

COMMERCIAL

133.44 Itteemss ttaablleedd ffoorr ddiissccuusssiiioonn

N	I	S	
Noo	Branding	Issttuueess (Diode)	
1	Adscroll LED (Light Emitting Diode)	Sttaattuuuss SAB and Absa :45% of time each. Full Adscroll system achieved. SAFA: 10% SAFA Suppliers : 60% of time New Advertisers : 40 % of time. Erect big screen for commercials.	The adscroll is working perfectly. Megapro is largely in charge of Advertising sales. The sales generated do not benefit SAFA. It cost SAFA to have these erected as required by the Sponsors. A serious review of Megapro agreement is due.
	Hotel branding	Agreement reached with Southern Suns to brand Hotel foyer, Team room etc.	Brand Activation team will consult with the hotel in advance for activation during camps.
	Training grounds	Achieved as per contract.	Other opportunities for maximisation of branding space are still to be explored with the SABC. These were raised with the SABC in June 2008.
	Other SAFA events	The Awards function and Golf Days are being planned later this year.	Golf day held on 5 November 2008 at the Blue Valley course. The inaugural SAFA Awards function held on 8 November 2008 at the Sandton Convention Centre.
	Website	Link with Sponsor sites Provide traffic statistics.	Home page was redesigned to accommodate sponsors.
	Warm-up T-shirts	Dispensation to brand warm up T-shirts by FIFA has been granted at FIFA regulated matches.	Permission has been granted.
	Players Change room	Branding to be activated.	
	Players Tunnel at stadia	Engage stadium management and utilise opportunities.	Standard feature
	Traveling kit/Casual wear	Achieved as per contract.	Standard feature
	Other SAFA national Team kit items	Should they be created, sponsors will be given the opportunity to brand.	Ongoing
	Dugouts and player benches	Production of dugouts ad-branding of players' benches are still pending FIFA approval.	Ongoing

Item	Issues	Status	Comments
	Team Bus	Artwork was submitted and approved.	
2	Team identity	Composite logo design and development	Action
3	SA Football Supporters Association. (SAFSA)	Business plan Sponsors' support	Application to be recognised as a SAFA affiliated has been submitted to SAFA CEO. Still outstanding.
4	Broadcast issues	Matches broadcast coverage	Broadcast Forum established.
		Presentation was made to the SABC on a range of broadcast issues. This resulted in establishment of a Weekly forum with key departments.	
5	Access to Players and Technical team.	Sponsor access to players and coaches. Key part of contract deliverable	This is an area of improvement.
		The Bafana team Manager has been engaged on the matter. It was agreed sponsors will submit requests well in time.	
6	Bafana Marketing and Communication plan	Icon development Perceptual research How BB is portrayed Brand personality	MS&L was hired to embark on a brand building campaign for Bafana.
		A marketing communications brief was developed with inputs from sponsors and an agency pitch process was started.	
7	Policy on the use of player images and footage	Consistent application of policy.	Requests to be submitted to Commercial dept. of SAFA.
		Existing policy still in force.	
8	Relative value of other Team sponsors	Vis-à-vis their benefit package	Bilateral meetings held with all the Team Sponsors.
		Report was compiled.	
9	Match ticket Distribution	Timeous Distribution	Timeous conclusion of Bafana Bafana opponents has an impact on the fixtures.
		On track.	
10	World Cup Tickets	Request submitted by sponsors to SAFA.	Action
		SAFA will be purchasing own tickets.	
11	World Cup Hospitality packages	As above	Action
		As above.	
12	Match coordination for Bafana games	Development and implementation of match planning	Action
		Checklist was developed.	
13	FAN Parks	Get partners on board Identify venues Get Team support	Ongoing
		A project team was formed with key partners. These venues will fall outside of the FIFA regulations.	
14	Women' s Football	Sponsorship by SASOL and ABSA	SLA and performance criteria developed.
		Leagues in progress.	

COMMERCIAL



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133..55 SSppoonnssoorj RRellaattioonns  
our sponsors. The aim is to further improve  
relations with them in an attempt to renew  
We engaged in a number of interactions with  
their sponsorships when they expire.

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133..55..11 MMeeettrrooppoollittaann LLiiffiee  
challenge and take corrective action. The  
sponsor ultimately decided to end relations  
A discussion was held to look at areas of  
with SAFA.

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133..55..22 AAAddiidaas  
meetings:

The following were discussed at various

- Bafana Jersey launch;
- Launch of Confederations Cup Ball;
- Royalties due to SAFA;
- Adidas and SAFA campaigns;
- Adidas Roadmap;

- Involvement of the Supporters Club.

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133..55..33 SSoooutthh AAffriiccaann AAiirwaaayss  
look at the following:

A series of meetings were held with SAA to

- Contract finalisation, and;
- Activation at matches.

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133..55..44 VVooodaacoomm  
- Vodacom League and launch;

- Approval of creatives;
- Shortfall in Vodacom sponsorship;
- Mutual campaigns.

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133..55..55 FFNNBB  
to discuss their sponsorship and review areas  
that pose challenges. These included the  
We held a workshop with FNB management  
following:

- U17 National Team activity, and;
- Budgets.

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133..44..66 SSAABB  
that concern them and these were sorted  
out at a forum meeting. All other issues were  
This sponsor had raised a number of issues  
discussed at the normal operations meetings.

<p>The following issues were addressed:</p>	<p>Silver) Purchased 10 X Sprinters 133..55..99 CCloossee CCooopperraatiiioon wwiitthh 22001100 FFIIFFAA</p>	<p>1 133..55..1100..33 AAffriiccaann WWoorrlldd CCuupp continent and globally;</p>
<ul style="list-style-type: none"> <li>- Broadcast Issues;</li> <li>- Castle promotions;</li> <li>- PR Agency Pitch;</li> <li>- Public Viewing areas;</li> <li>- The non-broadcast of the Bafana match against Equatorial Guinea in October 2008;</li> <li>- Category exclusivity during Bafana match broadcast on the SABC platform.</li> </ul>	<p>W  Woorrlldd CCuupp OOrrggaanniissinnngg CCoommmitttee for general match coordination, has engaged the Competitions and Marketing sections of The Commercial Department, responsible the LOC with the view to using Bafana matches as dry runs in preparation for the Confederations Cup.</p>	<ul style="list-style-type: none"> <li>- Working in collaboration with all key African bodies to achieve this;</li> <li>- Leverage for marketing and accelerated development;</li> <li>- Establish links across government and the private sector to enhance development efforts;</li> </ul>
<p>1</p>	<p>133..55..1100 TTthhee 22001100 NNAattioonnaall CCoommuniicaation Confederations Cup.</p>	<p>133..55..1100 TTthhee 22001100 NNAattioonnaall CCoommuniicaation Confederations Cup.</p>
<p>133..55..77 SLLAAMM determine a variety of issues, including: Several meetings were held with SLAM to</p> <ul style="list-style-type: none"> <li>- The development and launch of Supporters merchandise;</li> <li>- SLAM engagement with SAFA sponsors;</li> <li>- Approval of franchises;</li> <li>- Finalising Bafana Corporate Identity (CI);</li> <li>- Initiated stadium vendors;</li> <li>- Management of a sponsors workshop on work done by SLAM;</li> <li>- The Bafana Bafana Licensing Programme;</li> <li>- Developing a Bafana website with relevant links, bafanaonline.com;</li> <li>- Merchandise Protection plan and execution;</li> <li>- Trademark protection.</li> </ul>	<p>P  Paarttneerrsshhiipp (NNCCPP)  1 coordinated local and international communication, so that the many communication agencies and role-players speak with one powerful voice to maximise the benefit of hosting the 2010 FIFA World CupTM for the country and continent.  The Partnership provides a strategic framework for communication and a point of reference for communicators in the period leading up to and during 2010.</p>	<ul style="list-style-type: none"> <li>- Mobilising the nation;</li> <li>- Ensuring participation of all South Africans;</li> <li>- Creating a favourable environment, setting the agenda;</li> <li>- Set the agenda of public discourse concerning South Africa (foreign media);</li> <li>- Learning from the communication experience of others (global best practice).</li> </ul> <p>133..55..1100..44 TTthhee DDeppaarttmeentt ooff SSpportt aamndd R  Reeccreeaattioonn embark on a Social Cohesion programme largely based on mass participation. The main The Department and SAFA are about to idea is to utilise the 2010 FIFA World CupTM to mobilise communities to support the national football teams.</p>
<p>1</p>	<p>133..55..88 MMeerrceeddeess BBeeennzz SSoooutthh AAffriicca</p>	<p>133..55..1100..11 TTthhee RRoollee ooff ttthhee PPaarttneerrsshhiipp speak with one powerful voice to maximise the benefit of hosting the 2010 FIFA World CupTM for the country and continent.</p>
<p>The following issue were raised and discussed:</p> <ul style="list-style-type: none"> <li>- Branding on sponsored cars;</li> <li>- On field branding;</li> <li>- Leveraging opportunities;</li> <li>- Activation opportunities.</li> </ul>	<p>Its function is to promote coherence of message and to provide forums for information sharing and coordination, mutual support for campaigns, strategy formation, and to jointly address issues as they arise.  The NCP has other key role players i.e. SA Tourism, the International Marketing Council, South African Airways, Government, Proudly South African, the 2010 Organising Committee, private sector and civil society and will embark on communication in the context of 2010 as per their respective mandates and roles.</p>	<p>The following will be the deliverables from the Department:</p> <ul style="list-style-type: none"> <li>- Engage similar departments in the Provinces;</li> <li>- Provide funding to the programme;</li> <li>- Formalise further support from other government departments.</li> </ul>
<p>The launch of the Mercedes Benz sponsorship took place on 24 February 2009 at SAFA House. The sponsorship consists of product only. The following cars were received:</p>	<p>133..55..1100..22 22001100 NNCCPP CCoommmuniicaation campaign</p>	<p>The following will be the expected deliverables by SAFA:</p> <ul style="list-style-type: none"> <li>- Develop a comprehensive mobilisation campaign that will engage both domestic and international key stakeholders;</li> <li>- Act as agency that will drive the process;</li> <li>- Engage with key stakeholders from all walks of life;</li> <li>- Work with the Bafana supporters and others to drive the campaign;</li> <li>- Formal recognition of SA Football Supporters Association (SAFSA).</li> </ul>
<ul style="list-style-type: none"> <li>- 4 x S350</li> <li>- R-Class-320CD1</li> <li>- ML-350 (Silver)</li> <li>- Pajero3.8iGLS</li> <li>- 6 x C200</li> <li>- 1 x Viano 3.0L Sprinter 518</li> </ul>	<p>O  Obbjjeecttiivveess</p>	<p>The following vehicles were branded:</p> <ul style="list-style-type: none"> <li>- 1 X 1 Bafana Bus</li> <li>- 1 X 1 R - Class (white)</li> <li>- 1 X 1 Sprinter (Silver)</li> <li>- 1 X 1 Viano (Grey)</li> <li>- 6 X C - Class (1 x Black, 1 X White, 4 X</li> </ul>
<p>The following vehicles were branded:</p> <ul style="list-style-type: none"> <li>- 1 X 1 Bafana Bus</li> <li>- 1 X 1 R - Class (white)</li> <li>- 1 X 1 Sprinter (Silver)</li> <li>- 1 X 1 Viano (Grey)</li> <li>- 6 X C - Class (1 x Black, 1 X White, 4 X</li> </ul>	<p>A see ourselves, how we want others to see us and linkages to key milestones of our history A nnaattioonnaall, nnaattioonn bbuuillddinnngg ppeerrsppeeecttiivvee in terms of where we come from and where we are going. To be informed who we are, how we want to</p>	<p>The following will be the expected deliverables by SAFA:</p> <ul style="list-style-type: none"> <li>- Develop a comprehensive mobilisation campaign that will engage both domestic and international key stakeholders;</li> <li>- Act as agency that will drive the process;</li> <li>- Engage with key stakeholders from all walks of life;</li> <li>- Work with the Bafana supporters and others to drive the campaign;</li> <li>- Formal recognition of SA Football Supporters Association (SAFSA).</li> </ul>

TECHNICAL COMMITTEE

<p>1</p> <p>133..55..1100..55 NNeeextt SSsteppss - Submit the SAFSA business plan; - Develop Service Level Agreement for - SAFA to formally recognise SAFSA; Department to sign.</p> <p>1</p> <p>133..66 GGeeppneeraall MMAaatt;chh; CCoooorrdiinnaattioonn general Coordination of the U17, U20, Bafana Bafana and Banyana Banyana team The Department has been involved in the events.</p> <p>Coordination included involving every Department that is involved in the event and ensuring a seamless and professional delivery.</p> <p>It covered the following areas:</p> <ul style="list-style-type: none"> <li>- Safety and Security;</li> <li>- Access by spectators;</li> <li>- Visiting supporters;</li> <li>- Parking;</li> <li>- Liaison with key security and safety stakeholders;</li> <li>- Security plan;</li> <li>- Certification;</li> <li>- Match officials;</li> <li>- General protocol;</li> <li>- Marketing and promotions;</li> <li>- Ticket production and sales;</li> <li>- Match promotion;</li> <li>- Hospitality;</li> <li>- Visiting Team logistics;</li> <li>- Accommodation;</li> <li>- Land arrangements;</li> <li>- Training facilities;</li> <li>- Team liaison;</li> <li>- Media organisation;</li> <li>- Accreditation;</li> <li>- Broadcasting;</li> <li>- Venue management;</li> <li>- Pitch;</li> <li>- Technical facilities;</li> <li>- Stands;</li> <li>- Floodlighting and contingencies;</li> <li>- Dressing rooms;</li> <li>- Control room;</li> <li>- PA system;</li> <li>- Electronic display boards;</li> <li>- Sanitary facilities;</li> <li>- Spectators with disabilities;</li> <li>- Procurement/Finance.</li> </ul> <p>1</p> <p>133..77 DDeelliivveerry oonn SSppoonnssoorsshhiipp RRiiggghhtss partners:</p>	<p>1</p> <p>133..77..11 AAabbssa congratulatory audio visual for Mr Mandela's birthday; - Access to the players to shoot a - Releasing Bafana Bafana match footage from the SABC;</p> <ul style="list-style-type: none"> <li>- Developing a Bafana prepaid card;</li> <li>- Absa television commercial shoot;</li> <li>- Permission to shoot an advertisement at Green Point stadium;</li> <li>- Approval of creatives for their outdoor campaign;</li> <li>- Luncheon with team management and coaches.</li> </ul> <p>1</p> <p>133..77..22 SSAABB SABC;</p> <ul style="list-style-type: none"> <li>- Approval of advertisement for Soccer Life</li> <li>- Sourcing of Bafana match footage from the publication.</li> </ul> <p>1</p> <p>133..77..33 UUssee ooff SSAAFFAA MMAarrkkss the use of SAFA marks, especially the Bafana trademark, during the build up to the There has been unprecedented requests for Confederations Cup.</p> <p>Such requests have been treated firmly.</p> <p>1</p> <p>133..77..44 Innffriinggeemeeptt oonn BBaaffaanaa Adams and Adams, the Trademark experts, were involved in filing complaints in an effort SLAM and SAFA, with the assistance of to stop infringements on the Bafana trademarks.</p> <p>The following cases were handled:</p> <ul style="list-style-type: none"> <li>- McCarthy Motors and Cheri Cars;</li> <li>- Bloemfontein;</li> <li>- MTN;</li> <li>- Continental Tyres;</li> <li>- McDonalds;</li> <li>- Fanfield Tours, Bafana Bafana Sports (Pty) Ltd.</li> </ul> <p>1</p> <p>133..77..55 CCooounntteerrfteeijt MMeeerrcchhaannddiisee Adams will be embarking on a Campaign to minimise the spread of counterfeit merchandise SAFA and SLAM with the help of Adams and that is beginning to erode the SAFA revenue base and its reputation. This will also involve the SAPS and especially the Immigration Department at the Department of Home Affairs.</p>	<p>1</p> <p>133..77..66 PPrrroomoottiioonnss SLAM in conjunction with SAFA: The following promotions were launched by - Bafana Feva Tour (road shows in support of Bafana Bafana); - United 4 Bafana. A marketing effort to gain market penetration for Bafana gear in retail, B2B etc; - Stadium vending; - Launch of merchandise.</p> <p>.....</p> <p>1</p> <p>144.. TTEECCHHNNIICCAALL CCOOMMMMIITTTTEEEE</p> <p>T</p> <p>Teeecchhnniiccaall CCoommmittee RReepoorrtt of the committee were the following:</p> <p>1</p> <p>Chairperson Nkosi Mwelo Nonkonyana (took over from 144..11 Hhnttroodduucctioonn Mr. S Pasiya) During the period under review the members Deputy Chairperson Ms. Manto Madlala (took over from Mr. S Masitenyane).</p> <p>Members: Eric Muneri Anthony Reeves Najeeb Camaroodien Themba Phiri Simon Ngomane Omphemetse Mabula (acted as scribe for the committee)</p> <p>1</p> <p>144..22 RReepoorrtt duties of national teams. Committee members were assigned oversight - Vacant: Research on General Football Development - Development of a South African football style for all our national teams;</p> <ul style="list-style-type: none"> <li>- Simon Ngomane: Establishment of Players' Pool. Compilation of coaches' data (levels of qualification);</li> <li>- Chief Mwelo Nonkonyana: Senior National Team (Bafana Bafana);</li> <li>- Eric Muneri: National U23 Team;</li> </ul>
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The following rights were delivered to SAFA  
Annual Report 2008 - 2009

TECHNICAL COMMITTEE

<p>- Omphemetse Mabula: National U20 Team;</p> <p>- Anthony Reeves: National U17 Team (including academies);</p> <p>- Themba Phiri: All Inter Regional/Provincial Tournaments;</p>	<p>and Mr. Ben Koufie, FIFA and CAF Technical Officer.</p> <p>- Application for a Technical Training Centre through FIFA's Goal Project to be lodged with FIFA immediately.</p>	<p>in line with international norms and standards;</p> <p>- Education and coaching qualification requirements.</p> <p>1</p>
<p>- Ms. Mato Madlala: Women's Football.</p> <p>The committee also made some recommendations to the NEC that were ratified including:</p>	<p>- The appointment of the Technical Director on the basis of his knowledge and understanding of the South African football and geographical environment.</p>	<p>144.77 FFIIFFAA CCoonffeeddeerrattioonnss CCuupp 22000099 SAFA Technical Study Group (TSG) to all the Confederations Cup matches from 14-28 June 2009.</p>
<p>- To establish Coaches' Forums (one for professional coaches and one for developmental coaches) which shall be overseen by the senior national coach.</p>	<p>- The Women's Football Festival that would be funded by FIFA throughout all the nine Provinces of South Africa.</p>	<p>The purpose was to use this information to empower the SAFA national teams, with Bafana Bafana in particular, for the preparations of the 2010 FIFA World Cup™.</p> <p>It is unfortunate that this noble idea could not be implemented due to the perceived</p>
<p>The Technical Committee recommended that there must be two local assistant coaches to the new coach. The association should have a strong and visible South African presence. The national coach must train and mentor these coaches. The National coach must leave a legacy.</p>	<p>144.44 AAppppoiinntmmeenntt ooff TTeeecchhnniiccaall resolutions, applications for the post of the Technical Director were invited. Six applicants in line with the National Technical Conference were shortlisted to undergo a two week intensive training and assessment at the High Performance Centre in Pretoria. The process which resulted in the appointment of Mr. Serame Letsoaka was overseen by FIFA and CAF.</p>	<p>144.44 CCoonffeeddeerrattioonnss CCuupp 22000099 SAFA Technical Study Group (TSG) to all the Confederations Cup matches from 14-28 June 2009.</p>
<p>- The U23 coach should automatically become a member of the technical team of the senior national team (Bafana Bafana). Coaches of the different national teams should automatically become members of the technical teams of the teams immediately above their national teams.</p>	<p>1</p> <p>144.55 TTeeecchhnniiccaall DDiiirreeccttoorraatee Technical Director has to set up a national technical department with structures in the provinces. In line with the recommendations of FIFA, the</p>	<p>144.88 PPrrooppoossaall ffoorr CCooaacchheess FFoorruumm//SSyymmppoosiiuumm 2009 (sanctioned by the NEC) subject to the availability of funds.</p> <p>The purpose of the symposium was amongst other things, to:</p>
<p>- The establishment of Provincial League in order to nurture and identify talent in all provinces.</p> <p>- The Technical Committee committed itself to do a SWOT analysis on four countries, such as Brazil, France, Cameroon and one other African country.</p>	<p>On receipt of recommendations from the Technical Director, the committee will consider same and recommend to the NEC for approval.</p> <p>1</p>	<p>- Present findings of the SAFA TSG for the FIFA 2009 Confederations Cup;</p> <p>- To discuss technical challenges;</p> <p>- To create a technical interaction platform;</p> <p>- To give support for the national teams;</p> <p>- To give support for youth and women football;</p> <p>- To inform about the Coaching Education Systems (e.g. licensing);</p> <p>- Establishment of Coaching Associations,</p> <p>It is also unfortunate that this noble idea could not materialise.</p>
<p>- Reporting structure: Technical reports of all national teams must be submitted by the respective coaches to the Technical Committee member responsible for that national team. The Technical Committee will then forward such reports to the NEC after the committee has interrogated the reports.</p>	<p>144.66 PPoolliccyy oonn AACcaaddeemmyy guidelines, rules and regulations for the establishment of Football Academies. Centres of Excellence, Development Centre and Satellite Academies which were approved by the NEC.</p> <p>These include the following:</p>	<p>1</p> <p>144.99 CCooaacchhiinnngg EEdduuccaattioonn Programme: the plan was to have a four year Long Term Football Development Plan (2008-2012). See Coaching Education Report.</p>
<p>1</p> <p>144.33 FFIirsstt NNaattioonnaall TTeeecchhnniiccaall SAFA Vaal from 8-10 August 2008.</p> <p>The following three major recommendations were made with the assistance of FIFA Development Officer, Mr. Ashford Mamelodi,</p>	<p>- Licensing of Academies and Development Centre after proper investigations;</p> <p>- Monitoring of Football Academies and Football Centers;</p> <p>- Staffing requirements and proper nutrition of players;</p> <p>- Establishment of facilities and accommodation</p>	<p>1</p> <p>144.1100 AAppppoiinntmmeenntt ooff CCooaacchheess constitution, resolved to have a transparent and an all inclusive approach in the appointment of all national team coaches.</p> <p>All shortlisted applicants must undergo an intensive two week training and assessment</p>



programme at the HPC. During the year under review the committee recommended the extension of the contract of Mr. Augustine Makalalane.

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Webinars and system demonstrations and

Reports were received from the following technical teams:

- Bafana Bafana;
- Banyana Banyana;
- Basetsana;
- National U20.

Having analysed all the reports, the committee insisted on its initial recommendation of having a coach from a lower team to be a member of the technical team of the team immediately above.

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144.1122 CCoonccluussioonn opportunity to serve South African football and trust that this report will enable the new We thank SAFA for having given us the committee to take our football to new and greater heights as part of our objective to be one of the leading football nations of the world.

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155. IINNFFOORRMMMAATTIOONN TTEECCHHNNOLLOOGGY

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the administration of our football activities 155.11.22000099 IITT PPrrooggraammss within the Head Office and our regions are

too manually and grossly fragmented.

155.11.11.22 IITTAaddd. OOffiicee. OOnngraatioonnss AAmaallyssiis on the effectiveness and efficiency of our operations regardless of which structures. The current systems and processes underlying and turn-around strategies have been put in

place.

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155.11.22 PPrroocesss AAuuttoommaatioonnss.. ((SSaaffaa OOnnliinee)) become unavoidable in order to smoothen the general administration of football nationwide. The need for process automation has

This process will ensure that the registration of players is centralised, fair and accountable, that there is reporting on all football activities across all regions, that age cheating and various other fraudulent activities are eradicated, that there is reliable email services across all 52 SAFA Regions etc.

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155..11..55..11 SSAAFFAA WWAann OObbjjeeccttiivveess will interconnect all 52 SAFA regional offices including the Head Office;  
 - To provide networking infrastructure that  
 - To provide a medium that will ease communication between all SAFA offices;

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155..11..33 SSAAFFAA Innttraaneett ((SSAAFFAA Online)) regional offices and the Head Office is set to be attained through the implementation of an Process Automations across all SAFA's in-house intranet system SAFA Online.

- To create a platform upon which SAFA Online will securely run and be accessible by every SAFA office thereby effectively making centralised administration a reality.

This system manages and coordinates various processes within SAFA's Finance Department, Competitions Department and the Referees Department.

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155..11..55..22 CCuurrrreennntt SSSttaattuuuss signed by both parties during the period  
 The Internet Solutions sponsorship has been

The next version of this system offers true enterprise solutions, effectively centralising registrations once the Wide Area Network interlinking all SAFA's regions is complete.

This partnership has seen so far 15 regional offices interconnected via Internet Solutions' Secure Internet Connection. The concerned offices each acquire uniform email services and digitised fax numbers. Other regions are still in a process of applying ADSL lines with their local Telkom Offices.

The new version, once approved, will employ Biometric-Solutions Fingerprints Identification together with Holographic Imprints to completely eradicate fraudulent activities during registrations.

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155..11..66 CChhaallleenngeess equipment called a Cisco Router. The safety of this equipment is SAFA's responsibility. The offer from IS comes along with a router. Some regions do not have proper offices and adequate security.

This version will also incorporate integration between the Finance system, Legal Module, Competitions-Module and the Referees-Module. It will also offer great relief to clubs, as they will no longer have travel to the Head Office to deliver registrations forms, but rather travel to their regional office.

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155..11..77 PPrrooppoosseedd SSoolluuttioonn 52 regional routers and paying once-off installation costs for all regions to speed up Head Office must consider insuring all the connectivity process.

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155..11..44 RReeqquiiireemmenntts Wide Area Network infrastructure that will physically interlink all 52 Regions upon which This will require first the completion of the SAFA Online will run.

Various gadgets utilised by the system, for instance Fingerprint Readers, Cameras etc. need to be acquired for every regional office.

Staff training has been conducted, although attendees raised concerns about the short duration over which the training was conducted.

155..11..55 SSAAFFAA WWAANN ((WWiiddee AArreeaa NNeettwoorrk))

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Ëfffiiciaall SSAAFFAA SSuuppplliieerrss//PPaarttneeerrss



SOUTH AFRICAN FOOTBALL ASSOCIATION  
ANNUAL FINANCIAL STATEMENTS  
30 June 2009



SOUTH AFRICAN FOOTBALL ASSOCIATION  
ANNUAL FINANCIAL STATEMENTS  
30 June 2009

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SOUTH AFRICAN FOOTBALL ASSOCIATION  
STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITY AND APPROVAL OF THE  
ANNUAL FINANCIAL STATEMENTS  
30 June 2009

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.

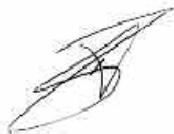
The National Executive Committee members are required by the Association's constitution to maintain adequate accounting records and to prepare annual financial statements for each financial year which fairly present the state of affairs of the Association at the end of the financial year, the results of its operations and cash flows for the year then ended. In preparing the Association's annual financial statements, International Financial Reporting Standards 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 2010. 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 pages 2 and 3. The annual financial statements for the year ended 30 June 2009 set out on pages 4 to 31 have been approved by the National Executive Committee on 31 July 2009 and are signed on its behalf by:



M OLIPHANT  
PRESIDENT



R HACK  
CHIEF EXECUTIVE OFFICER



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Gallo Manor 2052  
South Africa

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www.deloitte.com

## 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 2009, 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, set out on pages 8 to 31.

### 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 International Financial Reporting Standards. 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 auditors' 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 on 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, as well as evaluating the overall presentation of the financial statements.

National Executive: GG Genik: Chief Executive AS Swagers: Chief Operating Officer GM Phisoa: Audit  
DK Kennedy: Tax & Legal and Risk Advisory L Geringer: Consulting L Barn Corporate Finance CH Bookman: Finance  
TJ Brown: Clients & Markets NI Motobe: Chairman of the Board CH Quayle: Deputy Chairman of the Board

A full list of partners and directors is available on request.

B-BBEE rating: Level 3 contributor/AA, (certified by Empowerdex)

Member of Deloitte Touche Tohmatsu

REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF THE SOUTH AFRICAN FOOTBALL ASSOCIATION  
30 June 2009

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

appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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.

Joint Venture in SLAM (SAFA Legal and Management (Pty) Ltd)

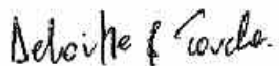
As discussed in the report of the National Executive Committee, the Association has not accounted for their 50% joint venture in SLAM as required by IAS 31.

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 2009, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

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

Per Patrick Ndlovu  
Partner

SOUTH AFRICAN FOOTBALL ASSOCIATION  
COMPOSITION OF THE NATIONAL EXECUTIVE COMMITTEE  
30 June 2009

President

Molefi Oliphant

Vice Presidents

Irvin Khoza

Mubarak Mahomed

Mwelo Nonkonyana

Members

Alpha Mchunu

Anastasia Tsihclas

Daniel Jordaan (Chief Executive Officer - 2010 FIFA World Cup Organising Committee SA)

David Nhlabathi

Eddie Du Plooy

Eric Mtshatsha

Henry Mosese

Jan Koopman

Kenneth Lebenya

Kirsten Nematandani

Mandla Mazibuko

Mato Madlala

Nakedi Lekota

Obakeng Molatedi

Raymond Hack (Chief Executive Officer)

Sam Msimango

Samuel Masitenyane

Simon Sebapu

Sturu Pasiya

Vernon Seymour

Honorary President

Prof L Gadinabokao

Honorary Members

Leepile Taunyane

Vincent Baartjes

The above members were elected onto the National Executive Committee on 24 September 2005. In terms of paragraph 13.23 of the Association's constitution, these members will hold office for a period of four years until the next election in September 2009.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
NATIONAL EXECUTIVE COMMITTEE'S STATEMENT ON CORPORATE GOVERNANCE  
30 June 2009

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 International Financial Reporting Standards.

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 International Financial Reporting Standards. 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 auditors' 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 2009

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 profit of R25 166 617 for the year ended 30 June 2009 (2008: net loss of R3 632 285). In arriving at the profit (2008: loss), 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 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 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 years, 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 2009. In the opinion of the National Executive Committee the agreement, however, does not affect the value of and the Association's rights to SAFA House.

Subsequent events

No events of a material nature have occurred between the reporting date and the date of this report.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
REPORT OF THE NATIONAL EXECUTIVE COMMITTEE  
30 June 2009

Auditors

The Association's auditors are Deloitte & Touche and were appointed in terms of paragraph 9.13 of the Association's constitution.

Derivative financial asset

Network 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 12 October 2010. The cash flow to SAFA on 12 October 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 appreciated during the year largely due to the significant increase 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 company 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.

Joint Venture in SLAM (SAFA legal and Management (Pty) Ltd)

The Association has not recognised their 50% share in the SLAM Joint Venture (JV). SLAM is known as SAFA Promotions (Pty) Ltd. Per IAS 31, the JV needs to be either equity accounted for or proportionally consolidated in the financial statements of the Association. In the opinion of the National Executive Committee, the impact of not performing the above is not material. The Association has only accounted for the dividend received from SLAM.

Taxation

The Association has a tax liability of R18 653 257 as at 30 June 2009 (2008: liability of R19 849 162). The Association has not yet submitted its tax return for the 2008 tax year.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 INCOME STATEMENT  
 for the year ended 30 June 2009

	Notes	30/06/2009 R	30/06/2008 R
Revenue			
- Sponsorship income		238 960 346	205 311 372
- FIFA Grant		19 536 000	19 536 000
- Rental income		8 002 676	7 293 609
- Confederations Cup prize money		17 734 725	-
		<u>(261 478 069)</u>	<u>(211 604 315)</u>
Operating costs			
Profit from operations	3	22 755 678	20 536 666
Increase (decrease) in fair value of derivative financial asset	9	2 047 000	(37 186 761)
Other income	4	3 139 452	5 493 649
Finance costs	5	(889 593)	(1 787 761)
Finance income	5	6 556 738	8 210 068
Profit (loss) before taxation		<u>33 609 275</u>	<u>(4 734 139)</u>
Income tax (charge) credit	6	(8 442 658)	1 101 854
Profit (loss) for the year		<u><u>25 166 617</u></u>	<u><u>(3 632 285)</u></u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
BALANCE SHEET  
30 June 2009

	Notes	30/06/2009 R	30/06/2008 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	66 184 928	63 566 779
Deferred taxation	8	11 254 053	16 431 837
Derivative financial asset	9	11 800 000	9 753 000
Investment in subsidiary	10	100	100
<b>Total non-current assets</b>		<u>89 239 081</u>	<u>89 751 716</u>
<b>Current assets</b>			
Trade and other receivables	11	62 649 013	23 039 435
Bank balances and cash	20	66 206 770	82 982 623
<b>Total current assets</b>		<u>128 855 783</u>	<u>106 022 058</u>
<b>Total assets</b>		<u><u>218 094 864</u></u>	<u><u>195 773 774</u></u>
<b>Reserve and liabilities</b>			
<b>Accumulated profit</b>			
Accumulated loss - operating activities		(28 884 027)	(53 908 566)
Accumulated profit - grants and revaluations		92 785 894	92 643 816
		<u>63 901 867</u>	<u>38 735 250</u>
<b>Non-current liabilities</b>			
Long-term liabilities	12	9 026 227	5 244 111
Deferred revenue	14	-	12 934 634
<b>Total non-current liabilities</b>		<u>9 026 227</u>	<u>18 178 745</u>
<b>Current liabilities</b>			
Trade and other payables	15	74 477 555	65 718 225
Current portion of long-term liabilities	12	1 021 315	895 930
Current portion of income received in advance	13	38 080 009	32 860 462
Current portion of deferred revenue	14	12 934 634	19 536 000
Taxation		18 653 257	19 849 162
<b>Total current liabilities</b>		<u>145 166 770</u>	<u>138 859 779</u>
<b>Total reserves and liabilities</b>		<u><u>218 094 864</u></u>	<u><u>195 773 774</u></u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 STATEMENT OF CHANGES IN EQUITY  
 for the year ended 30 June 2009

	Accumulated loss - operating activities	Accumulated profit - grants accumulated and revaluations	Total profit
	<u>R</u>	<u>R</u>	<u>R</u>
Balance at 30 June 2007	(55 072 620)	97 440 155	42 367 535
Profit (loss) for the year	<u>1 164 054</u>	<u>(4 796 339)</u>	<u>(3 632 285)</u>
Balance at 30 June 2008	(53 908 566)	92 643 816	38 735 250
Profit (loss) for the year	<u>25 024 539</u>	<u>142 078</u>	<u>25 166 617</u>
Balance at 30 June 2009	<u><u>(28 884 027)</u></u>	<u><u>92 785 894</u></u>	<u><u>63 901 867</u></u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 CASH FLOW STATEMENT  
 for the year ended 30 June 2009

	Notes	30/06/2009 R	30/06/2008 R
<b>Operating activities:</b>			
Cash utilised in operations	16	(14 498 965)	(2 887 419)
Finance income		6 556 738	8 210 068
Finance costs		(889 593)	(1 787 761)
Taxation paid	17	(4 460 780)	(5 347 028)
Net cash from operating activities		<u>(13 292 600)</u>	<u>(1 812 140)</u>
<b>Investing activities:</b>			
Additions to property, plant and equipment	18	(8 558 387)	(9 254 587)
Proceeds from disposal of property, plant and equipment	19	1 167 633	270 665
Net cash used in investing activities		<u>(7 390 754)</u>	<u>(8 983 922)</u>
<b>Financing activities:</b>			
Increase in long-term liabilities		3 782 116	3 665 367
Increase in current portion of long-term liabilities		125 385	474 118
Net cash generated from financing activities		<u>3 907 501</u>	<u>4 139 485</u>
Net decrease in cash and cash equivalents		(16 775 853)	(6 656 577)
Cash and cash equivalents at beginning of the year		82 982 623	89 639 191
Cash and cash equivalents at end of the year	20	<u><u>66 206 770</u></u>	<u><u>82 982 623</u></u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
 30 June 2009

1. Presentation of financial statements

These financial statements are presented in South African Rand since that is the functional currency of the Association and the presentation currency for the annual financial statements.

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") on the historical cost basis, except for the revaluation of certain financial instruments which are stated at amortised cost and fair value and incorporated in the following principle accounting policies which have been consistently applied in all material aspects. The following are the company's significant accounting policies:

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards. 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.

Property, plant and equipment

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

Depreciation is charged so as to write off the cost of assets over their estimated useful lives to their residual values, using the straight line method. The following rates are applied.

Buses	20%
Computer equipment	33,3%
Furniture and fittings	16,7%
General equipment	20%
Leasehold properties - SAFA House	20%
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 the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

SOUTH AFRICAN FOOTBALL ASSOCIATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2009

2. Summary of significant accounting policies (continued)

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.

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 recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under the Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation 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.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
30 June 2009

2. Summary of significant accounting policies (continued)

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

Provisions are recognised when the Association has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated. Provisions are measured as the National Executive Committee's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

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 irrecoverable 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.

SOUTH AFRICAN FOOTBALL ASSOCIATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2007

2. Summary of significant accounting policies (continued)

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.

Assets held under finance leases are recognised as assets of the Association at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

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 supplied 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.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
30 June 2009

2. Summary of significant accounting policies (continued)

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.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 its 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.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

2. Summary of significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

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 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.

2.1 Statements issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

	New/Revised International Financial Reporting Standards/ International Financial Reporting Interpretation Committee Interpretation	Annual periods beginning on or after
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
IAS 1	Presentation of Financial Statements	1 January 2009
IAS 16	Property, Plant and Equipment	1 January 2009
IAS 19	Employee Benefits	1 January 2009
IAS 20	Government Grants and Disclosure of Government Assistance	1 January 2009
IAS 23	Borrowing Costs	1 January 2009
IAS 27	Consolidated and Separate Financial Statements	1 July 2009
IAS 28	Investments in Associates	1 July 2009
IAS 31	Interests in Joint Ventures	1 July 2009
IAS 32	Financial Instruments: Presentation	1 January 2009
IAS 36	Impairment of Assets	1 January 2009
IAS 38	Intangible Assets	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement	1 January 2009
IAS 40	Investment Property	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009

SOUTH AFRICAN FOOTBALL ASSOCIATION  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
30 June 2009

2. Summary of significant accounting policies (continued)

The Association anticipate that the above Standards and Interpretations will be adopted in the financial statements at their effective dates and that the adoption in the financial statements at their effective dates and that the adoption of those Interpretations will have no material impact on the financial statements of the company in the period of initial application.

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 effect on the amounts recognised in the financial statements:

Valuation of investments

Investments are valued at market or fair value. In the event that a market value cannot be determined or reliably measured, investments are recorded at cost.

The valuation principles applied to unlisted investments comply with both the British Venture Capital Association Guidelines and the South African Venture Capital Equity Association (SAVCA). These guidelines permit valuing 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 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 without reasonable certainty to prove 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 Association invests. Therefore, the fair values presented herein are not necessarily indicative of the amount that the Association could realise in a current transaction.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
30 June 2009

2. Summary of significant accounting policies (continued)

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. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Association to realise the net deferred tax assets recorded at the balance sheet date could be impacted. Additionally, future changes in tax laws in which the Association operates could limit the ability of the Association to obtain tax deductions in future periods.

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)  
 30 June 2009

	<u>30/06/2009</u>	<u>30/06/2008</u>
	R	R
3. Profit from operations		
This is arrived at after taking the following items into account:		
Auditors' remuneration:		
Audit fees		
- current year	568 500	525 000
- prior year over provision	74 345	33 873
	<u>642 845</u>	<u>558 873</u>
Compensation of key management personnel - short term benefits		
National Executive Committee		
- Honoraria	2 430 000	2 615 000
- Allowances	2 341 493	3 407 825
- 2010 World Cup bonuses (2002-2004 National Executive Committee)	-	3 846 154
	<u>4 771 493</u>	<u>9 868 439</u>
SAFA Regional members - 2010 World Cup bonuses	<u>-</u>	<u>2 500 000</u>
SAFA Regional members - extra grant	<u>2 600 000</u>	<u>-</u>
Consulting fees	<u>4 496 956</u>	<u>2 021 158</u>
Depreciation:		
- Buildings	1 581 840	300 280
- Furniture and fittings	85 912	31 205
- Leasehold property - SAFA House	1 658 544	2 765 294
- Motor vehicles	140 990	281 729
- Office equipment	23 251	11 608
- Computer equipment	780 066	370 063
- General equipment	97 521	52 159
- Buses	517 270	265 474
	<u>4 885 594</u>	<u>4 077 812</u>
Profit on disposal and write-off of property, plant and equipment	<u>112 789</u>	<u>270 665</u>
Foreign exchange loss	<u>724 031</u>	<u>228 373</u>
Retirement benefit costs	<u>2 942 420</u>	<u>2 560 206</u>
Staff costs - permanent employees	<u>69 484 693</u>	<u>56 009 553</u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	30/06/2009	30/06/2008
	R	R
4. Other income		
SAFA House grant	-	3 185 220
Other	3 139 452	2 308 429
	<u>3 139 452</u>	<u>5 493 649</u>
5. Finance (costs) income		
Interest paid - bank and finance charges	(889 593)	(1 787 761)
Interest received - bank	1 415 826	1 645 759
Interest received - FIFA grants	5 140 912	6 564 309
	<u>6 556 738</u>	<u>8 210 068</u>
	<u>5 667 145</u>	<u>6 422 307</u>
6. Taxation		
Current year		
- Current taxation	3 264 874	3 204 089
- Deferred taxation	5 177 784	(4 724 077)
- Rate change adjustment	-	418 134
	<u>8 442 658</u>	<u>(1 101 854)</u>

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

Profit (loss) before taxation	33 609 275	(4 734 139)
Tax at the domestic income tax rate of 28%	9 410 597	(1 325 559)
Tax effect of non-deductible expenses	967 938	697 433
Tax effect of income not subject to income tax (1 925 877)	-	(891 862)
Rate change adjustment	-	418 134
	<u>8 442 658</u>	<u>1 101 854</u>



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Capital Development	Business	Construction	Leasehold	Proccritty	Other	Total
1	3	2	1	8	4	13
2	7	1	1	4	1	10
3	2	1	1	8	1	8
4	7	1	1	4	1	15
5	8	1	1	4	1	16
6	2	1	1	4	1	10
7	1	1	1	4	1	9
8	0	1	1	4	1	8
9	6	1	1	4	1	14
10	2	1	1	4	1	10
11	3	1	1	4	1	11
12	7	1	1	4	1	15
13	5	1	1	4	1	13
14	8	1	1	4	1	16
15	2	1	1	4	1	10
16	7	1	1	4	1	15
17	1	1	1	4	1	9
18	0	1	1	4	1	8
19	6	1	1	4	1	14
20	2	1	1	4	1	10
21	7	1	1	4	1	15
22	1	1	1	4	1	9
23	0	1	1	4	1	8
24	6	1	1	4	1	14
25	2	1	1	4	1	10
26	7	1	1	4	1	15
27	1	1	1	4	1	9
28	0	1	1	4	1	8
29	6	1	1	4	1	14
30	2	1	1	4	1	10
31	7	1	1	4	1	15
32	1	1	1	4	1	9
33	0	1	1	4	1	8
34	6	1	1	4	1	14
35	2	1	1	4	1	10
36	7	1	1	4	1	15
37	1	1	1	4	1	9
38	0	1	1	4	1	8
39	6	1	1	4	1	14
40	2	1	1	4	1	10
41	7	1	1	4	1	15
42	1	1	1	4	1	9
43	0	1	1	4	1	8
44	6	1	1	4	1	14
45	2	1	1	4	1	10
46	7	1	1	4	1	15
47	1	1	1	4	1	9
48	0	1	1	4	1	8
49	6	1	1	4	1	14
50	2	1	1	4	1	10
51	7	1	1	4	1	15
52	1	1	1	4	1	9
53	0	1	1	4	1	8
54	6	1	1	4	1	14
55	2	1	1	4	1	10
56	7	1	1	4	1	15
57	1	1	1	4	1	9
58	0	1	1	4	1	8
59	6	1	1	4	1	14
60	2	1	1	4	1	10
61	7	1	1	4	1	15
62	1	1	1	4	1	9
63	0	1	1	4	1	8
64	6	1	1	4	1	14
65	2	1	1	4	1	10
66	7	1	1	4	1	15
67	1	1	1	4	1	9
68	0	1	1	4	1	8
69	6	1	1	4	1	14
70	2	1	1	4	1	10
71	7	1	1	4	1	15
72	1	1	1	4	1	9
73	0	1	1	4	1	8
74	6	1	1	4	1	14
75	2	1	1	4	1	10
76	7	1	1	4	1	15
77	1	1	1	4	1	9
78	0	1	1	4	1	8
79	6	1	1	4	1	14
80	2	1	1	4	1	10
81	7	1	1	4	1	15
82	1	1	1	4	1	9
83	0	1	1	4	1	8
84	6	1	1	4	1	14
85	2	1	1	4	1	10
86	7	1	1	4	1	15
87	1	1	1	4	1	9
88	0	1	1	4	1	8
89	6	1	1	4	1	14
90	2	1	1	4	1	10
91	7	1	1	4	1	15
92	1	1	1	4	1	9
93	0	1	1	4	1	8
94	6	1	1	4	1	14
95	2	1	1	4	1	10
96	7	1	1	4	1	15
97	1	1	1	4	1	9
98	0	1	1	4	1	8
99	6	1	1	4	1	14
100	2	1	1	4	1	10

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SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	30/06/2009	30/06/2008
	R	R
8. Deferred taxation		
Balance at beginning of the year	16 431 837	12 125 894
(Charge) Credit to income statement	(5 177 784)	4 305 943
Balance at the end of the year	<u>11 254 053</u>	<u>16 431 837</u>
<u>Comprising:</u>		
Derivative financial asset	(11 800 000)	(9 753 000)
Provisions and prepaid expenses	978 400	3 107 035
Income received in advance and deferred revenue	51 014 643	65 331 096
	<u>40 193 043</u>	<u>58 685 131</u>
Deferred taxation at 29%	<u>11 254 053</u>	<u>16 431 837</u>
9. Derivative financial asset		
Fair value at beginning of the year	9 753 000	46 939 761
Increase (decrease) in fair value during the year	2 047 000	(37 186 761)
Fair value at end of the year	<u>11 800 000</u>	<u>9 753 000</u>

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.

10. Investment in subsidiary				
At cost				
Name of subsidiary	Issued share capital	Proportion of ownership		
	R	%		
2008 and 2009				
SA Football (Pty) Ltd	100	100%	100	100
National Executive Committee valuation			100	100

The subsidiary is incorporated in South Africa and its main business is to carry on the commercial activities relating to the national football teams.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	<u>30/06/2009</u>	<u>30/06/2008</u>
	R	R
11. Trade and other receivables		
Trade receivables	35 368 858	17 772 167
Other receivables	<u>27 280 155</u>	<u>5 267 268</u>
	<u><u>62 649 013</u></u>	<u><u>23 039 435</u></u>

Trade and other receivables are shown net of a provision for doubtful debts of R7 076 100 (2008: 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 other collateral over these balances.

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

<u>Ageing past due and impaired</u>		
120+ days	<u>7 076 100</u>	<u>2 697 980</u>
<u>Movement in the provision for doubtful debts</u>		
Balance at beginning of the year	2 697 980	2 697 980
Net movement in provision	<u>4 378 120 -</u>	<u>                    </u>
	<u><u>7 076 100</u></u>	<u><u>2 697 980</u></u>

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 provision for doubtful debts.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	<u>30/06/2009</u>	<u>30/06/2008</u>
	R	R
12. Long-term liabilities		
Instalments sale agreements	4 244 182	25 925
Less: current portion included under current liabilities	<u>(720 015)</u>	<u>(25 925)</u>
	<u>3 524 167</u>	<u>-</u>
Mortgage bond - Standard Bank and Rand Merchant Bank	5 803 360	6 110 865
Less: current portion included under current liabilities	<u>(301 300)</u>	<u>(866 754)</u>
	<u>5 502 060</u>	<u>5 244 111</u>
Long-term portion of long-term liabilities	<u>9 026 227</u>	<u>5 244 111</u>
Current portion of long-term liabilities	<u>1 021 315</u>	<u>895 930</u>
Long-term liabilities	<u><u>10 047 542</u></u>	<u><u>6 140 041</u></u>

The instalment sale agreements are secured over motor vehicles detailed in note 7, with a carrying value of R1 875 587 (2008:R21 099). The monthly instalments per agreement is R101 270 over the next 12 months. Interest is payable at an average rate of 14% (2008: 11,50%) per annum.

Reconciliation of future instalments payable

	<u>Within 1 year</u>	<u>2-5 years</u>	<u>Total</u>
	R	R	R
Minimum lease payments	1 215 240	4 658 420	5 873 660
Finance costs	<u>(495 225)</u>	<u>(1 134 253)</u>	<u>(1 629 478)</u>
Present Value	<u><u>720 015 3 524</u></u>	<u><u>1 674 244 182</u></u>	<u><u></u></u>

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 11,6% (2008: 13,25%) per annum and the loans are repayable in total monthly instalments of R78 586 (2008: R91 713) over a period of 240 months and 120 months, respectively.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	30/06/2009	30/06/2008
	R	R
13. Income received in advance		
Non-current portion of income received in advance		
FirstRand Bank Limited	-	-
Current portion of income received in advance		
Adidas	6 086 625	-
ABSA	4 578 525	-
Coca-Cola	2 967 345	2 745 000
FirstRand Bank Limited	459 500	6 990 514
Metropolitan	-	59 794
RMB control account	2 756 285	-
Rent received in advance	2 653 112	2 009 544
Sasol Oil (Pty) Ltd	1 000 000	872 962
South African Airways	1 083 333	-
South African Broadcasting Corporation Limited	43 750	4 405 023
South African Breweries Limited	13 735 573	12 718 125
Vodacom (Pty) Ltd	2 715 961	3 059 500
	<u>38 080 009</u>	<u>32 860 462</u>
Total income received in advance	<u>38 080 009</u>	<u>32 860 462</u>
14. Deferred revenue		
FIFA 2010 grants		
Balance at the beginning of the year	32 470 634	60 916 000
FIFA second grant	-	-
Amount reallocated to VAT liabilities	-	(5 724 146)
FIFA second grant utilised during the year	(19 536 000)	(19 536 000)
Amount recognised in income, equivalent to SAFA House capital	-	(3 185 220)
Balance at end of the year	<u>12 934 634</u>	<u>32 470 634</u>
Long-term portion of deferred revenue	<u>-</u>	<u>12 934 634</u>
Short-term portion of deferred revenue	<u>12 934 634</u>	<u>19 536 000</u>
15. Trade and other payables		
Trade payables	15 105 125	5 405 227
Sundry payables	6 974 742	6 679 462
Sundry accruals	26 708 392	26 614 430
Value Added Taxation	17 949 773	18 060 689
Salary-related payables	5 475 991	6 884 493
Provisions	2 263 532	1 750 290
FIFA control account	-	323 634
	<u>74 477 555</u>	<u>65 718 225</u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

15. Trade and other payables (continued)	Provision for bonuses <u>R</u>	Provision for leave pay <u>R</u>	Total <u>R</u>
<u>Provisions</u>			
Opening balance	895 617	854 673	1 750 290
Payments made during the year	(1 904 295)	-	(1 904 295)
Charged to the income statement	2 158 215	259 322	2 417 537
	<u>1 149 537</u>	<u>1 113 995</u>	<u>2 263 532</u>

The National Executive Committee considers that the carrying amount of trade and other payables approximate their fair values.

	<u>30/06/2009</u> R	<u>30/06/2008</u> R
16. Cash (utilised in) generated from operations		
Profit (loss) before taxation	33 609 275	(4 734 139)
Adjustments for:		
- Depreciation	4 885 394	4 077 812
- Profit on disposal of property, plant and equipment	(112 789)	(270 665)
- Other property, plant and equipment adjustments	-	13 069
- Finance income	(6 556 738)	(8 210 068)
- Finance costs	889 593	1 787 761
- Increase in provisions	513 242	378 938
- (Increase) decrease in fair value of derivative financial asset	(2 047 000)	37 186 761
Operating profit before working capital changes	<u>31 180 977</u>	<u>30 229 469</u>
Adjustments for working capital changes:		
- (Increase) decrease in trade and other receivables	(39 609 578)	1 734 522
- Decrease in trade and other payables, income received in advance and deferred revenue	(6 070 364)	(34 851 410)
	<u>(45 679 942)</u>	<u>(36 302 108)</u>
	<u>(14 498 965)</u>	<u>(2 887 419)</u>
17. Taxation paid		
Amount payable at beginning of the year	19 849 162	21 992 101
Charge to the income statement (excluding deferred taxation)	3 264 874	3 204 089
Amount payable at the end of the year	(18 653 257)	(19 849 162)
	<u>4 460 779</u>	<u>5 347 028</u>

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

	30/06/2007	30/06/2006
	R	R
18. Additions to property, plant and equipment		
Buses	3 776 930	
Leasehold property - SAFA House	-	3 185 220
Capitalised development costs	408 178	637 500
Furniture and fittings	252 430	228 362
Office equipment	-	105 025
Computer equipment	1 729 282	471 751
General equipment	395 999	58 106
Land and buildings	-	4 568 623
Motor vehicles	1 995 568	-
	<u>8 558 387</u>	<u>9 254 587</u>
19. Proceeds on disposal of property, plant and equipment		
Carrying value of property, plant and equipment disposed	1 054 844	-
Profit on disposal of property, plant and equipment	(112 789)	270 665
Proceeds on disposal of property, plant and equipment	<u>1 167 633</u>	<u>270 665</u>
20. Cash and cash equivalents at end of the year		
Bank and cash balances		
- FIFA grants	43 673 911	58 272 178
- Other	22 532 859	24 710 445
	<u>66 206 770</u>	<u>82 982 623</u>
21. Related parties		
21.1 Related party 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.		
National Executive Committee - Honoraria and allowances	(2 250 000)	(2 070 000)
South Africa 2010 Local Organising Committee	(2 627 684)	3 233 772
Premier Soccer League	-	1 000 000
Soccer City	(720 056)	(635 649)
South Africa 2010 World Cup bonuses	(5 500 000)	(10 838 627)
21.2 Related party transactions		
- Premier Soccer League - affiliation fees	8 134 065	2 000 000
- South Africa 2010 Local Organising Committee	8 002 676	7 293 609
- SLAM Joint Venture	1 000 000	-
- National Executive Committee - Honoraria and allowances	4 771 493	9 868 439
- Soccer City - salaries and legal expense	1 015 714	-
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.		

## SOUTH AFRICAN FOOTBALL ASSOCIATION

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30 June 2009

## 22. 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 as at 30 June 2009.

## 23. Contingent liabilities

1. The Association is a defendant in a case relating to damages claimed by suspended referees amounting to R7 319 000 plus interest at 15% from 20 September 2005.

2. The Association is a defendant in a case relating to damages claimed in respect of damages to a motor vehicle for which the Plaintiff is claiming R75 000.

3. The Association is a defendant in a case relating to damages claimed in respect of damages to a motor vehicle for which the Plaintiff is claiming R52 289.60

4. The Association is a defendant in a case relating to a claim for transport costs incurred by a Local Football Association team and the claim is for R10 000.

5. The Association is a defendant in a case against an ex-employee of SA Football (Pty) Ltd relating to outstanding remuneration and expense reimbursements. The Plaintiff is claiming R143 750.

6. The Association is a defendant in a case against employees, the estimated costs are between R30 000 to R50 000 and there are reasonable prospects of success.

7. The Association has a labour court dispute with ex-employees. The costs are estimated at R245 357.

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.

The Association was not successful in defending the arbitration proceedings in a labour dispute. The Association was ordered the pay R670 000 with legal costs which are still to be taxed. The Association intends to appeal the decision.

SOUTH AFRICAN FOOTBALL ASSOCIATION  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 30 June 2009

24. 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 Association's foreign currency denominated monetary assets and monetary liabilities at the 30 June 2009 are as follows:

	<u>Liabilities</u>	<u>Assets</u>
	R	R
United States Dollars	<u>279 412</u>	<u>13 637 306</u>

Foreign Currency sensitivity analysis:

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 Rand 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 profit.

	<u>USD</u>
	impact
	R
Profit	<u>1 335 789</u>

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.

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24. Financial instruments (continued)

Liquidity and interest risk tables

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

	<u>Interest rate</u>	<u>1 year</u>	<u>2 years and longer</u>
<u>Interest Bearing</u>			
Standard Bank Mortgage Bond	<u>13%</u>	235 838	1 469 242
Rand Merchant Bank Mortgage Bond	<u>10.25%</u>	<u>707 195</u>	<u>3 391 083</u>
		<u>943 033</u>	<u>4 860 326</u>