

FUNDING MODEL FOR THE SAFA/FIFA LEGACY PROJECTS FOR SOCCER IN SCHOOLS

Presented by ATKA PTY(ltd) to the
Sport and Recreation Committee
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Introduction

- ▣ Soccer is the most patronized sport in all the sporting codes of SA .

However

- ▣ Soccer in schools is not adequately resourced
- ▣ Facilities in the township dilapidated or non-existence
- ▣ No pride, pupils loiters, no discipline, reckless dissipation and non adherence to any codes.
- ▣ Lack of maintenance where facilities existed.

IN A NUTSHELL

**PUPILS IN THE PREVIOUSLY
DISADVANTAGED SCHOOLS
ARE SHORT-CHANGED**

Current Legacy Projects

- ▣ R171 million nets 27 Astroturf facilities.
- ▣ Project to run over a 3 years period.
- ▣ 52 of envisaged to be built-one in each of the SAFA regions.
- ▣ Computer training.
- ▣ Life Skills programme.
- ▣ Stakeholders :- Organizing Committee, Private sector, SAFA, Local & Sports Provincial Authorities

Proposed solution

- ▣ A Revolutionary funding Model for school facilities and maintenance
- ▣ Partnership with private sector (absa/safa and government) for the building and maintenance of school facilities
- ▣ Creation of 1200 temporary jobs and 180 permanent jobs in the next five years.
- ▣ Permanent maintenance of facilities

Summary of the Two Pronged Funding Model

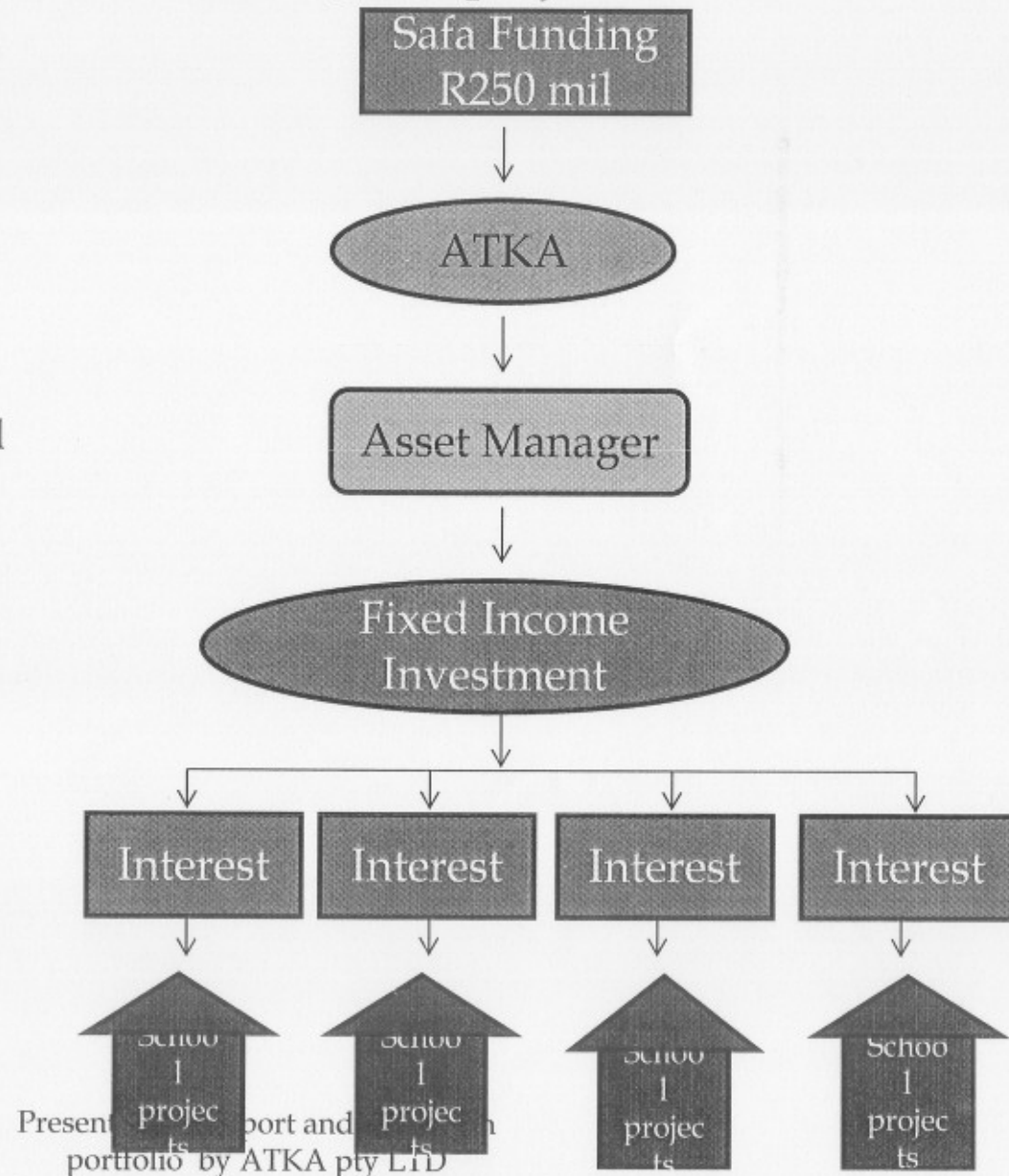
- ▣ The South African football association ("Safa") has entrusted the investment of R250 million ("Funding") to ATKA (pty)LTD ("ATKA") for the purposes of achieving the constitutional mandate of FIFA to provide for legacy projects for all South Africans
- ▣ ATKA will invest the Funding in a fixed investment vehicle ("Investment") with attractive interest income, and guaranteed return of the nominal value of the Funding at maturity of the investment term
- ▣ The coupon from the Investment will be employed to finance mini stadiums and or soccer pitches for the underprivileged schools.
- ▣ The guaranteed capital will be used as security provided by the "Safa" to approved South African lending institutions ("Banks") for commercial projects loans (" Commercial Guaranteed Loans") extended by the Banks to South African schools qualifying for these projects.
- ▣ Qualifying schools, then use Commercial "Safa" Guaranteed Loans to fund for these projects.

Source funding of R250 million derived from the South African football association ("Funding")

ATKA, via an Asset Manager, invests the Funding invested in a Fixed Income investment vehicle with the following characteristics:

- Funding invested ("Initial Investment") in low risk securities 5 (five year) investment term
- Semi-annual coupon based on competitive interest rate
- Face value of the Initial Investment returned at maturity, therefore, conferring capital preservation ("Capital Guarantee")

Asset Management Funded school/safa projects



Capital Guarantee of R1 billion used as security for State Guaranteed loans

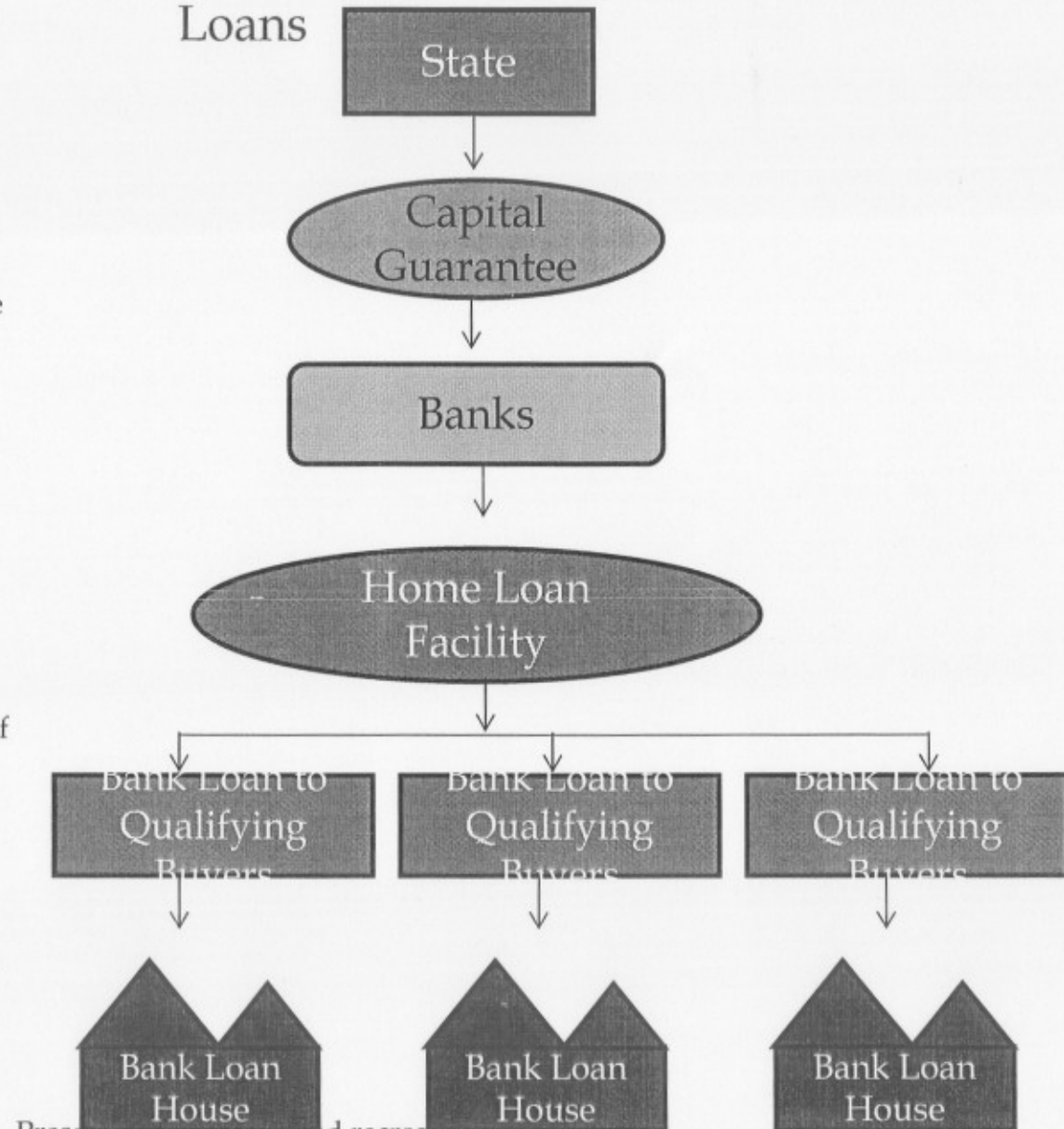
The State Guaranteed Loans will work as follows:

- State provides the Guaranteed Capital as collateral to the Banks
- The Banks set up a National Home Loan Facility ("Bank Facility") secured by the Capital Guarantee for extending loans to Qualifying Buyers
- Qualifying Buyers access home loans for low cost housing via the Facility

The Banks' Loans will be very competitively priced on the back of the following favourable credit matrices:

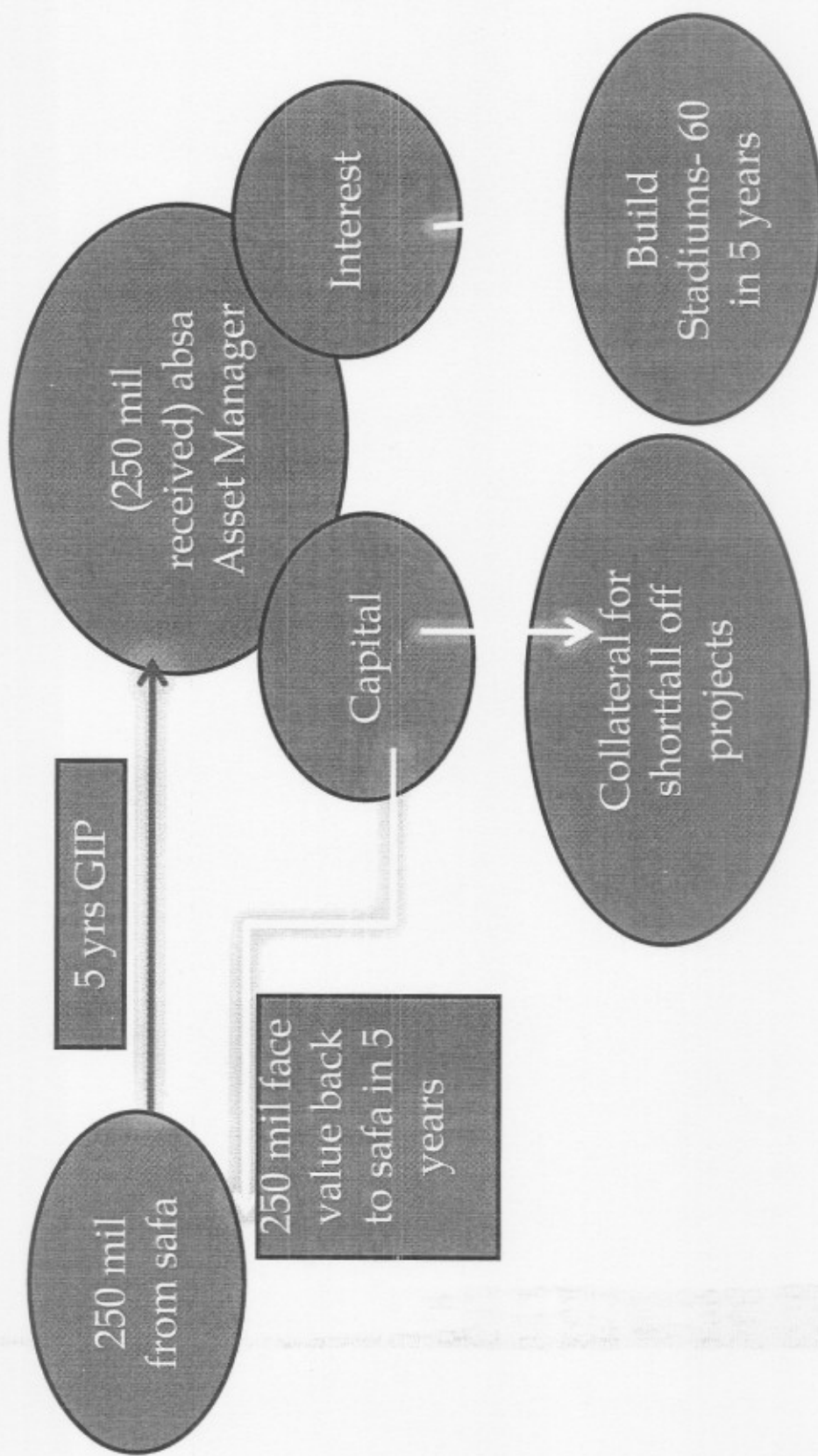
- a low Loss Given Default ("LGD") as the collateral is high quality; and
- a low Probability of default ("PD") on the back of the State Guarantee

Commercial State Guaranteed Home Loans



Presentation to sport and recreation portfolio by ATKA pty LTD

Graphic Illustration



Presentation to sport and recreation
portfolio by ATKA pty LTD

2011/03/23

Proposed Legacy Projects...

- R200 million will net 150 multi-purpose facilities, with football as an anchoring sporting code.
- Project will run over 5 years. (one facility every 4 weeks handed over completed to the beneficiary).
- 150 of these facilities been build in PDG (previously disadvantaged groups)
- Maintenance plan in the pricing.

PART 2

- Sustainability (legends and Masters involvement)
- School curriculum (sports management interns)

2ND PART

- ▣ Roping in the soccer legends to man the schools (sports masters).
- ▣ Sustainable projects (facility management).
- ▣ Community involvement.
- ▣ School governing body involvement.
- ▣ Sporting codes involvement.
- ▣ Dept of Education.
- ▣ Safa School development.