current portion of income received in advance

Adidas - 4 644 586

Discovery Health - 31 638

Coca-Cola 2 745 000 -

FirstRand Bank Limited 6 990 514 5 116 959

Metropolitan 59 794 -

Rent received in advance 2 009 544 1 835 619

Sasol Oil (Pty) Ltd 872 962 815 097

South African Broadcasting Corporation Limited 4 405 023 4 041 250

South African Breweries Limited 12 718 125 -

Vodacom (Pty) Ltd 3 059 500 2 500 000

32 860 462 18 985 149

Total income received in advance 32 860 462 25 516 159

4. Deferred revenue

FIFA 2010 grants

Balance at the beginning of the year 60 916 000 48 519 880

FIFA second grant - 70 684 000

Amount reallocated to VAT liabilities (5 724 146) (10 855 892)

FIFA second grant utilised during the year (19 536 000) (9 768 000)

Amount recognised in income, equivalent to SAFA House capital (3 185 220) (37 663 988)

Balance at end of the year 32 470 634 60 916 000

Long-term portion of deferred revenue 12 934 634 41 380 000

Current portion of deferred revenue 19 536 000 19 536 000

5. Trade and other payables

Trade payables and accruals 5 405 227 4 839 803

Sundry payables 6 679 462 11 823 293

Sundry accruals 26 614 430 36 476 087

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

5. Trade and other payables (continued)

**Provision for Provision for
 bonuses leave pay Total
 RRR**

Provisions

Opening balance	947 717 423 635 1 371 352		
Payments made during the year	(922 277) (27 756) (950 033)		
Charged to the income statement	870 177 458 794 1 328 971		
		895 617 854 673 1 750 290	

The national executive committee considers that the carrying amount of trade and other payables approximate their fair values.

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RR

5. Cash (utilised in) generated from operations

(Loss) profit before taxation (4 734 139) 71 752 757

Adjustments for:

- Depreciation 4 077 812 1 453 798
- Profit on disposal of property, plant and equipment (270 665) (1 708 452)
- Other property, plant and equipment adjustments 13 069 (154 991)
- Finance income (8 210 068) (5 043 946)
- Finance costs 1 787 761 649 905
- Increase in provisions 378 938 487 516
- Decrease (increase) in fair value of derivative (37 186 761) (20 139 761)
 financial asset
- Deferred revenue recognised (3 185 220) (37 663 988)

Operating profit before working capital changes 27 044 249 9 632 838

Adjustments for working capital changes:

- Decrease (increase) in trade and other receivables 1 734 522 (8 885 773)
- (Decrease) increase in trade and other payables,
 income received in advance and deferred revenue (34 851 410) 30 095 563

33 116 888 21 209 790

(6 072 639) 30 812 628

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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3. Additions to property, plant and equipment

Leasehold property - SAFA House	3 185 220 37 663 988	
Capital development costs	637 500 -	
Furniture and fittings		228 362 27 810
Office equipment		105 025 -
Computer equipment		471 751 772 518
General equipment		58 106 35 355
Land and buildings		4 568 623 -
		9 254 587 38 499 671

Analysed as follows:

To expand operations 7 753 843 37 663 988

To maintain operations 1 500 744 835 683

4. Proceeds on disposal of property, plant and equipment

Carrying value of property, plant and equipment disposed	- 89 575
Profit on disposal of property, plant and equipment	270 665 1 708 452
Proceeds on disposal of property, plant and equipment	270 665 1 798 027

5. Cash and cash equivalents at end of the year

Bank and cash balances	
- FIFA grants	58 272 178 74 434 809
- Other	
	24 710 445 15 204 382
	82 982 623 89 639 191

6. Related party transactions and balances

During the year the association, in the ordinary course of business, entered into the following related party transactions. These transactions were no less favourable than those arranged with third parties.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

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1. Related party transactions and balances (continued)

Soccer City - Rent paid	- 822 240
Balances at year-end (payable) receivable	
South Africa 2010 Local Organising Committee	3 233 772 (1 755 774)
Premier Soccer League	1 000 000 644 898
National Executive Committee - Honoraria and allowances	2 070 000 1 725 000
Soccer City	(635 649) -
South Africa 2010 FIFA World Cup™ bonuses	(10 838 627) (19 225 698)

Related party transactions are defined as transactions with members of the National Executive Committee, sub committees and affiliated associations over which there is significant influence or control.

2. Post retirement benefits

The pension scheme has been registered in terms of the Pension Fund Act 24 of 1956. The scheme is a defined contribution plan. The South African Football Association makes monthly contributions to the scheme at a rate of 15% of members' salaries as defined in the rules of the scheme. The association has no liability to the pension scheme at 30 June 2008.

3. Contingent liabilities

Professional services rendered at SAFA House

The association is a defendant in a case relating to a claim for the payment of professional fees amounting to R1 200 000.

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2008

3. Contingent liabilities (continued)

Unfair dismissals

The association is a defendant in cases relating to unfair dismissal charges amounting to R1 090 000. These matters have not been finalised.

The association's lawyers are of the opinion that the association will be able to successfully defend the cases referred to above. Accordingly, no provision for the costs has been made in the annual financial statements.

4. Financial instruments

Foreign currency risk management

The association undertakes a limited number of transactions in foreign currencies which give rise to exchange rate fluctuation. The carrying amounts of the associations; foreign currency denominated monetary assets and monetary liabilities at 30 June 2008 are as follows:

Liabilities Assets

R R

United States Dollars

Foreign Currency sensitivity analysis:

323 632 296 808

The association is exposed to the foreign exchange gains and losses on transactions denominated in United States Dollars. The following details the association's sensitivity to a 10% increase and decrease in the South African Rand against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The positive number below indicates an increase in profit where the South African strengthens by 10% against the United States Dollar. For a 10% weakening of the South African Rand, there would be an equal and opposite impact on the profit.

USD

SOUTH AFRICAN FOOTBALL ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
30 June 2008

4. Financial instruments (continued)

Credit risk management

Credit risk relates to potential exposure on trade and other receivables and bank balances. At year-end, the association did not consider there to be any significant concentration of credit risk, which has not been adequately provided for.

Liquidity risk management

The association manages liquidity risk by reviewing the bank and cash balances on a daily basis. All bank accounts are held with reputable banking institutions.

Interest rate risk

The association is exposed to interest rate risk as it has borrowed funds at variable interest rates linked to the prime interest rate.

Liquidity and interest risk tables:

The following table details the association's remaining contractual maturity for its financial liabilities. The table represents undiscounted cash flows of financial liabilities based on the earliest date on which the association can be required to pay:

Interest rate 1 year 2 years and longer

Interest Bearing

Standard Bank Mortgage Bond 13.25 335 115 2 696 502

Rand Merchant Bank Mortgage Bond 13.25 830 915 6 685 464