



SAFA PRESENTATION (revised)

Portfolio Committee on Sport and Recreation

11 February 2014



140211pc sport

Contents (as requested by Portfolio Committee)

1. 2012-13 SAFA Annual Report

2. The Group Annual Financial Statements

3. The Programme of Action – Vision – 2022



The SAFA Delegation

- Dr Danny JORDAAN – President
- Mr Elvis SHISHANA – Vice-President
- Mr Lucas NHLAPO – Vice-President
- Mr Dennis MUMBLE – CEO
- Mr Gerald DON – NEC Member
- Mr Truman PRINCE – NEC Member
- Mr Mlungisi BUSHWANA – NEC Member
- Mr Gronie HLUYO – CFO
- Mr Jaco VAN DER WALT - EY

Highlights - SAFA Annual Report – 2012-13

● 1. Transforming SAFA

● A. Governance

- Streamlined committee structure to increase efficiency & reduce costs
- Established the SAFA Development Agency
- Hired a new Head Coach for Bafana Bafana
- Strengthened the regulatory framework

● B. Administration

- New program with 3 Divisions (Football, Business, Corporate)
- Staff reduced by 36 persons
- Improve operational efficiencies
- Cost reduction focus



Highlights - SAFA Annual Report – 2012-13

- 2. Big-Event Management Program Continues
 - A. 2013 Africa Cup of Nations
 - Most successful AFCON ever (CAF)
 - Largest television audience worldwide
 - Special recognition by CAF in Morocco
- 3. E of I for Under-20 Women's World Cup 2016
 - Recognition by FIFA as one of the best hosts
 - Central to building women's football in the country

Highlights of the 30 June 2013 Financial Report

- Mr Gronie Huyo - Chief Financial Officer



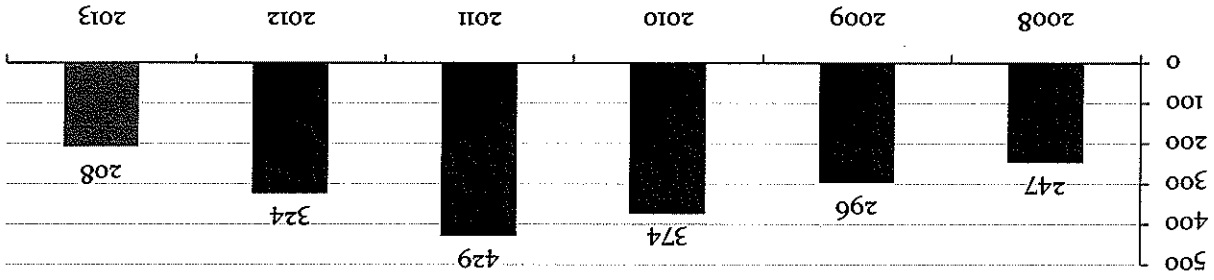


Presentation of Balance Sheet and Income Statement

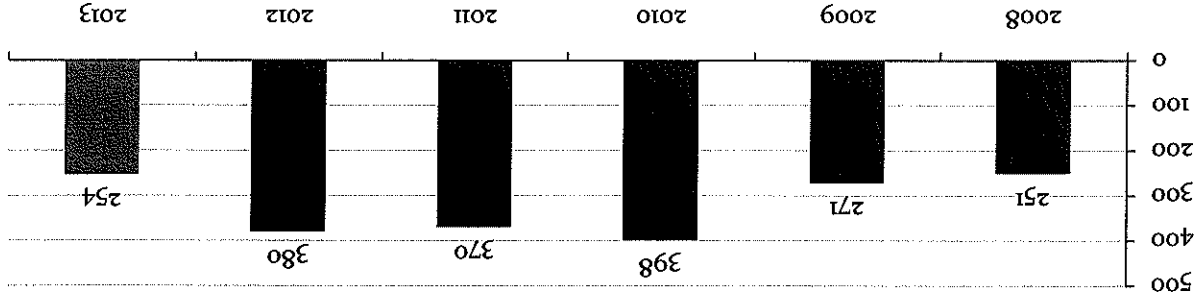
30 June 2013

2013 Income Statement (R million)

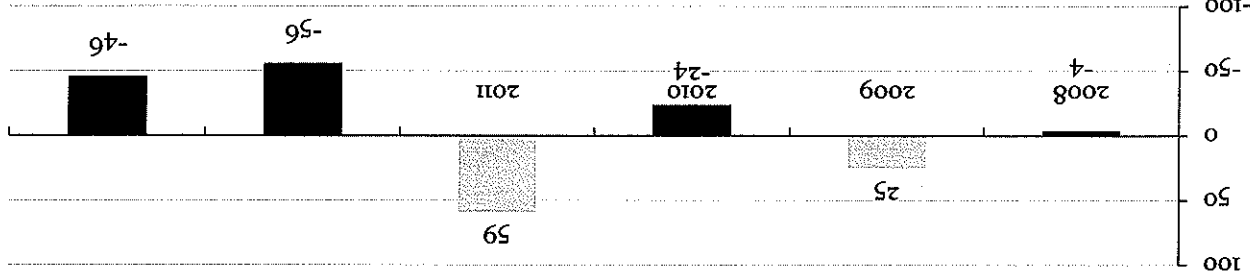
Revenue



Expenses

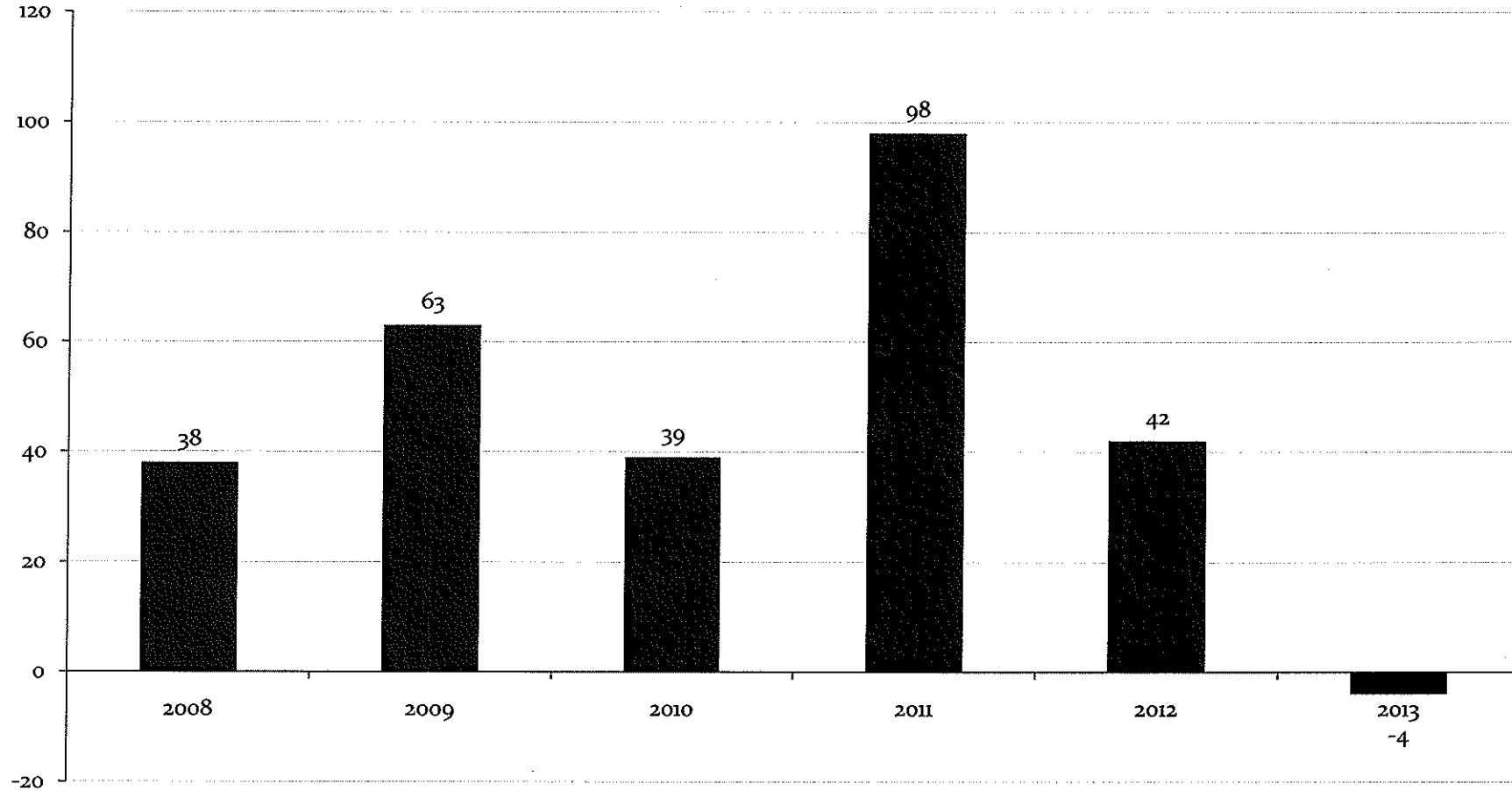


Loss/Surplus



SOUTH AFRICAN FOOTBALL ASSOCIATION

Reserves - (R million)



Balance Sheet (R million)

	<u>2013</u>	<u>2012</u>
ASSETS		
Fixed assets	77	100
Netcare Investment	19	32
Bafana Trade Mark	5	5
Assets held for resale	5	17
Receivables	26	55
Net Bank and cash	18	-1
Deferred tax	-	3
Tax prepaid	-	4
TOTAL	150	215
LIABILITIES		
Long term loans	8	5
Payables	80	145
Short term loans	24	2
Income in advance	42	21
TOTAL	154	173
RESERVES	-4	42





SAFA TURNAROUND STRATEGY

FINANCIAL YEAR 2014



**SOUTH AFRICAN
FOOTBALL ASSOCIATION**

- Annual budget expenses must be balanced to SECURED revenue
- A zero budget approach shall be used for most expenses
- Unfunded activities shall not be approved
- Review all the elements of our cost-drivers and
- Remove wastages
- Strive for efficiencies



Budget 2013/14 Financial Year

	Expected	Additional Funding Required	Total
INCOME	187	84	271
Committed	187		187
Legacy Fund applications		32	32
Funding to be obtained		52	52
EXPENDITURE	165	84	249
Committed	165		165
Funding depended		84	84
Surplus	22	-	22

Financial Results 31 December 2013

Budget Actual Variance

271 **119** **(152)**

148 90 (58)

71 28 (43)

50 1 (49)

2 - (2)

INCOME

Secured - Sponsorships

Secured - Other

Unsecured - Sponsorships

Unsecured - Other

EXPENDITURE

Football

Corporate Services

Football Business

Football Governance

Other Operating Costs

Surplus

22

(4)

(26)

249

124

125

128

49

80

27

16

11

16

7

9

5

1

4

73

51

22



SOUTH AFRICAN FOOTBALL ASSOCIATION

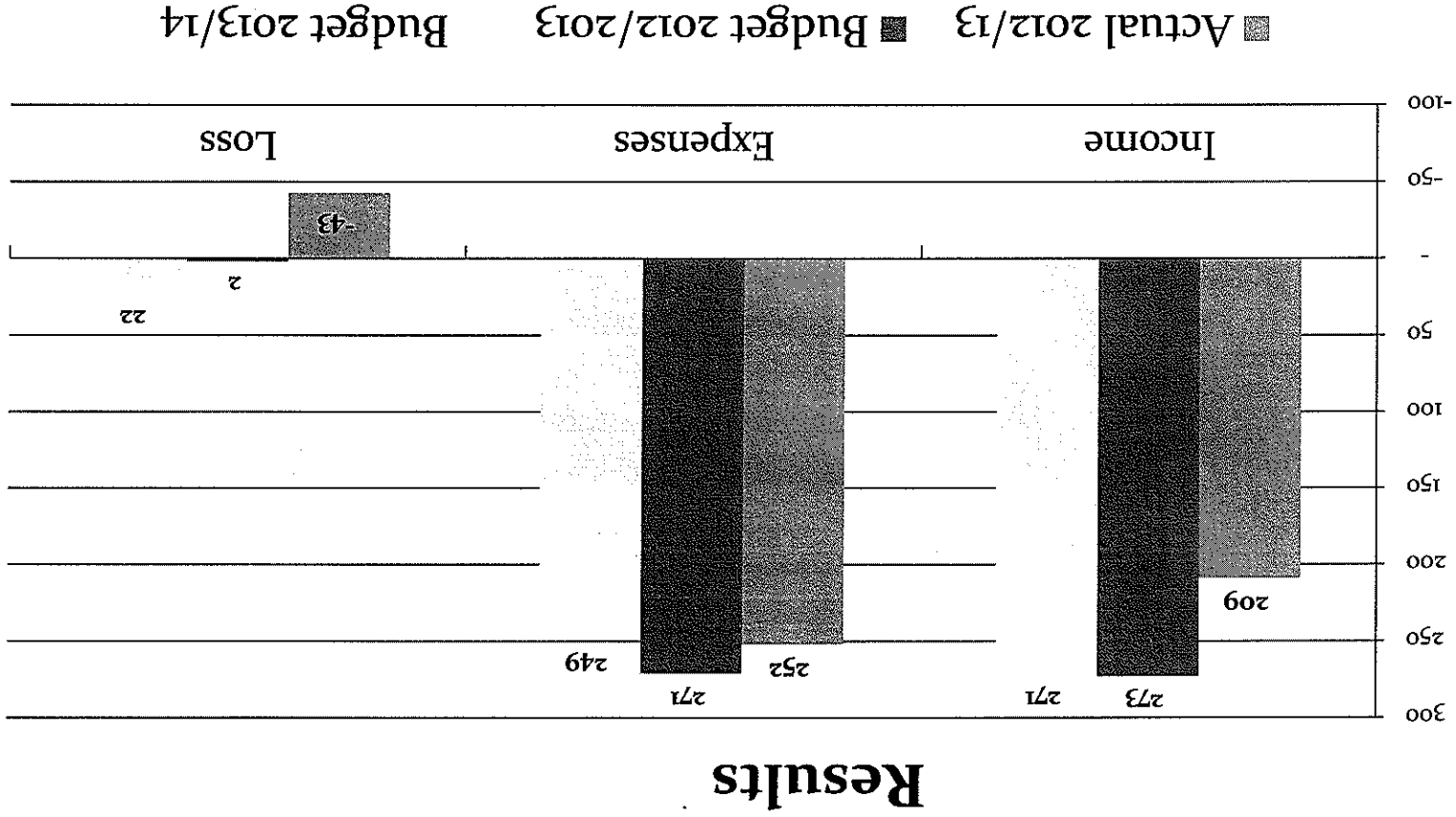
FY14 Budget Income Statement

	ZAR 12 months Budget 2013 /14	ZAR 12 months Budget 2012 /13	m 12 months Actual 2012/13	ZAR Variance vs Budget	% Variance vs Budget	ZAR Variance vs Actual	% Variance vs Actual
Revenue							
Secured	219,024,536	224,690,000	208,130,426	5,665,464	-3%	10,894,110	5%
- Sponsorships	147,816,234	179,700,000	165,945,601	31,883,766	-22%	18,129,367	-11%
- Other	71,208,302	44,990,000	42,184,825	26,218,302	37%	29,023,478	69%
Probable	52,000,000	48,400,000	972,200	3,600,000	0%	51,027,800	5249%
- Sponsorships	50,000,000	38,000,000	972,200	12,000,000	0%	49,027,800	5043%
- Other	2,000,000	10,400,000	-	8,400,000	0%	2,000,000	0%
Total Revenue	271,024,536	273,090,000	209,102,626	-2,065,464	-1%	61,921,910	30%
Expenditure							
Football	127,812,448						
Corporate Services	26,988,974						
Football Business	16,009,894						
Sub-total	170,811,315	174,300,402	138,552,905	3,489,087	2%	32,258,410	-23%
Football Governance	5,374,429	11,026,077	14,129,249	5,651,648	51%	8,754,820	62%
Other Operating Expenses	72,940,415	85,657,235	99,445,824	12,716,820	15%	39,222,230	39%
- Overheads	32,140,415	37,555,629	49,904,540	5,415,214	14%	17,764,125	36%
- Salary costs	40,800,000	48,101,606	49,541,283	7,301,606	15%	8,741,283	18%
Total Expenditure	249,126,159	270,983,715	252,127,978	21,857,555	8%	15,718,640	6%
Profit / (Loss) before tax	21,898,377	2,106,285	-43,025,353	24,004,662	1140%	64,923,729	-151%



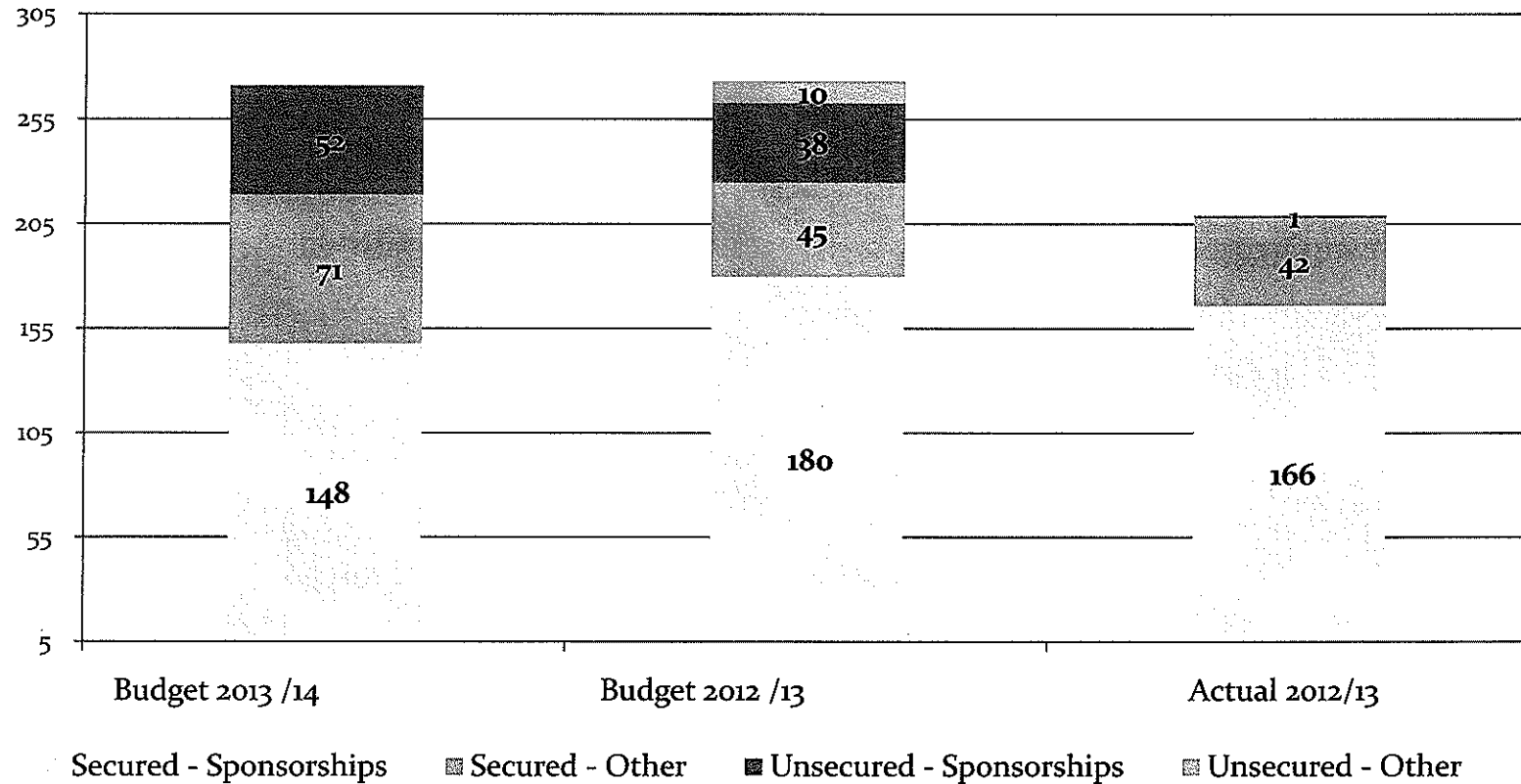


2013 /14 Budget - Expected (R million)



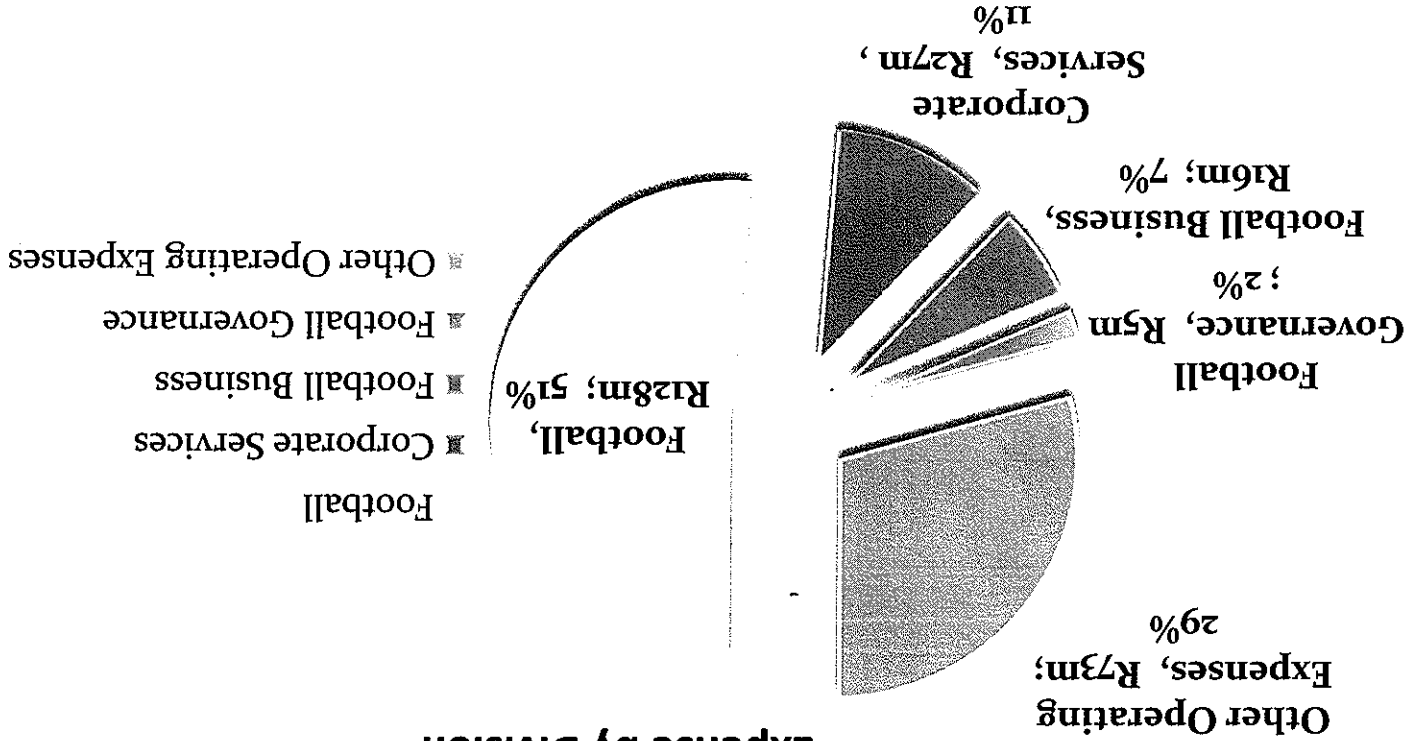
Revenue - (R 271 million)

Revenue Breakdown



Expenses - (R 249 million)

Expense by Division



Current Assets

- Legacy Trust R 450 m
 - Sponsorship & Broadcast Revenue R 250 m
 - SAFA House – Property value R 70 m
 - Property in Raphael R 4,5 m
 - Buses & Cars R 15 m
 - Shares in NetCare R 20 m
-
- Total Assets in excess of R800 million

- Revenue is largely secured from the following main sources:

1. Broadcast Rights
2. Sponsorship Rights
3. Other Stadium Revenues (Branding , Ticketing & Hospitality)
4. Licensing & Merchandising

- The change in SAFA's Broadcast landscape marks the most significant opportunity to generate new revenue streams going forward.



Areas for Improvement – A Comparison with Cricket/Rugby

<u>Year end date</u>	<u>SAFA</u> <u>June 2012</u> R' Million	<u>Cricket SA</u> <u>April 2012</u> R' Million	<u>SA Rugby</u> <u>Dec 2012</u> R' Million
Revenue	312	430	689
Broadcast	27	277	307
Sponsorship	202	55	272
Other	83	98	110
Salary cost (Rugby incl players)	54	27	59
<i>Number of employees (excl players)</i>	105	55	80
<i>Average salary per employee p.a.</i>	514,286	490,909	737,500
<i>Revenue per employee</i>	2,971,429	7,818,182	8,612,500
Non exec director fees and allowances	10	2	4
<i>Number of non exec directors</i>	36	19	12
<i>Average annual fees per non Exec p.a.</i>	277,778	89,474	358,333
<i>Revenue per Non exec</i>	8,666,667	22,631,579	57,416,667
Fixed assets (at cost)	161	31	22
Motor vehicles/Busses	80	22	-
Leasehold improvements	61	7	7
Land and Buildings	8	-	-
Computer equipment	8	2	9
Furniture	4	-	6
Reserves	42	533	68



Sponsorship Rights Review

- SAFA has undergone a process to revalue and repackaging all its Commercial Rights (i.e.: Current & unsold inventory):
 - A summary rights schedule to identify (and keep track of) all sold and unsold inventory and the delivery thereof,
 - The Standardisation of all sponsorship rights packages to be offered in the market
 - A centralised sponsorship rights clearance house, to manage delivery to all sales partners, keep track of available inventory, protect exclusivity and analyse all future contracts prior to sign-off.
 - Ring-fencing of all broadcast rights, inclusive of all agreements with opposing team federations.
- Formation of an internal strategic commercial team



SAFA Sponsorship Opportunities

- New banking partner
- New insurance company partner
- New broadcast deal
- Signed a deal with Nike
- SAFA 2nd Division Naming rights Partner
- Renew vehicle supplier partnership
- A second Premier Women's Partner (Banyana + Regional League).
- A revised Year long Nelson Mandela Challenge Package
- New SAFA Suppliers Agreements x 2
- SAFA Referees (Inclusive of all PSL games)

SAFA Sponsorship Opportunities

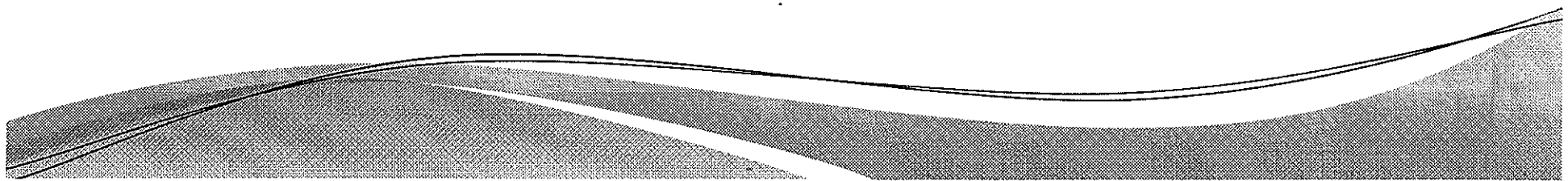
- Supa 10 Women's Semi- Professional League
- SAFA National Teams (U23 Men's, U20 & U17 Men's & Women's)
- U17, U15, U13 Boys & Girls Youth Leagues & Championship
- Overall co-ordination with SAFA Development Agency in securing direct program funding, CSI and Sponsorship.
- Beach Football & Futsal (National Team and League)



- SAFA has embarked on a roll-out of one of the largest ICT implementations in South Africa
- Software and third level support from DFBMedien (wholly owned by the DFB – German Football Association)
- SAFA.net will connect in one central data-base and football administration system all SAFA structure.
- Football.safa.net will further allow SAFA and its partners to commercialise this data and create new / innovative revenue streams by providing:
 - A commercialised and monetised Website,
 - Content generation and dissemination of this data,
 - Connectivity to all Regions and LEA's for centralised ordering of various products & services – discounted partners benefits, incentives and the subsequent roll-out of potentially the largest loyalty program in SA.



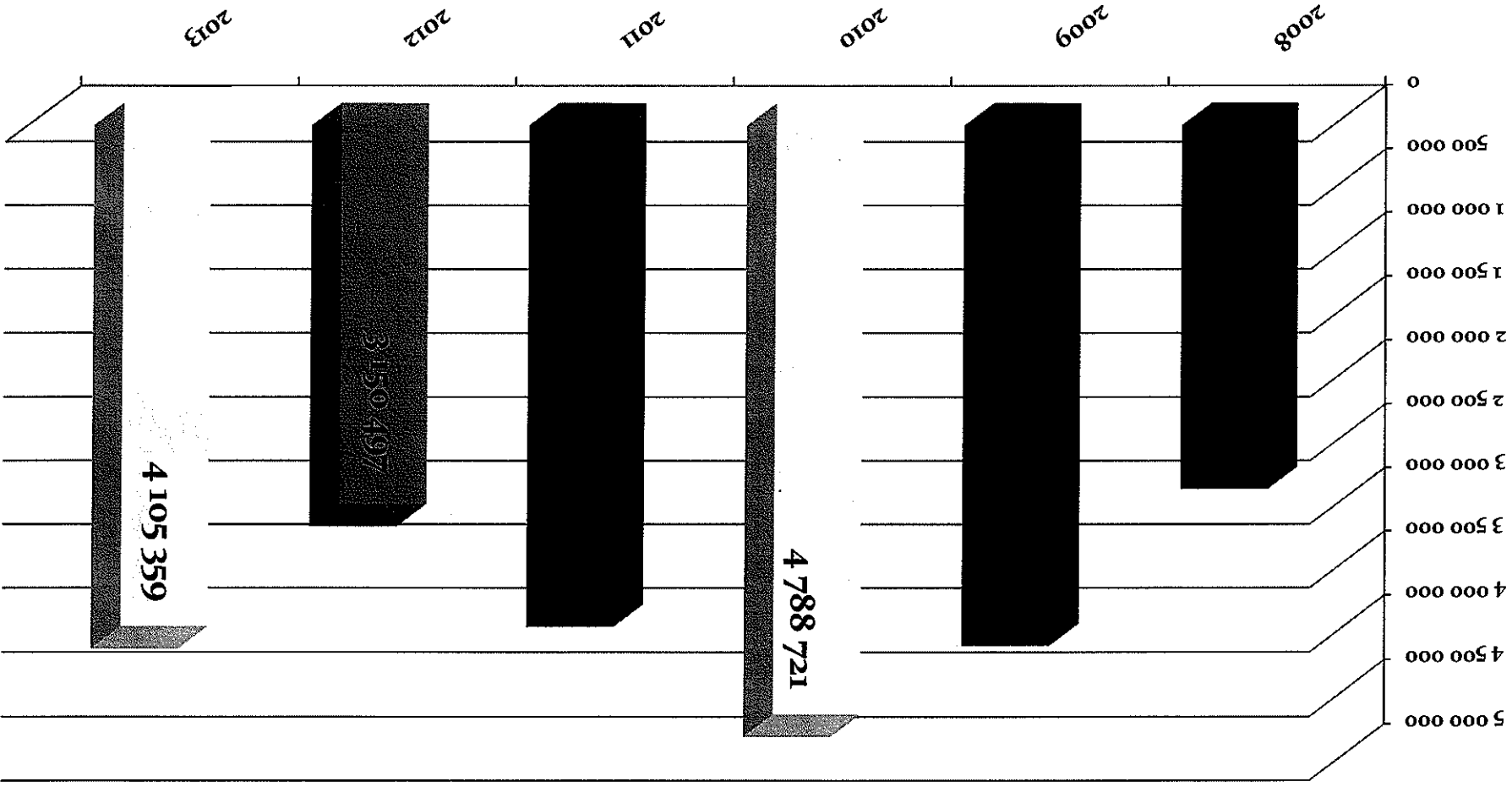
BAFANA BAFANA



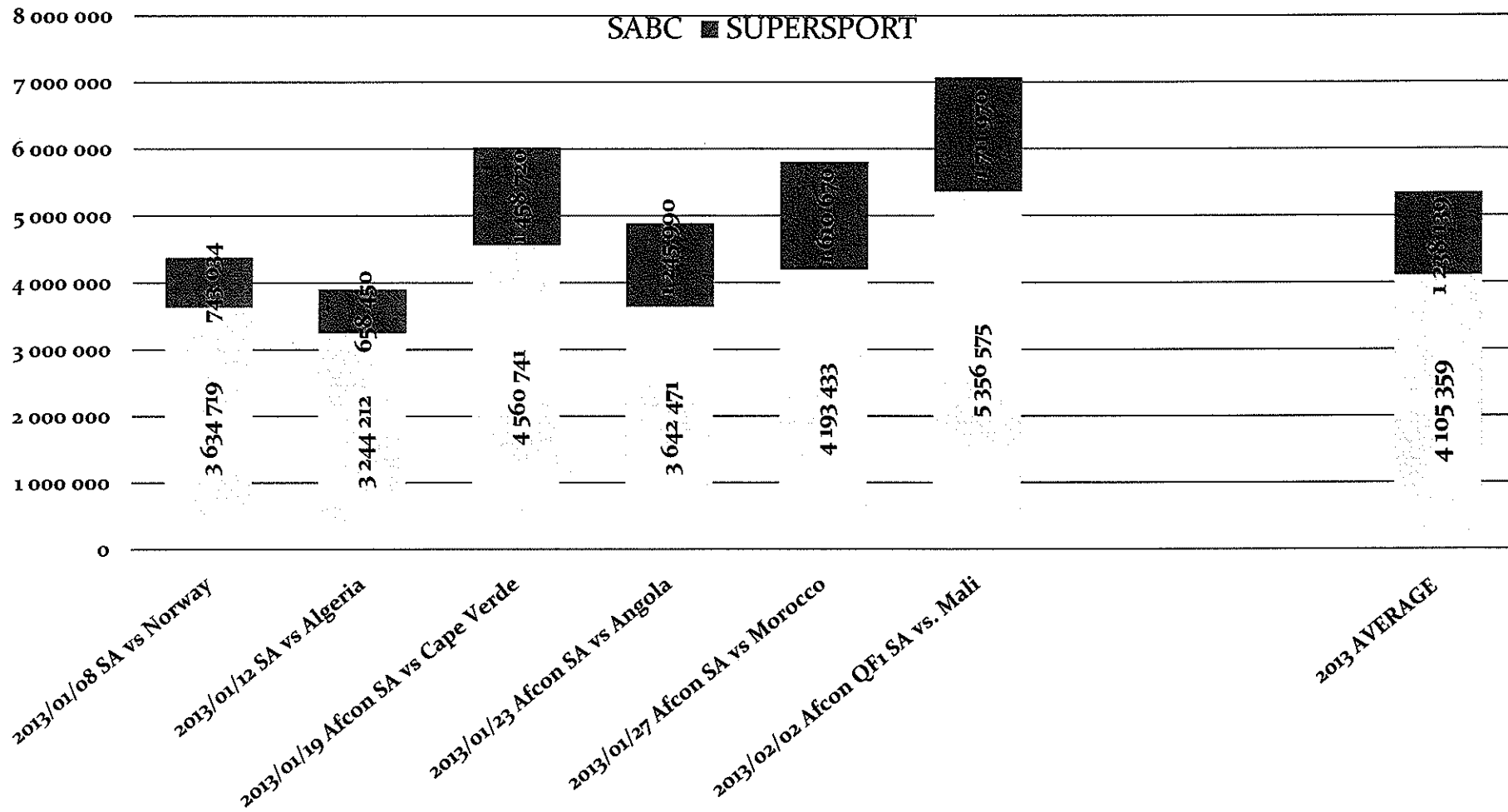
EVALUATION DETAILS

- Event: Bafana Bafana Live Soccer Matches
- Analysis: Audience Analysis
- Event Date: 2008-2013
- Channels: SABC1, SuperSport3, SuperSport4
- Format: Live Television Coverage
- Data Source: Telmar (Target – All Adults 15+) For SABC
DSTVi (Target – All Adults 15+) For SuperSport
- Objectives: Provide A Detailed Audience Analysis Of All
Bafana Bafana Live Soccer Matches
From 2008 Till Date

Bafana Average Audience Yoy SABC



BAFANA BAFANA ALL GAMES 2013 [All Adults 15+]



SOUTH AFRICAN
FOOTBALL ASSOCIATION

TOP SUPERSPORT AUDIENCES – 2012 ALL SPORTS

DAY	FRO	STATIO	N	PLAN TITLE	PLAN SHARE	# OF VIEWERS
Sun	2047	SUP3		UEFA Euro 2012 Final Spain vs. Italy	39.4	1,429,268
Sat	1531	SUP4		Absa PSL Kaizer Chiefs vs. Orlando Pirates	34.8	1,341,830
Wed	2015	SUP4		Absa PSL Kaizer Chiefs vs. Mamelodi Sundowns	33.4	1,286,712
Thu	1926	SUP4		London 2012 Olympics Athletics	30	1,283,276
Wed	2046	SUP3		International Soccer Portugal vs. Spain	39.8	1,256,904
Sat	2016	SUP4		Nedbank Cup Kaizer Chiefs vs. Free State Stars	28.2	1,185,510
Sat	2016	SUP4		MTN 8 Pirates vs Ssuntied (Semi Leg 2)	25.4	1,175,520
Wed	1931	SUP4		Absa PSL Kaizer Chiefs vs. Bloemfontein Celtic	23	1,175,258
Sat	2045	SUP3		UEFA Champions League Final Bayern Munich vs. Chelsea	38.5	1,165,500
Tue	1930	SUP4		Absa PSL Kaizer Chiefs vs. Moroka Swallows	21.6	1,154,548
Sun	2130	SUP4		AFCON 2012 Final Zambia vs. Ivory Coast	44.3	1,148,984
Sat	1532	SUP4		Absa PSL Orlando Pirates vs. Kaizer Chiefs	32.3	1,144,332
Sun	1500	SUP3		MTN 8 Kaizer Chiefs vs. Mamelodi Sundowns	29.1	1,126,540
Tue	1800	SUP4		Absa PSL SuperSport United vs. Orlando Pirates	22	1,109,556
Sat	1800	SUP4		Nedbank Cup Orlando Pirates vs. Free State Stars	23.5	1,101,226
Sat	2045	SUP3		UEFA Euro 2012 Spain vs. France (QF)	27.2	1,066,464
Sat	1702	SUP1		International Rugby SA vs. England Test 1	21.8	999,810

- Without Exclusivity, Batana Batana averaged over 1.5m viewers on SuperSport alone during the 2013 AFCON – Highest audiences to date. SABC numbers also went up!



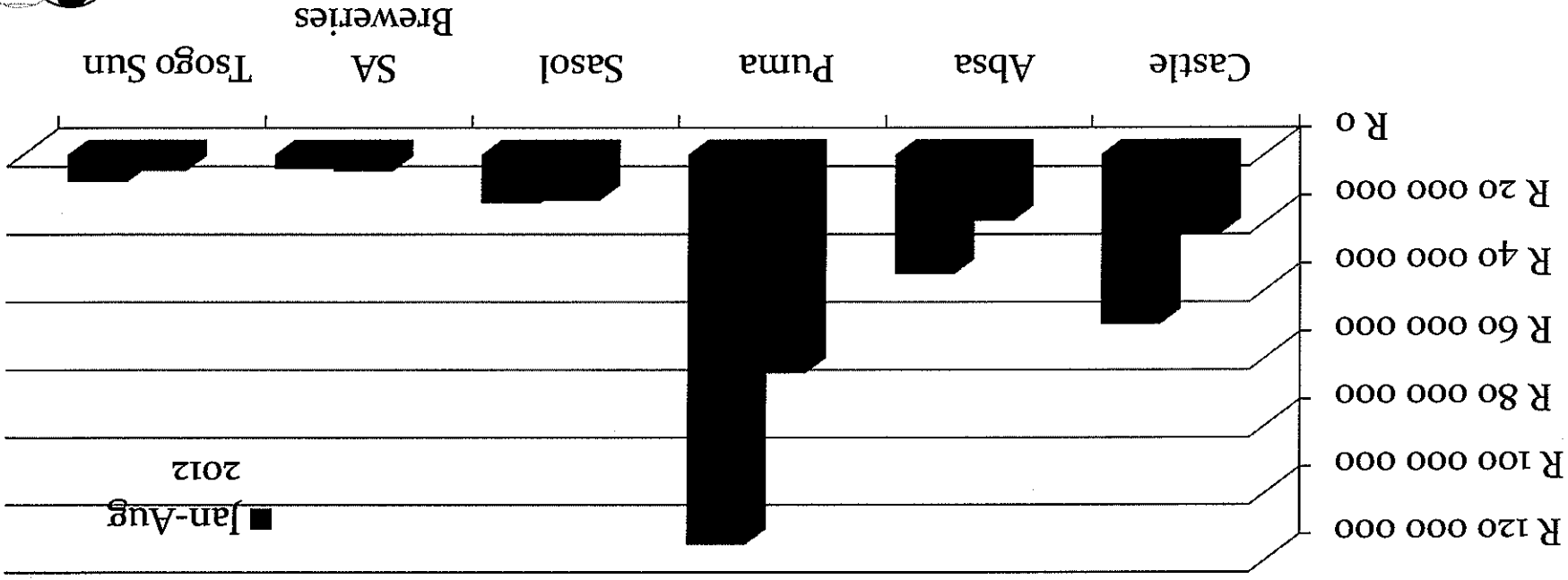
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SAFA TV - WEEKLY MAGAZINE SHOW ON SABC 1

DATE	STATION	TIME	GAMES	TOTAL AR	TOTAL ADULT AUDIENCE	% SHARE
2013/08/03	SABC1	13:29	SAFA TV	2	612,180	13.4
2013/08/10	SABC1	13:29	SAFA TV	2.4	734,616	15.6
2013/08/17	SABC1	12:31	SAFA TV	4.1	1,254,969	22.1
2013/08/24	SABC1	13:29	SAFA TV	2.8	857,052	16.5
2013/08/31	SABC1	13:31	SAFA TV	1.8	550,962	11.8
2013/09/07	SABC1	13:29	SAFA TV	1.9	581,571	11.4
2013/09/14	SABC1	13:31	SAFA TV	3	918,270	16.7
2013/09/21	SABC1	13:29	SAFA TV	2.8	857,052	14.7
2013/09/28	SABC1	13:30	SAFA TV	2.7	826,443	16.2
AVERAGE YTD 2013					799,235	

YEAR ON YEAR COMPARISON

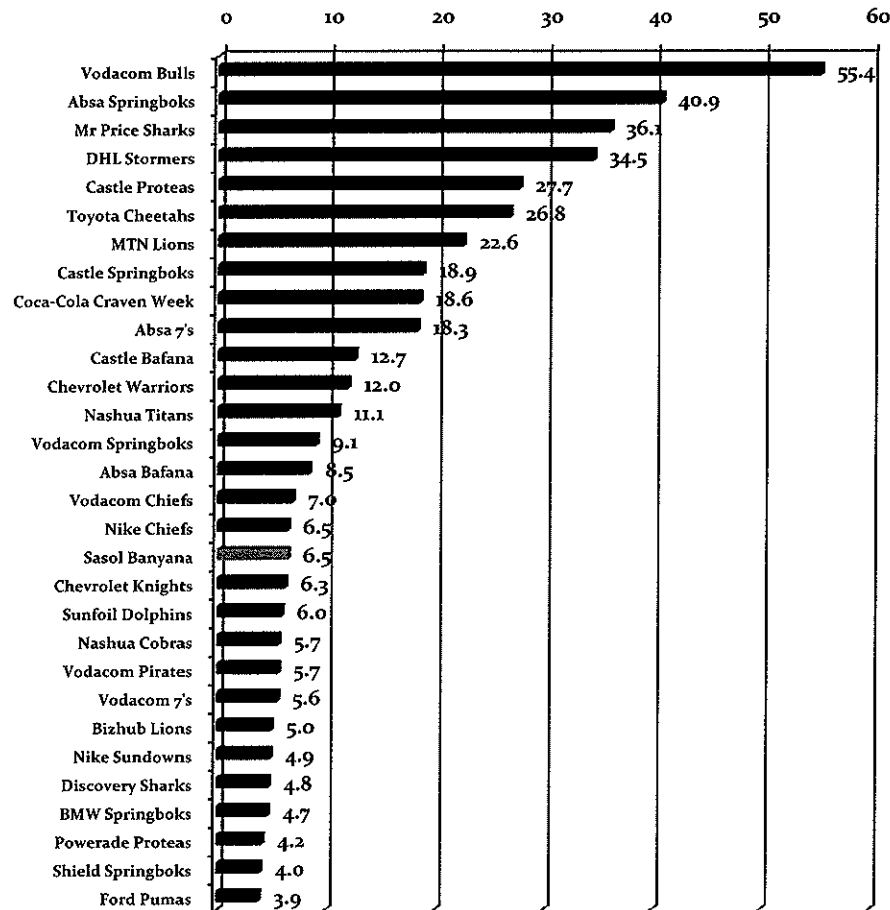
	Jan-Aug 2012	Jan-Aug 2013	% Change
Castle	R 23,377,266	R 49,903,787	113.5
Absa	R 19,535,922	R 35,223,979	80.3
Puma	R 64,290,010	R 115,126,840	79.1
Sasol	R 13,495,003	R 14,193,737	5.2
SA Breweries	R 4,849,082	R 4,135,869	-14.7
Tsogo Sun	R 4,732,070	R 7,989,848	68.8



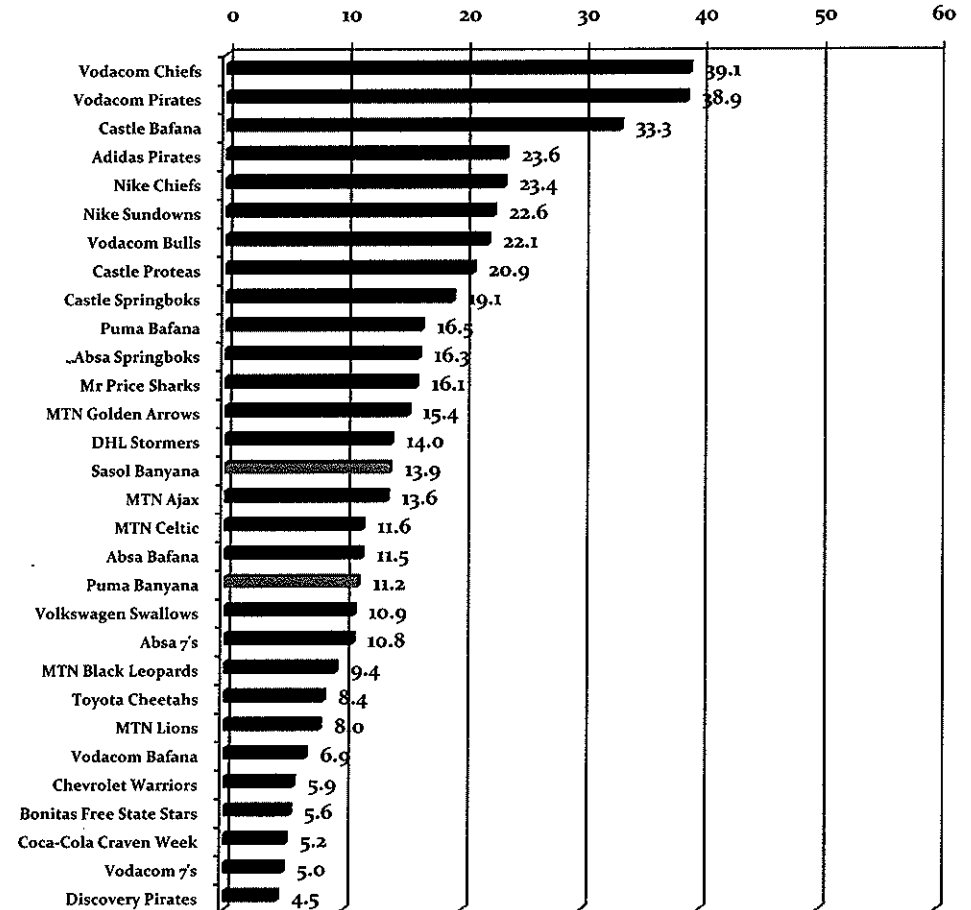
SOUTH AFRICAN FOOTBALL ASSOCIATION

TOP 30 AWARENESS COMPARISONS - TEAMS

HIGHEST SPONTANEOUS WCI AWARENESS LEVELS OF SPONSORS FOR GIVEN TEAM SPONSORSHIPS (JUL/AUG 2013)



HIGHEST SPONTANEOUS BLACK AWARENESS LEVELS OF SPONSORS FOR GIVEN TEAM SPONSORSHIPS (JUL/AUG 2013)



Areas for Improvement – A Comparison with

Cricket/Rugby

Year end date	SABA	Cricket SA	SA Rugby
June 2012	R' Million	R' Million	R' Million
Revenue	312	430	689
Broadcast	27	277	307
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Other	83	98	110

Salary cost (Rugby incl players)

Number of employees (excl players)

Average salary per employee p.a.

Revenue per employee

Non exec director fees and allowances

Number of non exec directors

Average annual fees per non Exec p.a.

Revenue per Non exec

Fixed assets (at cost)

Motor vehicles/Busses

Leasehold improvements

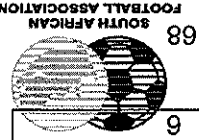
Land and Buildings

Computer equipment

Furniture

Reserves

161	31	22
80	22	-
61	7	7
8	-	-
8	-	-
8	2	9
4	-	6
42	533	68



FOOTBALL ASSOCIATION
SOUTH AFRICAN



VISION 2022

PRESENTATION ON SOUTH AFRICAN FOOTBALL

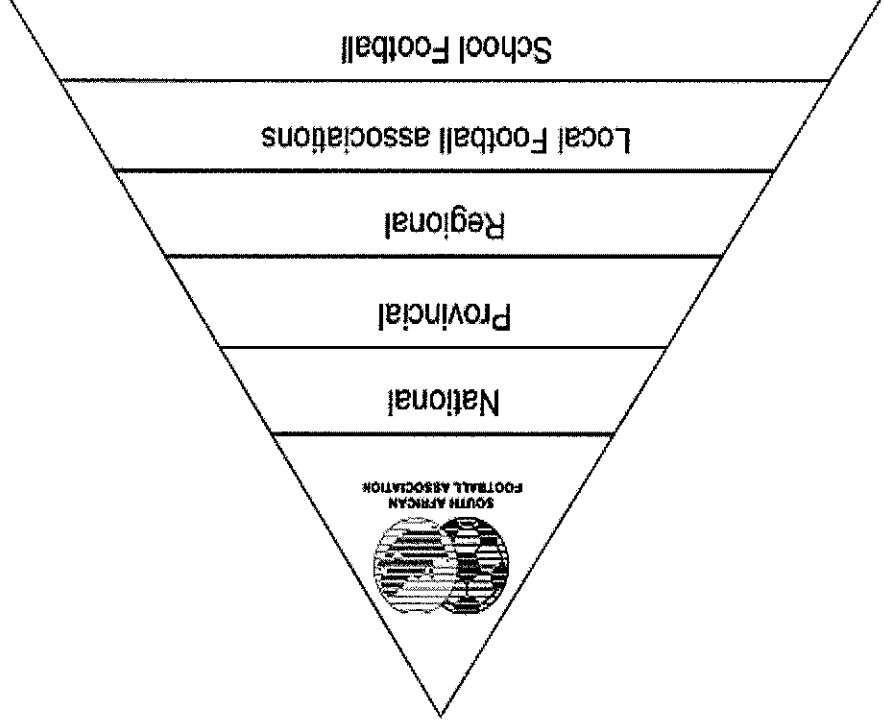
Dr Danny Jordaan

President



What is SAFA?

- The largest membership structure in South Africa
- Approx 3 million active football players
- Over 10,000 Clubs and 40,000 teams
- Football played in thousands of schools
- 341 Local Football Associations
- 52 Regions
- 9 Provinces
- 9 national teams
- SAFA head office



SA Football In Brief

- SAFA field offices Nationally: 52
- National Teams: 9 (3 Female & 6 Male)
- PSL League: 16 Clubs Premier League
- NFD League: 16 Clubs - 1st Division
- SSD league: 144 Teams - 2nd Division
- SAB Regional league: 610 Clubs - 3RD Division
- Women's Provincial League: 144 Teams - Provinces
- Women's Regional League: 624 Teams - Regions
- Associate members: 11

“More Than Football”

“Largest and most likely to succeed youth development programme in the country” –

Bobby Godsell

- Direct impact on 2 million young people currently playing football.
- Creation of a cadre of 100 000 life skills educators (coaches).
- Significant and measurable impact on community safety, gender, health, education and development.
- Significant enterprise development possibilities.
- Skills transfer
- Job creation



New Structures 2013/14

LEGACY TRUST

- R450 Million
- JUNIOR LEAGUES
- UNDER 13
- UNDER 15
- UNDER 17
- UNDER 19
- UNDER 23
- COACHES, REFEREES,
- ADMINISTRATORS

INFRASTRUCTURE TRUST

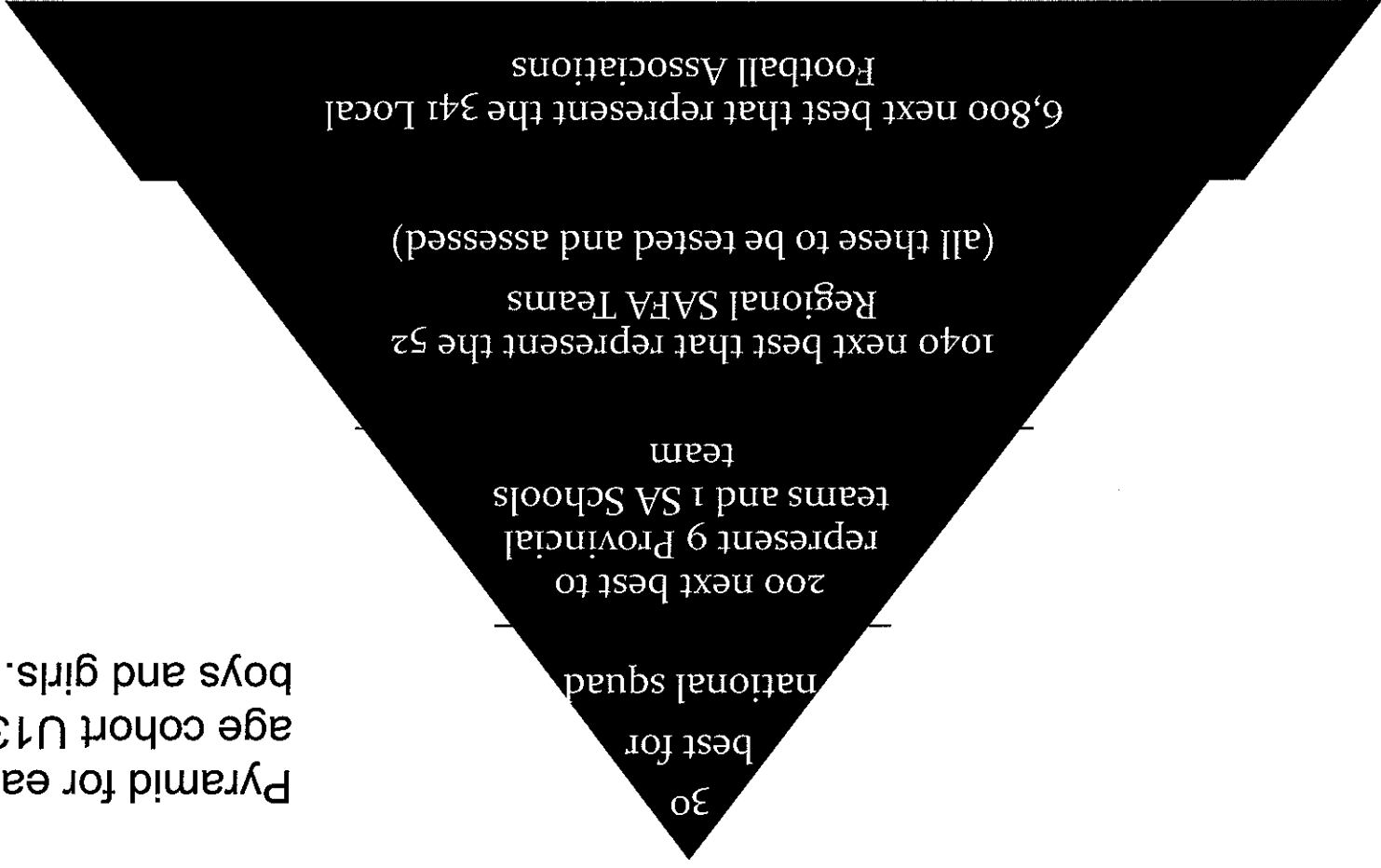
- BUILD GRASSROOTS FACILITIES
- 28 COMPLETED
- 52 REGIONS

DEV. AGENCY

- TARGET:
- CSI FUNDING

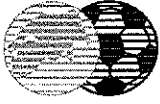
Outcome – Talent Pyramid

Pyramid for each
age cohort U13, U15
boys and girls.



Youth Program

- **U13, U15 Regional, Provincial and National Tournaments to create Talent Pyramid**
 - 52 Regional teams selected to participate in 9 Provincial tournaments
 - 9 Provincial Teams then to play in National tournaments
- U17 Boys Inter-provincial tournament – March 2014 – Moruleng, North West
- U19 Boys Inter-provincial tournament – Apr/May 2014 – Bloemfontein, Free State
- U19 Women Inter-provincial tournament – August 2014 – Modimolle, Limpopo
- U19 International tournament, Hoy Park Sports Development Centre, KwaZulu Natal



Youth Program

- U17 Boys African Youth Championship – Niger – 2015
- U20 Boys African Youth Championship – Senegal – 2015
- U20 Boys – Olympics – Rio de Janeiro – Brazil – 2016
- U20 Women FIFA World Cup – South Africa

SAFA Structures 2013 - 2016

2013 NEC

- PRESIDENT
- 3x VICE PRESIDENTS
- 10 x NATIONAL LIST
- 18 x PROVIN. LIST
- 1 x VP (NSL)
- 3 x NEC (NSL)
- 4 x WOMEN (CO -OPT)
- TOTAL 42

2016 NEC

- PRESIDENT
- 2x VICE PRESIDENTS
- 1 x WOMAN VP
- 10 x NATIONAL LIST
- 1 x VP (NSL)
- 3 x NSL



Provinces



Provincial Structures

2013 TO 2014

- IDENTIFY PROV. HQs
- BUILD INFRASTRUCTURE
- UNDER 13, 15 ,17 , 20,23 COMPETITIONS ORGANIZED AT PROVINCIAL LEVEL
- APPOINT PEOs
- (PROV. EXECUTIVE OFFICERS)
- APPOINT PROV. COACHES
- BUDGET R500,000
- ASSIST IN SOURCING ADDITIONAL FUNDING

2015 TO 2016

- AMEND CONSTITUTION TO CREATE PROVINCIAL STRUCTURES
- TRANSFER ALL COMPETITIONS AT PROVINCIAL LEVEL TO PROVINCES
- ADJUST NATIONAL OFFICE AND NATIONAL BUDGETS ACCORDINGLY

National Structures

NEC

- 18 MEMBERS BY 2016
- CREATE A COUNCIL OF PROVINCES 20 MEMBERS (PRESIDENT, CEO+18 MEMBERS)
- CREATE COUNCIL OF ASSOCIATE MEMBERS
- ALIGN ALL FUNCTIONS ACCORDINGLY

2016 AND BEYOND

- NEC FOCUSES ON NATIONAL TEAMS AND INTERNATIONAL MATTERS
- DEVELOPMENT DRIVEN BY PROVINCIAL STRUCTURES
- FOCUS ON ROLE OF GOVERNING BODY
- STRENGTHEN TRUSTS AND AGENCY.
- COMMERCIAL





Strategic Objectives – International Engagement

- Improve the standard of host nation/region's play
- Improve organisational capacity
- Improve administrative capacity
- Economic impact
- Socio-political benefits
- Historical legacy

International Program 2013/14

- 15 November – Swaziland 0 vs. Bafana 3
- 19 November – Bafana 1 vs. Spain 0
- 11 Jan → 1 Feb 2014 - CHAN in South Africa
- 5 Mar 2014 - Bafana vs. Brazil
- 24 May 2014 Bafana vs Australia Sydney
- May 2014 – Banyana vs Mozambique / Comoros – AWC qualifier
- Sep → Nov 2014 – AFCON 2015 Morocco Qualifiers
- Oct 2014 – African Women's Championship, Namibia





International Program 2013/14

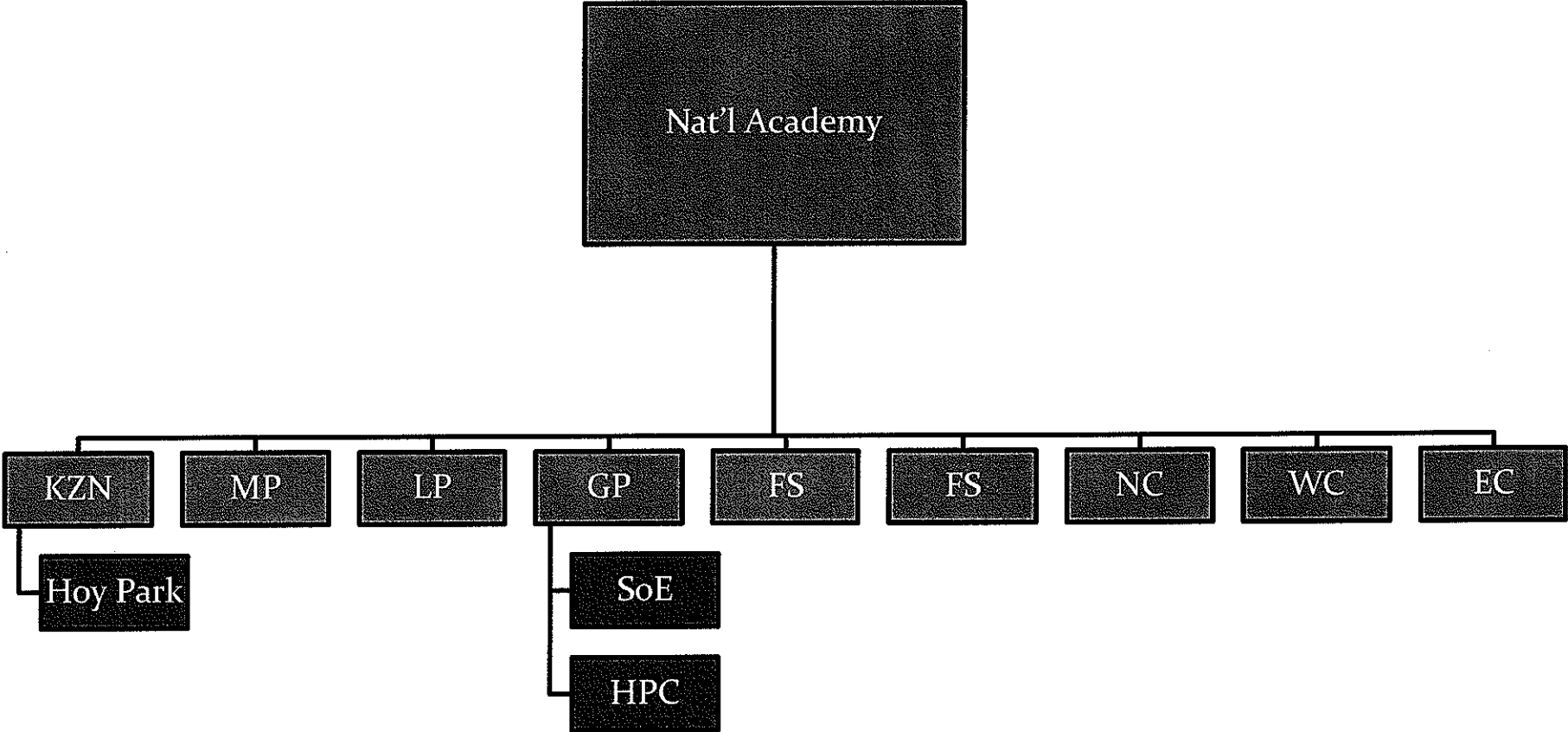
- Nov 2014 – Nelson Mandela Challenge
- July 2015 - FIFA Women's World Cup – Canada
- 2015 – All Africa Games – Republic of Congo
- Aug 2016 – Olympic Games - Brazil
- CHAN- 2016 – Rwanda
- 2016 -
- Afcon -2017 – Lybia
- FIFA World Cup – 2018 – Russia
-

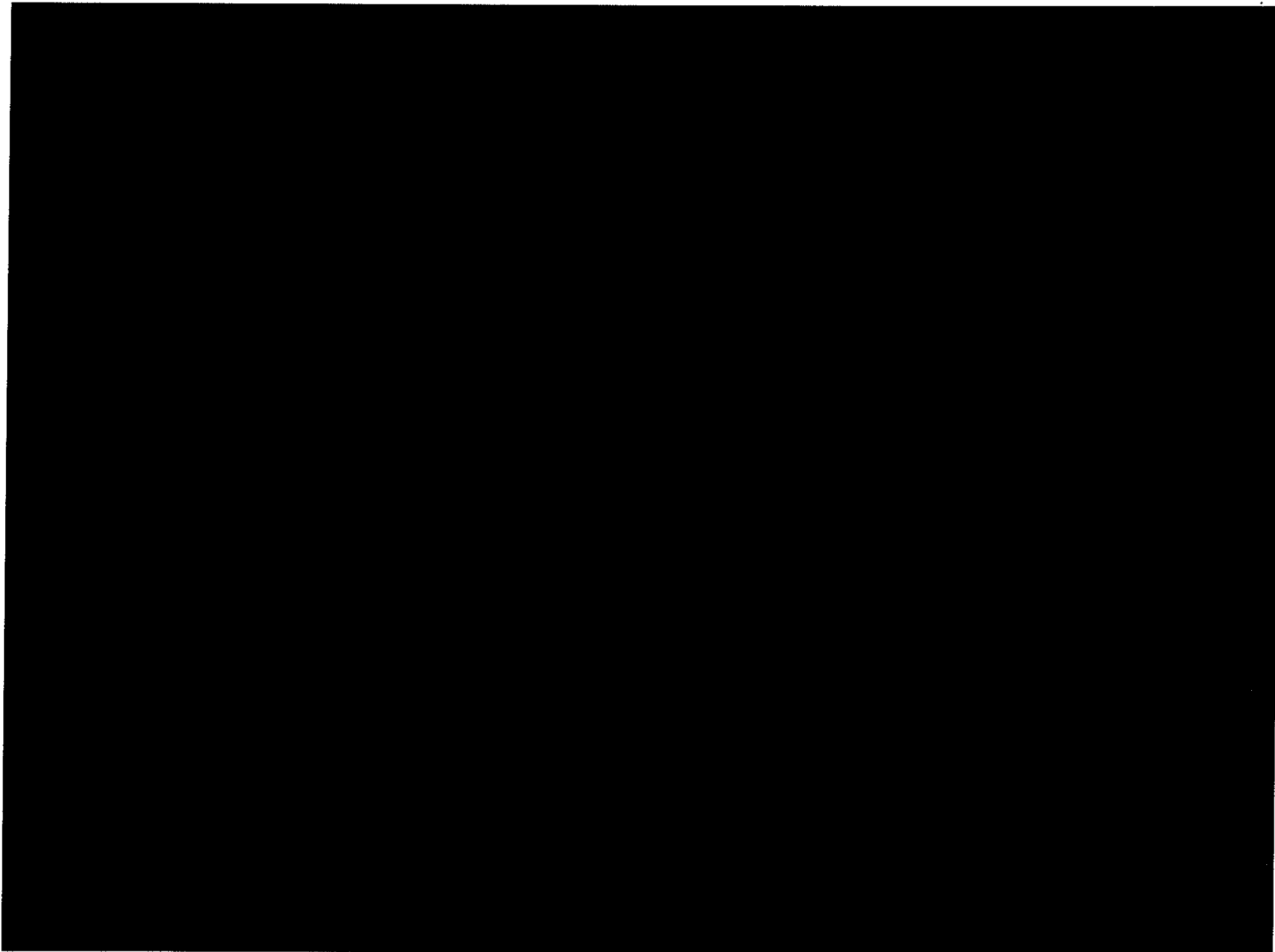
Coaching Education

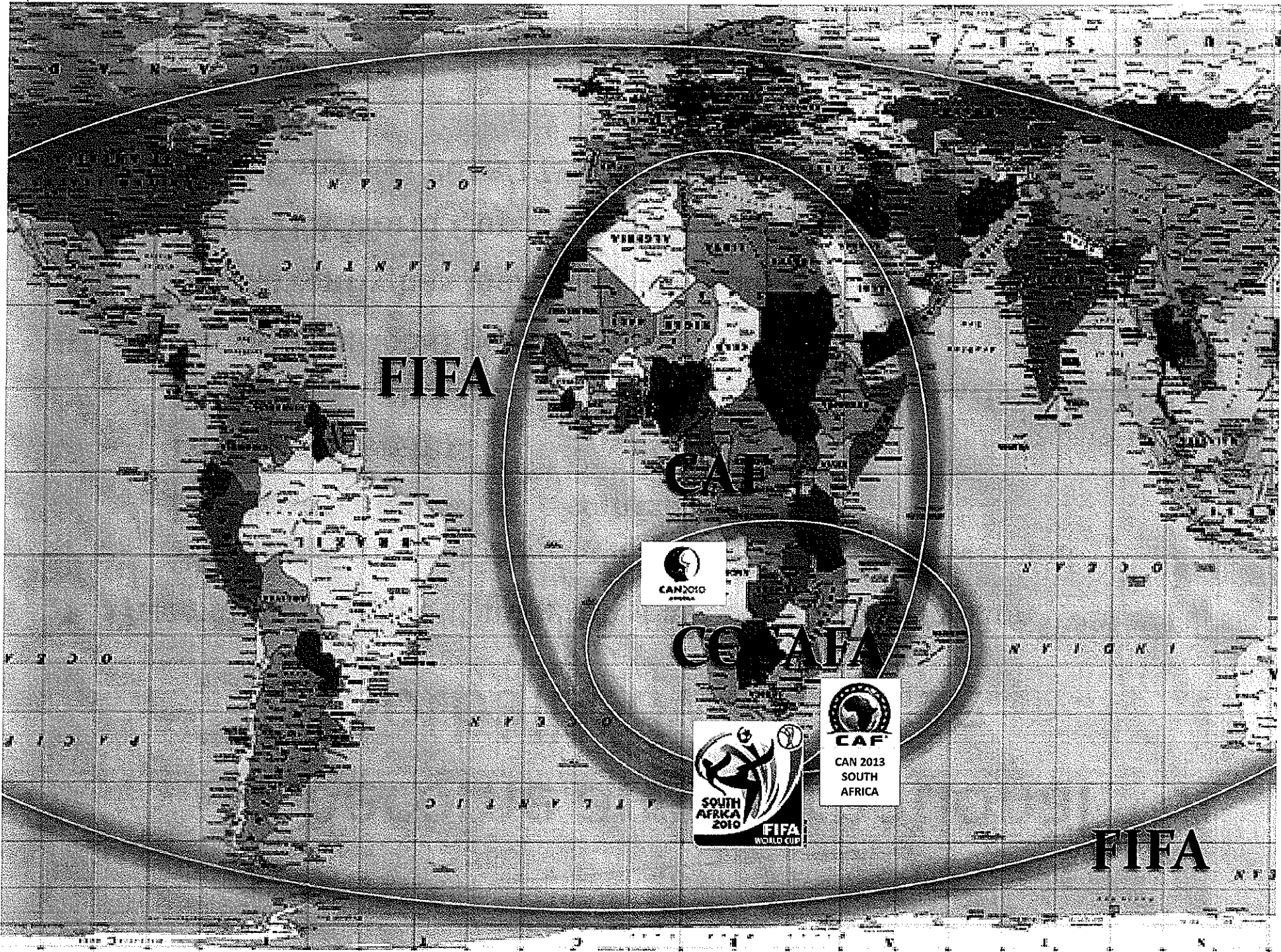
- Trained more than 8,500 “C” license coaches
- Conferred 3,000 “D” Licenses on coaches trained by the KNVB and GIZ
- Trained 73 coaches for CAF “B” License in Nov 2013
- Trained 40 Coaches for CAF “C” License in Nov 2013
- Facilitated CAF “A” License course for all former national team coaches



Academies (male and female)







FIFA

CAF

CAF



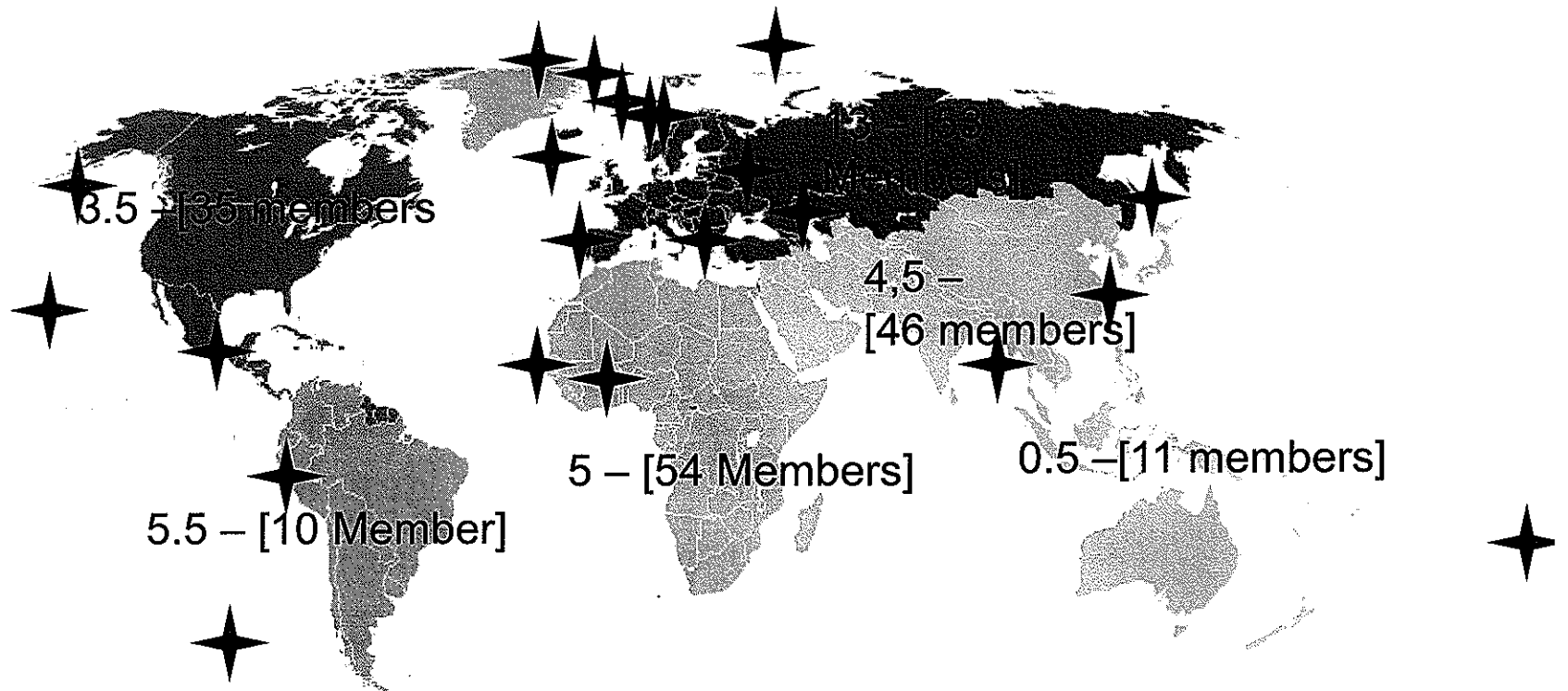
FIFA

To become an international football powerhouse

- Three-dimensional but integrated approach – total vision
 - We must believe it is possible and in the best interest of South African football – commitment
 - Build partnerships
 - Follow through with our objectives and consistently review our international position
- SAFA currently has bids in for the following events:
 - U20 FIFA World Cup 2019
 - FIFA Congress 2016/17



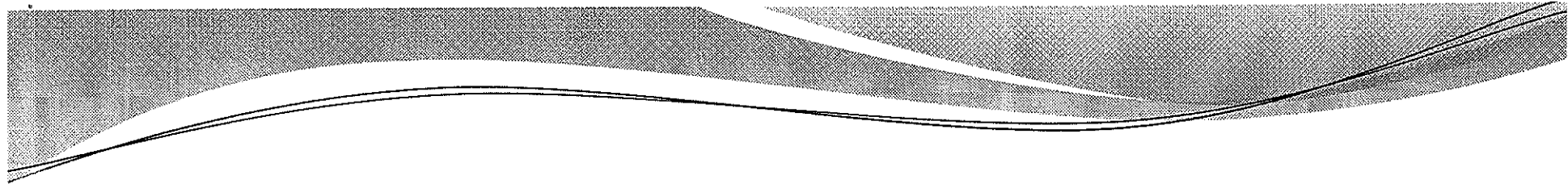
Distribution of FIFA World Cup Teams



The Commercial Landscape is Changing

- Deals Announced Since October 2013:
 - Hoy Park Academy
 - EY Sponsorship (formerly Ernst & Young)
 - Nike kit sponsorship
 - SA v Spain in Nov '13
 - SA v Brazil in Mar '14
- Imminent Announcements
 - Health club partnership (deal signed - VIK)
 - Vehicle fleet sponsorship (discussion concluded - VIK)
 - Satellite broadcast sponsorship (under negotiation)
 - SAFA 2nd Division sponsorship (deal concluded)
 - New banking partner (under negotiation)





THANK YOU



**SOUTH AFRICAN
FOOTBALL ASSOCIATION**

