

# *Pickard Commission*

## *Report*



## CHAPTER 1

### 1. INTRODUCTION

This Commission was appointed by the Honourable, The President of the Republic of South Africa to enquire into the financial affairs and administration of the South African Football Association (SAFA) and the National Soccer League (NSL) and other related matters.

The terms of reference of the Commission are well known but may advisedly be repeated herein. They are as follows:

"1. *To examine and report to me on -*

- (a) whether since 1993 any evidence of financial mismanagement or malpractice by the South African Football Association, and/or the National Soccer League (hereinafter referred to as the Organisations) or any member or employee of the Organisations, can be found;*
- (b) the role played by Awesome Sports International Limited on behalf of South African Soccer and the financial arrangements between Awesome Sports International and the Organisations;*
- (c) any improper conduct and/or corruption by members or employees of the Organisations;*
- (d) any malpractice or abuse of their authority or position, by members or*

*employees of the Organisations;*

*(e) steps to be taken to put to an end to or to prevent the occurrence of financial mismanagement or malpractice by the Organisations;*

*(f) steps to be taken to improve the administration of the Organisations in women's soccer, rural areas and competitions;*

*(g) whether the National Professional Soccer League and the National Soccer League should be integrated and the procedure to be followed to accomplish the integration or whether any other steps would be necessary to restructure soccer administration in South Africa;*

*(h) any act or omission since 1993 that may suggest criminal liability by the Organisations or their members or employees or any other person; and*

*(i) any other-relevant aspects.*

2. *The Commission is further enjoined, in the exercise of its discretion, to prepare and submit interim reports from time to time."*

The Commission commenced its duties on approximately the 30th May 1996 and has been operative ever since. The Commission sat in Sandton where most of its activities were conducted from offices provided by the Department of Sport and Recreation.

At all relevant times the Commission was mindful of the fact that by the very nature of its mandate, read with the provisions of the Commissions Act and the Regulations promulgated for purposes of the Commission by the President, it was not a court of law nor a police department, but merely a commission of enquiry to investigate certain matters and then, having done so, to report its views to the President.

Accordingly, the Commission was not at pains to prove all facts and allegations considered by it beyond reasonable doubt but merely to investigate, to the best of its ability, on either a formal or an informal basis, those facts which it considered worthy of investigation in such a fashion and to such an extent that it could draw reasonable conclusions therefrom for purposes of reporting to the President as accurately as possible without usurping the functions of either the police or the courts. It may therefore be assumed that the Commission has had considerably more latitude in dealing with facts and allegations than a court of law would and that any conclusions arrived at by the Commission are not necessarily sufficient to prove them in a court of law. However, the Commission was at pains not to come to conclusions that may mislead the President in any way and shall attempt to report as accurately as possible.

Furthermore, since the whole issue to be investigated turned out to be a matter of great public interest, and more particularly media interest, the Commission considered that it was in the interests of all concerned that the investigation should proceed as rapidly as possible and that the conclusions arrived at by the Commission should be reported on as soon as possible. Every effort was made not to waste time on unnecessary detail nor to allow the Commission to become so lengthy and cumbersome that, by the time a result or a conclusion was arrived at and a report delivered, the matters being investigated had become irrelevant.

## 2. PROCEDURES

Mindful of the fact that the Commission was established purely for the purposes of investigation and not in order to make binding findings as would be the case in a court of law, the Commission adopted several procedures not normally adopted in courts of law.

Information was obtained from all possible sources in whatever form it could be found.

It must be stated at the outset that a large number of the matters investigated by the Commission emanated from what may be termed nothing more than rumours and gossip and newspaper reports. Having received such information about the gossip of the day, the newspaper reports and numerous anonymous phone calls and letters, the Commission would then proceed to investigate those from its own resources and on whatever level it thought it possible to investigate such rumours and reports.

Investigations were conducted by obtaining books, documents and the like where necessary, interviewing of people and bodies whom the Commission thought might be able to shed light on the matters being investigated; calling formal evidence where the Commission considered it necessary; consulting with persons in private where that was considered to be necessary and generally investigating on the widest possible field in order to attempt to obtain the most accurate information.

At this point it may be important to state that from the very inception of the Commission, right up to date, it has been clear that, rightly or wrongly, numerous people approached to supply information expressed the fear of reprisals and suggested intimidation and were

extremely hesitant to come forward with any information at all. The allegations of threats and fears were virtually always present to the extent that even security arrangements had to be made to protect certain people.

Whether these fears and threats were truly a danger or not, the Commission is unable to say, but it was not prepared to take these lightly, only to find possibly later that they were serious and should have been attended to before something untoward occurred.

Accordingly, it was frequently necessary to consult witnesses in private rather than in public hearings in order to obtain such information as they purported to have and then independently to attempt to investigate that information and to try to establish the correctness thereof.

However, I hasten to state that whenever it was considered possible and safe to do so, hearings were conducted in public and nobody was refused admission or attendance.

### 3. THIS REPORT

By virtue of the fact that enormous media interest was shown in the proceedings of the Commission and a large portion of the evidence and factual information was published in the press on a virtually daily basis and by virtue of the enormous public interest in the proceedings of the Commission, a situation has now arisen where the newspapers appear to be calling for the resignation and dismissal of some members of SAFA. A stage has been reached where certain persons involved in the investigation of the Commission are being judged by the media and the public, rightly or wrongly, and certain public outcries have resulted from these judgments.

Although the Commission has not completed its investigations entirely and has, more particularly, not at this stage considered all the matters referred to in paragraph 1(f) of its Terms of Reference, it has considered that it may be in the interest of all concerned that an interim report regarding those matters already investigated should now be delivered to the President for a decision as to whether he wishes or not to release same to the public. The main purpose of delivering an interim report at this stage is to clear the air in regard to certain conclusions that the Commission has arrived at, in order to stop further speculation and to allow the powers that be to act in terms thereof should they consider it wise to do so. Accordingly, I shall proceed to deal with some of the matters in the following chapters.

## CHAPTER 2

### HISTORY

The history of South African football is fairly well known. Many submissions in regard thereto were made to the Commission and the Commission has taken cognisance of these. For purposes of this report however, it is not necessary to deal with the history in detail. Suffice it to summarise as follows:-

Unlike rugby and cricket in South Africa, football has not had the benefit for the best part of this century of orderly development in a privileged society. Football developed as it were, in the streets and the backyards of townships, on an informal basis and remained on that level for many, many years. Facilities for properly organised football were hardly able to develop and Government (local and central) in the past has shown little or no interest, and certainly has not given football the financial support that it deserved.

From this informal participation in the sport, football eventually developed, particularly in the larger townships, teams that showed promise and became fairly competent football players. Eventually the imagination of the public (largely the then disadvantaged and indigent public) developed sufficiently to enable a measure of professionalism to emerge. Over the years numerous professional clubs sprang up. These clubs were, for the most part, started by individuals who had an interest in the sport and who were prepared to finance to some extent, the needs of the various clubs. For the sake of convenience I shall refer to some of these people as club owners hereinafter, since this expression was freely used in the submissions to the Commission over the time that the Commission sat. Club owners were virtually the sole source of income for the clubs and accordingly ran the clubs to a large extent for their own joy and own benefit and players were not receiving national or wider recognition than that which the situation of the day could produce. Various bodies were formed and changes occurred in the structures of the various professional and amateur bodies that developed over the years which are of no real significance to this Commission whose mandate it is to investigate soccer only for the last three years.

Whatever the history in the past was, the fact is that with the advent of the new South Africa and the termination of sports boycotts throughout the world, the opportunity arose only very recently for South Africa to be at all able to participate internationally in most sports and football in particular.

When South Africa found itself able again to participate in international sport and football, SAFA had been formed as the controlling body of football and it received recognition by FIFA, the world controlling body, as it also did with CAF (Confederation of African



Football). The stage was now set for South Africa to participate in international football.

It is to be kept in mind that at the point in time when this all occurred, experience and expertise in regard to football fixtures, promoting of international football and the general administration of football on a level comparable with that of the rest of the world, was virtually non-existent.

However, by this stage certain of the professional clubs had developed into large clubs with large public support and the general interest on a local level had become fairly great. Furthermore a fair number of spectators were attending matches and, generally speaking, the larger portion of the population of South Africa had developed an enormous interest in football.

Probably the most prolific of these professional clubs that developed was that of Iwisa Kaizer Chiefs owned by a gentleman, Mr Kaizer Motaung, whose name was frequently mentioned in the submissions and evidence before the Commission.

Mr Motaung is obviously a wealthy man in his own right and managed to develop his team very successfully. He has been described in the Commission by Mr Mahon, with whom I shall deal later, as the "Mr Soccer" of South Africa.

In the process of the history, as I have tried to summarise briefly hereinbefore, emerged another individual in the person of Mr Solomon Morewa, better known as Stix Morewa, who became, eventually, the Executive President of SAFA.

These two gentlemen, that is Morewa and Motaung are, by all accounts, good friends and have been that for some considerable time and are members of what they themselves style the "A team". The "A team" as described by them to me, are a group of friends, business people and soccer administrators who dress in a certain way and who are friendly both socially and on business level and who get together frequently. They are what may best be summarised as a clique with common interests and common values.

#### SAFA

The exact composition of the SAFA committees and the executive, I do not consider it necessary to deal with herein. They are well known. They represent basically a number of representatives from the various provincial amateur football bodies and members of the now well known NSL (the association of professional clubs). Mr Motaung himself has at various stages served as an executive member of NSL and SAFA until he left them some time ago and, since then, he has been independent, from which position, he maintains, that he is better able to serve football than as an office bearer of any association.

The fact that he left did not occur without incident. However, suffice it to say that numerous clashes of interest and clashes of personality have occurred in virtually all the football bodies over the years and has had the effect of changes in the composition of the structures from time to time. It is the view of the Commission that nothing much turns on this history save that it is to be kept in mind that at the end of the day, two distinct opposing factions emerged, namely, the National Soccer League on the one hand, and Messrs Morewa and Motaung, and by implication SAFA, on the other. From this position of Mr Morewa, the Executive President of SAFA, and the natural conflict of interest between amateurs and professionals,

it follows that friction also arose between NSL and SAFA.

I qualify this latter statement by saying that it is not clear that each and every committee member or executive member of SAFA is in opposition and conflict to NSL. However, in terms of the powers that be in SAFA, I consider it an accurate statement to say that there is, at this point in time, virtually open war between SAFA and NSL.

Against this background all the considerations of the Commission should be seen and considered. Personality clashes are so great that numerous allegations of life threats and the like were forthcoming. This did not assist in making the task of the Commission any easier nor does it make negotiations between the two factions any easier.

#### ASI

Shortly after it became possible for South Africa to participate internationally in football on the termination of the isolation period, Mr Mahon arrived on the scene from Ireland representing a company known as Awesome Sports International Limited (ASIL). He managed to negotiate, with the assistance of Kaizer Motaung, to obtain sponsorships which would enable well known soccer teams from the United Kingdom to compete here against teams in South Africa. This was the beginning of an association that led to a whole process whereby SAFA was involved, Kaizer Motaung was involved and Mr Mahon was involved in order to promote international games on various levels in South Africa. Numerous tournaments and events were arranged and promoted over a period of time with the assistance of ASIL, later Awesome Sports Southern Africa (Pty) Ltd (ASD), which took over the South African operation on behalf of ASIL of Ireland and is no more than the operating arm of

ASIL in South Africa. I shall, unless the context otherwise requires, refer to the two companies as one under the term ASI.

## NSL

The Commission was mindful of the fact that its terms of reference required it to also look into the role of NSL and its doings.

However, it is to be remembered that NSL, like the professional clubs constituting it, is a private enterprise for purposes of generating profit for its members and that their doings may be argued not to be matters of public concern. Nevertheless, the Commission issued several invitations to all concerned to bring forward their complaints (if any) regarding improprieties alleged to have been committed by NSL.

In spite of these requests and invitations, no complaints were forthcoming. Accordingly the Commission found nothing worthy of investigation in regard to NSL and cannot therefore report on any matter regarding NSL which indicates actions on their part of the nature referred to in the Commission's terms of reference.

## CHAPTER 3

### THE RELATIONSHIP BETWEEN ASI AND SAFA

The relationship between SAFA and ASI was regulated by written contracts entered into between the two bodies. The essential effects of these contracts are dealt with by Mr Adlam in his report to the Commission.

Mr Adlam is an auditor from the office of the Auditor General whose full-time services were made available to the Commission at my request.

He was given insight into the books of SAFA, various contracts entered into between a number of relevant parties, bank statements and the like and other relevant documentation relating to various parties and persons which he studied over a period of some months and from which certain conclusions were arrived at.

I annex hereto (as Annexure "A") a copy of Mr Adlam's report to the Commission which to a great extent speaks for itself. During Mr Adlam's investigations he consistently discussed the various issues with the members of the Commission and was frequently lead by the Commission in regard to what issues were to be investigated and how this was to be done.

He was also almost without exception in attendance when consultations and hearings were conducted and remained fully in touch with developments at all times.

Furthermore, he consistently kept the members informed of the nature and progress of his investigations and consulted us in regard to virtually everything he did.

Accordingly it seems appropriate that his full report should be annexed to this report of the Commission and be read in conjunction therewith. I shall attempt to refrain as far as possible from repeating in this report what he has already dealt with in his report and any reader of this report should carefully study that of Mr Adlam also.

In the main, the contractual relationship between ASI and SAFA can be gleaned from a number of transactions:

1. The so-called Marketing Agreement.
2. The agreements relating to the tournament known as the Foodcorp Four Nations Cup and the agreement regarding the match between the South African National Team (Bafana-Bafana) and the national team of Brazil.
3. The agreements relating to the Nelson Mandela Inauguration Festival.

I shall deal with these seriatim.

1. THE MARKETING AGREEMENT (Annexed hereto as Annexure "B").

On a study of this agreement and its implications, read with the facts as they were found by the Commission the following comments seem appropriate:

- (a) SAFA purported, inter alia, to divest itself of all responsibility for the organisation and arranging of fixtures and tournaments presented under its flag - this responsibility was now entirely in the hands of ASI.
- (b) SAFA gave to ASI "carte blanche" for the negotiation and sale of all television rights in respect of international fixtures.
- (c) SAFA gave ASI "carte blanche" to solicit and contract with all sponsors of SAFA events including SAFA development programs.
- (d) SAFA gave ASI "carte blanche" to undertake all its general fund raising campaigns and activities.

- (e) SAFA gave ASI authority (subject to its control and authority) to arrange all tours to and from South Africa involving all South African National teams including all promotional appearances, media interviews, travel and accommodation arrangements and the like.
- (f) SAFA gave ASI "carte blanche" to sell all signage at stadiums for SAFA events.

SAFA also undertook:

- (i) to not itself or through any other person (other than ASI) undertake any marketing or promotional activity (other than media interviews).
- (ii) to allow ASI access to all books, records and agreements and other documents ASI required.

In return for all this ASI was not to pay anything and was required only to guarantee to SAFA an annual income in each financial year of the duration of the contract of not less than the base income of SAFA as at 31 December 1993, escalated at 15% per annum.

This guarantee itself was still subject to SAFA not making use of the services of any other person or organisation to perform any of the above.

Over and above, SAFA, furthermore, allowed ASI from time to time to promote and arrange events not forming part of SAFA's annual calendar including:

- (a) The United Bank International Soccer Festival.

- (b) The Foodcorp Four Nations Cup.
- (c) The South Africa vs. England match in March 1995, and
- (d) The South Africa vs. Brazil match. ((c) and (d) above were staged as the Nelson Mandela Inauguration Festival).

For these various events SAFA was to receive only an amount agreed upon in respect of each event and ASI would be entitled to "all income generated by the events including, without limitations, income generated from sales of tickets, advertising and television rights and the like".

Over and above the aforementioned, the marketing agreement had the effect that out of its "base income" (escalated at 15% as aforementioned) SAFA then still was obligated to pay to ASI:

- (a) 10% plus vat of all amounts received by SAFA in terms of contracts existing on 1 October 1994, and
- (b) 15% plus vat of all amounts payable to or raised on behalf of SAFA after 1 October 1994 in terms of agreements or arrangements concluded in respect of sponsorship, television rights, general fund raising, endorsements on developments programmes.

On an analysis of these aforementioned terms and consequences of the marketing agreement, it seems perfectly clear to me that SAFA had by this agreement entirely emasculated itself to run and organise its own business and life and sold out to ASI virtually every asset it had to earn money for a mere 15% per annum escalation of its 1993 income. Having received that income, they would have to return the greater part of the 15% escalation to ASI as



remuneration payable to ASI for its services. The effect hereof could be that for the duration of the contract SAFA could barely expect any significant increase in its annual income.

In short, the agreement places ASI in a position where it virtually entirely runs SAFA's affairs at its sole discretion.

If properly managed by ASI, it could mean that by obtaining the greater portion of sponsorships, television rights payments etc. for the unscheduled events which ASI runs for its own benefit, ASI would be able to restrict and limit the escalated base income to a minimum of as little as possible in excess of 15% for SAFA and then to get virtually the whole 15% escalation back from SAFA by way of their remuneration. In addition ASI would then be entitled to present all the unscheduled events for its own profit. Sponsors would be sponsoring ASI not SAFA, and ASI would happily be trading for itself in SAFA's name with SAFA's trading asset.

This placed SAFA completely in chains where it can conceivably earn little more for the whole duration of the ASI contract than what their base income was in 1993.

Ironically enough SAFA, apparently not appreciating the position, still votes to give the Executive President a 10% bonus on sponsorship obtained. Thereby reducing their base income even more.

On assessment of the Marketing Agreement it is clear that the major principle criticism thereof is that it purports to employ ASI as marketing manager in its employ, compensates

it handsomely for its services and allows it to conduct business for its own profit in direct competition with SAFA as the employer, using SAFA's income earning assets to do so and furthermore prohibiting the employer (SAFA) from making use of any other person or organisation or SAFA itself to even do its own marketing and to generate income.

At a meeting of the Finance Committee of SAFA on 26 October 1995 the question of Mr Motaung's connection and financial interest in ASI was clearly questioned by Mr I. Khoza together with the anomaly of ASI acting as marketing agent for SAFA while staging events for its own benefit and raising sponsorships selectively. In other words, the very situation discussed above in this report regarding an employee trading in opposition to the employer with the employer's assets.

In this minute Morewa clearly attempts to suggest to the Executive that the Marketing Agreement was not of his making but "was negotiated with ASI by Messrs A. Abercrombie and P. Govindasamy, acting on behalf of" SAFA.

How the executive of SAFA were persuaded to enter into such an agreement eludes me.

I can only put it down to the very lack of experience and expertise in the SAFA executive ranks and the inability to deal with an experienced operator like Mr Mahon is held out to be. Added to this of course the special relationship which existed between Mahon and the Executive President of SAFA with which I shall deal later, and the special "A team" relationship between the Executive President and Motaung (a very close business associate of Mahon with a substantial financial interest in the welfare of ASI and a "partner" of

Mahon's in his and some of ASI's activities in South Africa).

Attention should also be drawn to clause 10.1 of the Marketing Agreement which provides that ASI shall not be entitled to incur any expenditure on behalf of or in the name of SAFA.

This clause seems to have been one of no concern to either Mr Mahon or to SAFA .

Mr Morewa stated clearly and ambiguously that:

- (i) SAFA considered that they were not adequately equipped, either in terms of experience or expertise, to promote matches and features as effectively as ASI.
- (ii) SAFA did not have the financial resources to bear the risks involved in promoting and presenting major features and that they, accordingly, considered it safer and more reliable to farm out the promotion and the financing of these tournaments to ASI. This removed all risks and all the organisational problems from SAFA and left these entirely in the hands of ASI.

It seems that this was the very purpose of the provision of Clause 10.1 of the marketing agreement prohibiting ASI from incurring expenditure in the name of SAFA.

Yet, certainly in the Brazilian Football Confederation contract Mahon was allowed to bind SAFA for an appearance fee of US \$560 000.00 as well as various other expenses as enumerated by Mr Adlam. All the income of that tournament was to be for the benefit of ASI, yet SAFA incurred the liability. Mahon, as a signatory to the contract with Brazil, is

unambiguously referred to as the person entering into the contract on behalf of SAFA and in fact did so without any authority given to him by SAFA.

True enough, I assume the ASI fulfilled SAFA's obligation on their behalf, but that does not alter the unacceptable principle that SAFA became legally indebted for an enormous amount to Brazil with no prospect of earning nearly enough from the tournament to cover the debt. After all, this was an unscheduled event for profit of ASI only.

Mahon was allowed a free hand to contract however he wished for the benefit of ASI without any legal obligation for ASI being incurred to Brazil. This all contrary to the express terms of the Marketing Agreement. Had for instance, ASI gone into liquidation or skipped the country at a critical stage, it could have left SAFA to carry the can in spite of the express terms of the marketing agreement.

Interestingly enough, when this was put to Morewa in his evidence, he denied that Mahon had or was given authority to bind SAFA to Brazil. Nor could any resolution be found giving such authority. The inference that Mahon was doing as he pleased with no real concern for the interests of SAFA is probably justified.

The Brazil contract may not be the only instance of this nature. That contract was fortuitously obtained by the Commission. As a result of ASI's persistent and consistent attitude, throughout the duration of the Commission's activities, that it was under no obligation to disclose to the Commission its private business dealings, other contracts of a similar nature were not available to the Commission. It may well be considered very likely

that there were others like the Brazil contract and that ASI, through Mahon, was binding SAFA also to other clubs and bodies when ASI was really the party that received the real benefits and should have run the risks alone. This without the knowledge of the SAFA executive.

Meanwhile the various clubs are having to make their players available for matches without any benefits to them with all the risks involved of injuries and the like and ASI is deriving the benefit.

Finally, I should point out that the Commission has had sight of the FIFA rules to which SAFA is obliged to adhere. I do not know how exactly FIFA interprets these, but it seems very likely that the Marketing Agreement may be held to be in conflict with these because ASI is not an accredited match agent of FIFA and because the remuneration payable in terms thereof exceeds that prescribed by FIFA as a permissible maximum for a match agent.

## 2. THE FOODCORP FOUR NATIONS CUP AGREEMENTS

The Foodcorp or Simba Four Nations Tournaments have occurred for a number of years. These events are, according to the Marketing Agreement, unscheduled events not on the normal SAFA calendar and are accordingly run solely by and for the benefit of ASI save for a percentage of gate takings (20%) and an agreed amount (hereinafter referred to by me as the "event fee").

It follows therefore, that SAFA was to get an event fee in the amounts agreed upon for the tournaments.

On 28 March 1994 Mahon addressed a letter to SAFA "recording the agreement reached between ASI and SAFA" regarding the Foodcorp Four Nations Cup. The letter makes provision for himself and Mr Morewa to sign at the end thereof with a request to sign a duplicate original of the letter where provided for Morewa to sign "in the event that the above (letter contents) accords with your understanding of the agreement reached between SAFA and ASI".

From the contents it is clear that by the time the letter was written, final agreement had already been reached with Morewa acting for SAFA.

At this stage none of the terms of the agreement or the negotiations leading up to it had been put before the executive of SAFA.

In terms of this agreement ASI would, inter alia, bear what appears to be all the costs of the tournament, including specifically all appearance fees and travel and accommodation "by each of the competing four nations" and 20% of the gate takings.

That to my mind would include an appropriate and to be negotiated "appearance fee" for the South African national squad; South Africa being one of the four competing nations.

All income from the tournament was to be for the benefit of ASI - this would include necessarily any sponsorship money or income from the sale of naming rights.

What the amount or extent of this sponsorship and/or naming rights by Foodcorp for this

tournament actually was, the Commission was unable to determine because both ASI and Foodcorp were not prepared to disclose their private dealings to the Commission, claiming their rights of privacy and free trade in terms of the South African Constitution. Whatever the amount may have been, it can be assumed to be substantial; probably running into millions.

Nor was any information of sponsorship or naming rights amount even disclosed to SAFA as far as the Commission could determine.

Of course, the Marketing agreement, nor for that matter, any of the relevant agreements, make provision for disclosure by ASI to SAFA of its negotiations or contracts with sponsors.

On 27 July 1994 ASI wrote another letter to SAFA confirming another "agreement reached" between the two in respect of the same tournament. Again no indication can be found in the minutes or elsewhere that the executive of SAFA was previously consulted.

This agreement provides that SAFA will receive R400 000.00 plus travelling and accommodation expenses for the national Squad of South Africa. In addition SAFA would receive 20% of gate takings.

The letter ends with a comment indicating that the R400 000.00 is approximately R150 000.00 greater than the sum payable to the other three Football Associations.

From this it may be inferred that the other Associations would receive approximately

R250 000.00 each as an appearance fee and that the R400 000,00 was intended to be SAFA's "appearance fee" for the National Team.

This agreement was eventually reported to the SAFA executive by Morewa on 21 October 1994 at an extraordinary meeting in the following terms:

"that ASI had submitted a proposal whereby SAFA would earn an amount of R400 000.00 plus 20% of the gate takings during the staging of the Four Nations Tournament to be held between November 27, 1994 and December 4, 1994." The SAFA executive then accepted the so called proposal which appears to have by then been an "agreement reached" and not a proposal.

Never was the executive informed that an agreement had already been reached and entered into by Morewa. That this was in fact so appears from a memorandum signed by Mahon recording the proceedings of a meeting attended with Morewa, Hack and Khoza on 19 October 1995 (paragraph 5 thereof). Nor was the executive alerted to the fact that over and above the appearance fee for the competing SA National Squad was ASI further obliged to negotiate with SAFA an amount to be paid to SAFA for the right to stage the event for their own benefit as provided for in the Marketing Agreement.

Accordingly nothing was ever agreed to be paid for the right to stage the event in terms of the Marketing Agreement, nor was anything ever paid for that in terms of the Marketing Agreement. The letter of ASI confirming the two agreements was never tabled in the meeting and the decision to enter into the agreement was taken on the mere and incomplete



information given in a few words by Morewa to the meeting of the executive. In short the deal struck between Foodcorp and ASI has consistently been kept very much under a cloak.

Subsequently, to the surprise of SAFA's management, they discovered that they were required to pay players fees out of the R400 000,00 received for the tournament and that they would end up with something less than R200 000.00 thereof after these had been paid.

Accordingly ASI, in what it suggests was a magnanimous gesture, undertook to pay the players fees (some R214 000.00) but then reduced SAFA's fee to R250 000,00. This was then paid accordingly and accepted without officially informing the Executive of SAFA thereof.

On the contrary, at an executive meeting of 12 November 1995, Morewa reported that in 1994 ASI had paid a fee of R400 000.00 plus all expenses, including the expenses of the national Team and again the meeting was persuaded to accept R400 000.00 (this time very discreetly a rider of ASI having to pay "players allowances/bonuses was slipped in). His report was simply inaccurate and misleading.

To this day the Commission is unable to find any record of the Executive being informed that SAFA only received a nett R250 000.00 and not a nett R400 000.00 for the 1994 Four Nations Tournament.

Again the Executive meeting is not informed of SAFA's right to receive in addition an agreed "event fee" in terms of the Marketing Agreement over and above the appearance fee in terms

of the Four Nations Cup agreements. Nor has such an event fee ever been claimed or paid.

Finally, it should be stated that in argument Mr Wentzel (for ASI) tried to suggest that ASI were always prepared and offered to make SAFA equal partners with them in the Four Nations Cup Tournaments but in response to questioning from myself he conceded unequivocally that "partnership" would mean equal sharing of the event costs and event profits only and that sponsorships and the like would not enter into the equation - these would remain for the benefit of ASI only.

The result is that the offer of so-called sharing amounts in my view to offering an empty shell and left SAFA with "Hobson's choice."

ASI had them over a barrel and had rendered them helpless in a position where ASI was happily trading with SAFA's asset in direct competition with SAFA (its employer) for ASI's profit.

In the various letters of ASI regarding the Four Nations Cup, mention is also made of a sponsorship agreed upon between ASI and Foodcorp for the Under 12 development program.

In the 28 March 1994 letter it is stated to be R1 000 000.00 per annum for at least 3 years.

In the letter of the 27 July 1994 is stated to be R2 000 000.00 per annum.

Clearly this sponsorship emanates from an agreement between ASI and Foodcorp to which SAFA was not a party. The terms of that agreement, the parties claim, is private and not to

be discussed. Nor was anything more than a bald statement of the existence of such a sponsorship ever minuted or discussed in SAFA's executive meetings. If Morewa knows the details he has not disclosed them. Nor were any decisions minuted as to how this development sponsorship should be spent. It seems that only ASI and Foodcorp control the use of that money if it is applied at all. What was actually spent or will be spent is unknown. It is quite possible that the sponsorship of the development programme was little more than a carrot held out to get the SAFA executive to accept the Four Nations agreement terms.

As SAFA has no part in the agreement it has no say, no right to enforce it and no machinery to oversee it. In short it cannot be regarded as a SAFA programme at all.

That some efforts have been made to develop Under 12 Football may be so but to what extent and at what cost only ASI and Foodcorp seem to know.

When this offer was made by Foodcorp it should have been negotiated with SAFA and the agreement in regard thereto should have been entered into with SAFA not ASI.

This again indicates the power which ASI is allowed to wield in SAFA affairs and supports the proposition that ASI has taken over from SAFA in more respects than meet the eye at first glance.

Surely development is a matter "par excellence" which should be planned and controlled by SAFA - not by a private company and a food manufacturer.

In his testimony before the Commission Mr I.E. Riley, a freelance agent/administrator of soccer stated that he, on behalf of ASI, manages the Foodcorp Under 12 Soccer Development Programme.

A special event was also referred to in Mahon's letter of the 28th March 1994. That appeared to have reference to two games between the national teams of South Africa and Ghana, which ASI was obliged to offer to Foodcorp at no cost to Foodcorp, as an inducement to sponsor the Four Nations Tournament. The terms thereof were to be the same as that pertaining to the Four nations Cup with the exception that SAFA would be entitled to only 10% of gate takings. Receipt of neither the share of gate takings nor appearance fees could be traced in the books of SAFA and the Treasurer of SAFA confirmed that it was not received.

Similarly the 20% share of gate takings due by ASI to SAFA in respect of the Four nations Cup has not been received after many months. Nor is there any record that the Executive of SAFA have ever been informed of this fact.

Another matter requires comment:

Pursuant to the negotiations between ASI and Foodcorp, the latter has made a Mercedes Benz motorcar available to Mr Morewa for his personal use. It would be fair to say that he receives the car by virtue of an agreement between ASI and Foodcorp to which SAFA is not a party and acquires no rights.

Nowhere in the records of SAFA was any reference found to this arrangement or is the use of the car reflected as an asset. The Commission doubts that the fact of Morewa receiving

this perk was known to SAFA's executive or formally accepted by SAFA.

It seems to me that this perk is no more than a hand-out to Morewa personally by Mahon through his dealings with Foodcorp. The whole matter is highly unsatisfactory if not corrupt. If Foodcorp wished to offer such a perk it should have been offered to SAFA as an association and not to Morewa without the intervention of the Association and a proper formal and minuted decision should have been taken by SAFA in this regard.

#### CHAPTER 4

##### THE THREE M's

It seems appropriate to point out that in virtually all the enquiries and investigations of the Commission, three major role players came up and were referred to all the time. They are what I have termed in the heading to this portion of the report, the three M's. These three gentlemen were Messrs Morewa, Motaung and Mahon. It seems appropriate also that I should deal with them individually and attempt to point out how they and their activities impacted on SAFA.

##### 1. MOREWA

Mr Solomon Morewa is the full-time Executive President of SAFA. He is employed by SAFA and has been for some time. He is in charge of the day-to-day affairs of SAFA and is obviously a man of great influence in the organisation and wields enormous power therein. He is duly assisted by a number of members of permanent staff of SAFA who take their instructions from him. Furthermore, Mr Morewa is the Chairman of the Executive of SAFA and he presides over most meetings, if not all.

Morewa's remuneration package is more fully dealt with in Mr Adlam's report and does not justify repeating herein. With regard to Morewa's association with the other two M's the following may be of significance:

- (a) Morewa, with Motaung and a number of other persons, constitute what they themselves styled as the "A team". This group known by that name wear particular types of clothing by their own statements. It is assumed that this is very special and expensive clothing. They are a social group who meet from time to time for social purposes, but also obviously have common interests which are discussed and dealt with in regard to their business activities. This clique has been mentioned all along through the investigations of the Commission and is regarded as forming a very strong bond between the members thereof.
- (b) Morewa is obviously a very good friend of Mahon's by his own admission. So good a friend does he allege himself to be of Mahon, that he would not have dreamt that Mahon would charge interest to him over a period of some years for what he terms a "loan" of R500 000,00.
- (c) Morewa has admittedly received from ASI an amount of R500 000,00 over a period of time. He alleges this to be a loan made to him because he was in financial difficulties. The important aspect of these payments is that they were negotiated and the first payments were made prior to the negotiating of the Marketing Agreement between SAFA and ASI. This "loan" by Mahon to Morewa was at no stage disclosed to the SAFA Executive or to anyone that the Commission knows about and was kept very much under the carpet until it was

discovered fortuitously by the Commission. It goes without saying that the result of such an agreement between Morewa and Mahon and the passing of money in this fashion without disclosing the fact thereof is highly undesirable and as far as the Commission is concerned inexcusable. Morewa was hardly in a position to negotiate on level ground with Mahon after he had been paid money of this nature or had been promised and had accepted a payment of this nature.

When the Commission first confronted Morewa with the fact that it had traced payments from ASI of large amounts of money to him, he was clearly embarrassed and nervous. He stated that it was a loan but was uncertain of the amount, stating that he "thought" it was R450 000,00. He stated that no interest was payable since he and Mahon were such good friends that the latter would not charge him interest. Furthermore he stated that there was no proof in writing of the loan nor was any security offered or given. He said he was going to repay part of the loan when certain investments came free in September 1996. When confronted with payments to the value of R500 000,00 to him, he confirmed that the amount received was in fact R500 000,00.

Mahon in his evidence subsequently confirmed payments of R500 000,00 stating very emphatically that he, not ASI, made the payments from his account. When confronted with the fact that these payments in fact came from ASI's accounts, he confirmed that they were made by ASI but debited in their books to his loan account. Despite the efforts of the Commission to obtain copies of the loan account in ASI's books they proved fruitless and were not supplied. According to him this loan, with no

agreement in writing of any nature to record it, was clearly agreed between him and Morewa to bear interest at 2% below prime rate.

He stated that approximately 60% of the loan was secured by endowment insurance policies owned by Morewa. Yet, no one made any effort to hand the policies to him nor to cede them to him. I understood him never even to have seen these policies. He was obliged to concede that he held no security ever.

This in my view does not gel as the action of an astute and informed business man as Mahon is portrayed as being. Even the terms of repayment of the loan came across as uncertain when these two gentlemen testified.

Having heard Mahon's evidence, given in Morewa's presence at a time when Mahon insisted on giving evidence there and then and when Morewa, with what was considered by the Commission as a lame excuse that he had in the two weeks given him for that very purpose, not done anything to obtain the legal representation he required, Morewa tried to make his version match with that of Mahon in contrast with what he had told us before.

I am of the view that the so called loan was never in fact a loan from Mahon but was paid to Morewa by ASI for other reasons. This conclusion should also be seen in the light of the quite obvious and clear relationship between Morewa and Mahon and Motaung and the fact that according to Mahon, large amounts of money were also paid to Motaung for services rendered as Mahon's "eyes and ears" in South Africa and



Motaung being regarded as "Mr Soccer" in South Africa and being his "financial partner".

The Commission was unable to obtain any precise better details of the services rendered. Some attempts were made by ASI to supply information as to what the payments to Motaung were made for but they do not clarify the picture to the extent that was required and the Commission cannot help but feel that the details of the information were purposely withheld from it for as much as possible.

When it was put to Mahon that Motaung had a financial interest in ASI, he tried to qualify his initial denial by stating that he meant "no equity interest". It seems far more likely to me that Morewa, like Motaung, was receiving payments from ASI for services rendered.

The fact that Morewa now attempts to prove some repayments of the so called loan, does not impress me since the first payment was made sometime after commencement of the Commission. The receipt of these amounts by Morewa, was never disclosed to the SAFA Executive until the Commission confronted Morewa therewith, nor does it appear from Morewa's financial records as if he was anything like in financial difficulties at any relevant stage.

The information about the payment with dates, amounts and account numbers into which they were deposited by Morewa, were received via an anonymous informer. The Commission followed up the information via the banks and it appeared to be

accurate.

Some days later the same caller informed anonymously that Mahon had conspired with Morewa a day or so before that, if confronted therewith, they would say that it was a loan. However, this latter suggestion, by its very nature, could not be confirmed.

If the "loan" story is a contrived fabrication, repayment proves nothing as it is quite conceivable that the money may be returned to Morewa when the dust has settled, either here in South Africa or abroad. Many suggestions and rumours have been brought to the Commission that Morewa and Motaung were receiving a share of ASI takings abroad from ASI or Mahon and that initially these were deposited for them in accounts in Ireland and subsequently transferred to Switzerland.

Since the Commission has no jurisdiction or machinery to investigate abroad, these allegations could not be investigated for their veracity.

- (d) In regard to Mr Morewa in particular, I should here for a moment refer back to the Mercedes Benz motorcar which has been given to him for use by Foodcorp. This I have dealt with previously, but it again tends to indicate the relationship between himself and Mahon to be closer than arms length negotiation level.
- (e) The question of the performance bonuses paid to Morewa as more fully dealt with in Mr Adlam's report in paragraph 10 thereof, speaks for itself. I need comment very

little thereon save to express my amazement at the fact that Mr Morewa was able to sign a R45 000,00 cheque in favour of himself for an amount, which he had already received without being aware of the fact that he was double paying himself. If Morewa is to be believed that he was given the loan by Mahon because he was in financial difficulties at the time, it seems inconceivable to the Commission that a man who is in financial difficulties will be so nonchalant about R45 000,00 paid to him previously that he would not know that it has been paid before. Significant is that when the double payment was discovered it was agreed between him and the treasurer that he would repay at R5000.00 per month with no interest. Morewa's bank statements show that he was well able to repay it immediately and his comment regarding this repayment by instalment was simply that "money is always welcome". Again his personal interests superceded those of SAFA.

If he was in fact in such financial difficulties as was stated, it amazes me that he was able to delay receiving his R6 000,00 per month motorcar allowance for some seventeen months until it mounted up to R102 000,00 as is more fully set out in paragraph 10.1 of Mr Adlam's report.

- (f) Morewa's management of the education trust and his allowing it to be mismanaged in the way it was, a matter with which will be fully dealt with separately, in itself indicates gross mismanagement, incompetency, if not corruption. Payments were received by himself from the education trust which were unjustified and contrary to the intentions of the rules of the fund.

(g) Morewa's personality came across clearly to the Commission as that of an assertive person who gets aggressive in the face of opposition. This was probably most appropriately demonstrated by his outburst and attack on a press reporter at an adjournment of the Commission where he used bad language in public, threatened the reporter with reprisals when they got out of the Commission and his general behaviour was not what would be expected of an Executive President. I perceive him as quick to tears but also quick to go on the attack when finding himself to be the subject of criticism as is more clearly demonstrated by his unequivocal suggestions to the Commission that they were trying to get at him specifically.

## 2. MAHON

Mr Mahon emanates from Ireland where he seems to purportedly reside permanently at this stage save for spending some months per year in South Africa regarding his interests in ASI here.

Mr Mahon did not impress the Commission as having given his evidence frankly or at all times honestly. He clearly, by his own admission, has a close business relationship with Mr Motaung who has been described as his "financial partner" in South Africa and the Commission is satisfied that, to some extent in any event, Mr Motaung is just that. They have common business dealings and obviously share common financial interests and it may accordingly be accepted that ASI, Mahon and Motaung pull in the same team as far as the administration of ASI's soccer interests in South Africa are concerned.

Both these gentlemen are in the business for profit as they are entitled to be and no criticism

may be levelled against that. It is however clear that with their particular relationship with Morewa, as each of them in his own right has, they are in a position from where they can, to a large extent, manipulate the affairs of SAFA to suite their business interests.

Both Mr Mahon and Motaung were very secretive, evasive and elusive in regard to disclosing evidence to the Commission. It was persistently and consistently suggested to the Commission that they were only too anxious to co-operate and to give the Commission as much information as it may reasonably require. However this was not the experience of the Commission. Every effort was made by both these gentlemen to claim their constitutional rights of privacy as private entrepreneurs on the basis that their business, their association and their dealings were not matters of public interest and concern and that the Commission was to keep its hands off their private affairs. So much so was this the situation that ASI even resisted in court efforts by the Commission to obtain their books and records. That they may have been entitled to do so, the Commission does not dispute. However this does not, in my respectful view, accord with the attitude of co-operation and transparency and assistance to the Commission that they held out to be their approach.

So secretive were ASI for instance, that it was never disclosed to the Commission, despite numerous inquiries regarding the directorate of ASI, that Mr Wentzel himself is one of the three directors of ASI. This fact was only fortuitously discovered by the Commission at a fairly late stage after Mr Wentzel had appeared before the Commission for some considerable time under the flag of being solely a legal representative of ASI and SAFA.

Mr Mahon had to concede his so called loan to Morewa of R500 000,00 prior to the

negotiation of the Marketing Agreement. That in many respects his evidence in regard thereto does not accord with that given by Morewa and is not accepted as truthful by the Commission, tends in my view, to suggest very clearly that Mahon should be regarded as guilty and improper as Morewa himself in allowing the negotiations between himself and Morewa to be conducted against the background of a R500 000,00 payment to Morewa.

The very nature of the Marketing Agreement that was entered into with ASI by SAFA and the terms thereof indicate to me, as I have stated herein before, that SAFA was entirely emasculated for the benefit of ASI who, as it were, had taken over virtually all SAFA's money earning assets for their own benefit leaving SAFA with a virtually static income for the duration of the whole contract while ASI was free to earn as much money as it was able to from SAFA's activities.

That Mahon was able to negotiate himself into this position I am of the view, can only be attributed to the fact of his very close and intimate and financially linked relationship with Morewa and the latter's subtle influence on the members of the Executive of SAFA to convince them that the deal was beneficial to them.

### 3. MOTAUNG

Mr Motaung is a private entrepreneur who owns Iwisa Kaizer Chiefs Football Club and who is in the business for profit. With that there is nothing wrong. Furthermore, no evidence was heard by the Commission which indicates any impropriety directly committed by Mr Motaung. However it cannot be negated that Mr Motaung is in fact probably the "Mr Soccer"

of South Africa. His business relationship with Mahon and his apparent partnership with Mahon, seen with his "A team" close relationship with Morewa, undoubtedly must have contributed to the situation that developed where SAFA was able to contract against its own interests. It seems quite clear to me that Mr Motaung must have been a strong persuasive factor, if not more, in enabling Mahon and ASI to achieve what they did achieve with regard to the affairs of SAFA.

## CHAPTER 5

### TELEVISION RIGHTS

The Commission has heard comprehensive evidence from a representative of MNet, and also from other persons, to the effect that football is not receiving from its television coverage rights the revenue that the sport deserves.

Apparently the reason for this is that the SABC in South Africa is allowed to broadcast most of the major soccer fixtures live and is not able or willing to pay competitive or realistic prices for that privilege. According to MNet the realistic and competitive value of these broadcasts is several times more than SABC is prepared to pay therefor.

It seems that the independent broadcaster is not permitted to compete with SABC for these rights because of what it refers to as Government intervention and veiled threats pertaining to the renewal of its broadcasting license.

It was strongly suggested to the Commission that the policy of Government is that non-paying viewers (i.e. SABC viewers), who represent the largest portion of the soccer viewing public

and who are constituted to a large extent of the previously disadvantaged and still indigent portion of the population should not be begrudged the live viewing of their favourite sport without having to pay therefor.

Draft legislation was even prepared in an effort to enforce this policy. This legislation seems however, now to have been shelved. That this policy may be morally commendable I understand.

However, whatever the position may be, it seems to the Commission that any interference by Government, whether directly or indirectly, into the normal market forces regarding television broadcasts of sport is highly inadvisable.

I express doubt whether legally and constitutionally, Government has the right to interfere with free trade or to create monopolies for SABC.

Furthermore, to do so in any way, has the effect of limiting for the football world and organisations, their ability to negotiate freely in the open market the sale of one of their major money earning assets. This is clearly untenable and not in the best interests of the sport generally.

x Of course the indigent and less privileged population have a good claim to being able to view their favourite sport of TV, but to expect to view it live when such a valuable asset can be more profitably sold in the interest of the sport is probably asking to much.



MNet has indicated that it was prepared to pay several times more than SABC for live coverage of major features and would then be prepared to accommodate indigent viewers by allowing SABC to re-broadcast the same matches as little as one hour after conclusion thereof without any charge to SABC.

It seems to me that such a suggestion is eminently fair. It would not deprive soccer of its revenue. Nor would it do any damage to SABC and would in fact save them money and the non-paying viewers would still be able to see their sport (albeit an hour late).

Sad as it may be, it does not seem right that normal market forces and the law of supply and demand should be disrupted purely in order to have non-paying viewers see the match earlier. The financial losses to soccer and an inroad into the general principles of a free economy seems to me to be too large a price to pay for the mere privilege of allowing non-paying viewers to view matches live and hour earlier.

## CHAPTER 6

### SOCCKER ASSOCIATION OF SOUTH AFRICA EDUCATIONAL TRUST

The aforementioned Educational Trust and the handling thereof by the Trustees and the SAFA executive is fully dealt with in paragraph 4 of Mr Adlam's report annexed hereto and need not be traversed again herein.

Suffice it to say that it appears therefrom that the Trust was miserably neglected and mismanaged and was frequently abused for the benefit of persons not qualifying for assistance therefrom.

The laxadaisical, non-chalant approach in handing out the funds on what appears frequently to be an arbitrary basis deserves serious criticism.

Records were not properly kept, resulting in the loss of a major contribution to the fund from the IWISA TRUST, and the interest and support of other contributors was also lost.

The aforementioned is again indicative of inadequate control and administration in the ranks of SAFA management.

## CHAPTER 7 †

### CONCLUSIONS

Having heard a lot of evidence and a lot of submissions by as many interested parties as wished to appear before the Commission and numerous others that the Commission summoned and requested to make submissions and give evidence, it seems to me that the real problems in soccer administration in South Africa can be summarised as follows.

A situation has developed over the years where certain personalities have come to the fore in soccer administration in general and where clashes of interest and personalities have occurred. This is particularly so in regard to disputes that arose between certain members in the National Soccer League and members amongst themselves and eventually amongst members of the NSL and SAFA. One of the major problems was that in the process of this occurring, certain alliances were formed whether intentionally or fortuitously.

More particularly the so called "A team" was conceived where Messrs Morewa and Motaung

were major role players.

On the other hand, there were other members of NSL who felt left out and had interests of their own to protect and perceived the A team as working against those interests. At the end of the day a lot of acrimony and animosity was generated which has filtered through to every facet of football life and administration.

An association developed between Mr Motaung of Kaiser Chiefs and Mr Mahon of ASI who came from abroad. They developed business interests together and Mahon was introduced to the soccer world in South Africa by Mr Motaung.

Because of the close relationship between Messrs Motaung and Morewa, Mr Mahon in his dealings with Mr Motaung became closer to Mr Morewa. At the end of the day a close association developed between the three gentlemen referred to namely, Morewa, Motaung and Mahon. This association resulted in the various contracts entered into between SAFA and ASI as well as the promotion of various tournaments between professional clubs in South Africa and overseas clubs. ASI being a company bent on profit making became involved in SAFA affairs and the contracts which have been dealt with hereinbefore were entered into.

South Africa having been re-admitted to international sport and the South African National Soccer Team having done very well for themselves in a number of tournaments and more particularly in the Africa Cup of Nations Tournament became a marketable commodity in soccer and became able to generate large income.

It follows that other role players in the professional soccer world felt left out and considered that it was not in the best interest of soccer that a company of foreign origin bent on profit making was to gain these large benefits from the soccer industry at the expense of local entrepreneurs. All the abovementioned factors only served to increase the acrimony and the animosity.

In spite of all the difficulties and acrimony, the money earning potential of the soccer industry was steadily growing as it still is. Sponsors became more readily available because of the increased interest in the sport and generally speaking, the industry started blossoming.

However, the difficulties and disputes became so big that they started to overshadow the potential of the sport and it became necessary to institute an inquiry into the problems in order to avoid a situation where the sport and all its potential could be destroyed.

The Commission has come to certain clear conclusions regarding these difficulties.

1. It seems to me that it must be accepted that whatever the advisability or otherwise thereof may have been from time to time, the intervention of ASI into the soccer world has had some extremely beneficial results for soccer.

Expertise, know-how and experience in promoting sport was in short supply in South Africa and ASI served to a large extent to make a contribution in that regard. The result was that the promotion of soccer and tournaments generally was greatly improved by the intervention of ASI.

2. ASI, in the view of the Commission, was in an extremely advantageous position. It had the expertise and the experience and was dealing with SAFA which in turn is constituted by executives and committee members of limited experience and could accordingly be fairly comfortably manipulated into contractual positions where ASI would make maximum profits.

In this regard the Commission believes that Messrs Motaung and Morewa contributed greatly in assisting ASI into negotiating with SAFA, the most profitable contracts.

3. Mr Mahon himself had definite interest in the welfare of ASI and Mr Morewa in the sense at least that he was receiving financial incentives from them and Mr Motaung in turn was clearly heavily financially interested in the welfare of ASI and Mahon. From that situation arose an unwholesome alliance. A situation had arisen where Mahon was contracting for ASI with Morewa whom he could manipulate into virtually any position he wished and who would in turn do the necessary to promote his cause within the ranks of SAFA committees and executives.
4. Consequently the fears of certain members of NSL (and more particularly those of Mr Ivan Kosa as expressed at SAFA meetings) were realised. It is the view of the Commission that the situation has now become such that in order to regain a measure of peace and credibility for the football fraternity, immediate steps should be taken by the appropriate persons or entities to disempower this aforementioned alliance. How this is to be done is a more difficult question to answer.

5.

It is the Commission's view that certainly Mr Morewa is no longer a fit and proper person to be at the helm of the football industry. He has proved himself to be over concerned with promoting his own interests instead of those of the association. His general attitude of arrogance and domination has, in the view of the Commission, made him unsuitable for the task he is required to fulfill. His acceptance of money from Mahon and the ASI and his failure to disclose this fact to the executive of SAFA is inexcusable. His signing a cheque or his allowing himself to be double payed in an amount of R45 000.00 in respect of a so-called "performance bonus" and when this was discovered, simply accepting that he may repay it at a mere R5000.00 per month with no interest on the simple pretext that "money is always welcome" is reprehensible. His allowing the Education Fund to be abused in favour of committee and executive members and their families contrary to the intended rules of the fund, is to say the least, grossly improper. His allowing Foodcorp to supply him with the use of a Mercedes Benz motor car on the strength of a contract negotiated by Foodcorp with ASI is entirely unacceptable. His general attitude and aggression as displayed in the threats issued to a press reporter at the sittings of the Commission is to say the least, not what one would expect of the executive president of the major sport in this country. His general apathy towards the less lucrative limbs of the soccer industry such as the women's football and the general lack of enthusiasm in answering correspondence and being transparent, are in themselves sufficient criticism to warrant his resignation or dismissal.

6. It is the Commission's respectful view that the SAFA executive, if it were to exercise its duties and powers in the interest of soccer, should insist on the resignation of Mr

Morewa failing which, steps should be taken to dismiss him.

7. Once Mr Morewa is no longer involved in the administration of South African football, the Commission believes that both Mr Mahon and ASI and Mr Motaung's influence in the soccer world will be diminished in such a fashion as to pave the way for more lucrative, successful and democratic handling of soccer affairs. Mr Mahon in turn, acting on behalf of ASI, has proved himself, in the view of the Commission, not to be the reliable and sympathetic business associate that SAFA should have. It is my respectful view that his dealings and association with Morewa behind the scenes has disqualified Mr Mahon and ASI entirely from being trustworthy. The close relationship and business associations of Mahon and Motaung make ASI's presence in SAFA's affairs even more inadvisable. After all it is to be remembered that Mr Motaung represents probably the largest and strongest professional club in the country and for him to be too closely associated with the marketing wing of SAFA can only be courting disaster.
8. It seems to me that the present contract between SAFA and ASI may well have to be left to run its course but, in my respectful view, the executive of SAFA should not allow the contract to be renewed at the expiration thereof and should make every effort to find another unattached marketing agent with the necessary expertise and experience, if required at all. Such an agent should then not be allowed to contract himself into a position of strength as ASI had done but should be adequately remunerated without gaining control of SAFA's affairs and still leaving room for SAFA to show maximum income and control over its assets and objectives.

9. Furthermore I believe that in the interests of football and of South Africa in general, the task of marketing football and football features should, if possible, not be left in the hands of foreign people or companies. I have no doubt that the necessary expertise and experience can be found within the boundaries of this country. The effect of dealing with a foreign company such as ASI will always bear the risk of large amounts of money leaving the country to the detriment of the economy generally. As far as soccer is concerned, the control and investigation of agents' actions and their handling of funds and the recovery of funds if it should be necessary, becomes far more difficult when dealing with a foreign company where the South African courts, football officials and any other interested persons have great difficulty in gaining access for lack of jurisdiction in a foreign country.
  
10. Finally the Commission expresses the wish that the unhappiness, animosity, acrimony and history of the past be laid aside; that the various role players in the numerous opposing groups take hands and put the shoulder to the wheel to promote the most popular and biggest sport of this country with its enormous potential in talent into the position that it should be, namely, one of absolute integrity where they receive the respect and recognition of the world, both in regard to their performance on the field and in their administration. The Commission believes that football owes that to itself and has the potential to in due course, bring home trophies such as the World Cup in order to assist in placing this country on the map again in another field.



## CHAPTER 8

### RECOMMENDATIONS

The Commission has been mandated inter alia to report on steps to be taken to put an end to or to prevent the recurrence of financial mismanagement or malpractice by the various organisations and steps to be taken to improve the administration of the organisations. This aspect has not been fully investigated. The reason therefor is obvious. I do not believe that the Commission can dictate to the soccer fraternity how its affairs should be run. I do believe that once the experiences of the past have been taken cognisance of and once the facts as we have attempted in this report to reveal have been disclosed to all interested parties, it should be left to the soccer fraternity to negotiate and consider their own position afresh in an effort to avoid recurrence of unhappy incidents.

In this regard my recommendation is that after this report has been released, a meeting be called of all interested parties.

By interested parties I mean all the relevant senior members of NSL, all the provincial representatives and executive and committee members of SAFA and such other interested parties as may be considered advisable.

I believe that that meeting should be scheduled over a period of several days and should be chaired by an independent person to avoid conflict and bickering. That person should be strong enough to control any animosity or acrimony that should arise so that sensible and calm discussions can be entered into.

At such meeting I believe that all issues should be canvassed and if necessary the whole constitution of the various soccer associations should be reconsidered in their totality in order to bring them all in line with what is perceived on a democratic basis as being proper and correct. At that meeting an effort should be made to find consensus on a level where both professional and amateur soccer are properly represented on the SAFA executive and committees in such a fashion that neither one can have control of the situation and be in a position to promote their interests to the detriment of the interests of others.

This of course is a fairly tall order but I do believe that in the true South African spirit it can be achieved. I personally would be perfectly happy to chair such a meeting and to make every effort to thrash out a proper dispensation for football that hopefully will serve the game better than has been the position in the past. Whether however, it is wise to have me chair such a meeting, I express my reservations about. Having come to certain conclusions and made certain findings I may well be perceived in such a meeting to have preconceived ideas that I might appear to be foisting on certain interested parties. It is however, important that whoever chairs such a meeting must be unbiased, fair and able to control the meeting.

If consensus can be achieved and good experienced and professional advice is at hand to lead the meeting, I do believe that the results can only be good.

It is a firm conviction of mine however, that whatever structures are decided upon, the principle of a full time executive president is simply not acceptable. In my respectful view, the president and chairman of SAFA should be a man of utmost integrity with a love for the game of soccer who has no financial interests by way of salary or any perks arising from his

position. He must be a person who is willing to do the job for the mere love of the game and who is financially so independent that he cannot be coerced into any decision by offers of benefits to himself.

I appreciate also that it is necessary to have a full time executive to attend to the day to day affairs and negotiations on all levels on behalf of SAFA. Any such person should not be the president and should not chair meetings. They should be full time employees, adequately remunerated, but who have to account for every move they make to the president and the committee and who will have to put proper and accurate reports before executive and committee members before meetings, well in advance; will have to deal with correspondence; will have to deal with negotiations and will have no powers of any nature to enter into any sort of agreements on behalf of SAFA. Furthermore, any such a person, as the chief executive, will be a mere employee and subject to all disciplinary measures and if necessary dismissal in the event of misbehaviour or misconduct. His post should be one where status is of no significance in order to avoid him aspiring for popularity or acceptance in the public eye. As such he will have a job to do and nothing more than that. This type of status will attach to the president, who in turn has and will have nothing to gain from his position in terms of financial or other interests. Furthermore, no committee member or executive member should be entitled to any compensation whatsoever save for the payment of expenses when required to attend meetings or the like or to do specific tasks. It seems to me that such other full time employees as are required of necessity, such as treasurers or secretaries and the like, must be employed on a normal business like basis to do their job and again to have no status or input other than that which of necessity attaches to the task for which they have been employed.

Representation on the committees should be entrenched in such a fashion that neither professionals nor amateurs can ever exercise a majority vote. Finally it must be clear to all concerned and all office bearers that their task is one of promoting football and that alone. Personal advantages must be absolutely prohibited, whether it be by bursaries or any other means and office bearers or persons associated with administration should be disqualified from receiving any financial advantage of any nature out of the activities of the associations or football generally save of course for the professionals who by their very position are in the game in order to earn money. Such money as they earn should be restricted to their activities as clubs and not to their duties as members of football administration.

It goes without saying of course that the envisaged meeting can only be held once the present administration is released of the services of Mr Morewa whom the Commission has indicated clearly is not a fit and proper person to conduct the affairs of this sport.

## CHAPTER 9

### WOMEN'S SOCCER

The Commission spent considerable time hearing evidence and submissions in regard to women's soccer.

From this it appeared that a great deal of unhappiness and friction has existed for some time between various factions and interested groups. In the main it seems that the largest conflict was between the women administrators and certain males who own and manage various teams.

The conflicts became so great that violence erupted at an inter-provincial tournament, disrupting the whole tournament.

\*These conflicts persisted for several years. Numerous complaints, in writing and otherwise, were lodged with SAFA who was frequently requested to intervene in order to restore peace and order. True to form, as the Commission found SAFA to be also on other levels, letters were frequently not answered or attended to and matters were simply swept under the carpet. In short the Commission is satisfied that SAFA has been extremely dilatory in attending to these problems. It has persistently neglected to give these matters the attention they deserve and has done little or nothing to put women's soccer in order.

At the request of the Commission, a meeting was apparently arranged under the chairmanship of the Executive President to belatedly try to resolve the disputes. It is not clear at this stage that this meeting has shown any real beneficial results. Various decisions were apparently taken, but it seems that the conflicts still exist.

Allegations of male interference in women's soccer to the extent of high-handed actions and sexual harassment were made to the Commission.

\*The Commission has considered recommending that women's soccer be administered by women only, with the assistance of SAFA to oversee their administration and to empower women to administer effectively by rendering assistance with the SAFA expertise.

However, strong suggestions were made that the male personalities in women's soccer are

nevertheless frequently an asset. Accordingly the Commission does not wish to over stress such a recommendation.

What is however clear, is that SAFA, the major controlling body, should show a much greater interest in women's soccer both administratively and financially to ensure smooth administration. Furthermore, a properly organised Development Programme for women's soccer seems imperative. If development programmes can exist and be sponsored for under twelves (12's), surely women's soccer deserves something similar.

In conclusion, I recommend that a proper meeting under the chairmanship of a strong and unbiased person on the same basis as I have recommended for male soccer should be set up with all interested parties over a matter of days, in order for once and for all to set matters right.

(Sgd) B de V. Pickard

---

B DE V PICKARD  
CHAIRMAN

I agree

(Sgd) Adv. L.M. Molopa  
ADVOCATE L.M. MOLOPA

TO : The Chairman  
Commission of Inquiry into the Affairs of the  
South African Football Association and the  
National Soccer League.

## REPORT OF THE INVESTIGATING OFFICER

I have examined the financial records of the South African Football Association (SAFA) as well as documents relating to other matters referred to the Commission for investigation and have pleasure in submitting my report.

1. The Main Sources of Income of SAFA are -

- i) Sponsorships
- ii) Gate takings - International competitions
- iii) Share - National Soccer League (NSL) - gate takings
- iv) Television broadcast rights
- v) Grants received from the Department of Sport & Recreation.

1.1. SPONSORSHIPS

- i) Sponsorship amounts recorded were checked against contracts and other forms of documentary evidence. Amounts payable to SAFA in terms of the contracts were all duly accounted for.
- ii) The primary aim of a large proportion of sponsorship agreements is football development. Substantial amounts are earmarked for that purpose, which amounts are applied in defrayal of expenditure pertaining to specific development programmes under the joint supervision of representatives of SAFA and the relative sponsor. Payment of such expenditure is effected directly by the sponsor to suppliers of goods and services. In addition thereto, cash grants are paid by those sponsors to SAFA as contributions towards SAFA's costs of administration.
- iii) To illustrate, the following examples of contract terms are provided



- a) the *Under-12 Chappies Little League* is sponsored by Cadbury (Pty) Ltd and managed jointly with SAFA
- b) another Under-12 Development programme, known as the *Simba Young Lions Development Programme*, is funded by Foodcorp Ltd and managed by Awesome Sport International
- c) the Under-19 competition, known as the *Caltex Colts League*, is financed by Caltex Oil (SA) (Pty) Ltd and supervised by a committee comprised of three representatives each from Caltex and SAFA together with the competition manager.
- d) Sasol Oil (Pty) Ltd is the sole sponsor of the SA National Under-23 Soccer Team. All direct expenditure in connection with the development programme, maintenance and support of the National Under-23 team and staging of events is paid directly to suppliers by SASOL and in addition an annual grant of R350 000.00 to SAFA in defrayal of SAFA's costs of administration and securing of TV broadcasting rights.  
A sponsorship Management Committee consisting of representatives from Sasol and SAFA manages the programme.
- e) The United Bank agreed to sponsor a programme consisting primarily of National Under-20 coaching clinics and selection, training and entering into local and international competitions, involving a National Under-20 Team. The programme is known as *SAFA/United Bank Youth Soccer Development Programme*.  
The day-to-day management of the programme is conducted by a project committee comprising an equal number of representatives from SAFA and United Bank.

In view of the close involvement of the sponsors with the various programmes sponsored by them, it is unlikely that any money made available by them, would have been unjustly appropriated and they would have ensured that the programmes be properly implemented. It would therefore not be incorrect to conclude that a comprehensive development

programme was carried out by SAFA in conjunction with the several sponsors involved.

In addition to the programme expenditure paid by the sponsors directly to suppliers of goods and services, the cash grants payable to SAFA in terms of the relative sponsorship agreements, were received and accounted for by SAFA.

## 1.2 GATE TAKINGS - INTERNATIONAL MATCHES

Admission receipts to all international matches played in South Africa accrue to SAFA. Book entries were compared with relative returns and found to be in agreement therewith.

Shares of gate takings at events staged by Awesome Sports International (Southern Africa) (Pty) Ltd (ASI) were not received. The Commission was informed during the hearing on 15 October 1996 that is now in the process of being determined and it will thereafter be collected.

## 1.3 SHARE - NSL - GATE TAKINGS

SAFA is entitled to a certain percentage of the admission receipts to club matches staged by the member clubs of the NSL. Amounts recorded in the books of SAFA under this heading were reconciled with the relative entries in the books of the National Soccer League (NSL). No discrepancies were observed.

## 1.4 TELEVISION BROADCAST RIGHTS

Amounts accounted for in financial reports of SAFA are in agreement with the contracts with broadcasters.

## 1.5 GRANTS BY THE STATE

Grants made to SAFA in terms of the contracts with the State were all duly accounted for.

MARKETING AGREEMENT

1 PARTIES

1.1 The parties to this agreement are -

1.1.1 Awesome Sport International Limited; and

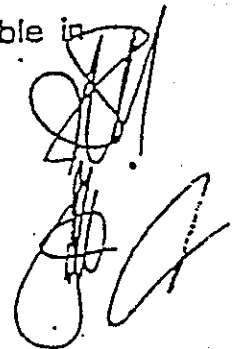
1.1.2 South African Football Association.

1.2 The parties agree as set out below.

2 INTERPRETATION

2.1 In this agreement, unless inconsistent with or otherwise indicated by the context -

2.1.1 "Asil" means Awesome Sport International Limited, a company with a share capital incorporated under the laws applicable in Ireland;



2.1.2 "base income" means the income received by SAFA for the 12 (twelve) month period ended 31 December 1994 from all sources but excluding the excluded income;

2.1.3 "CAF" means Confederation Africaine de Football;

2.1.4 "Cosafa" means Confederation of Southern African Football Federations;

2.1.5 "the effective date" means the date on which the appointment in terms of 4 takes effect, namely 1 October 1994;

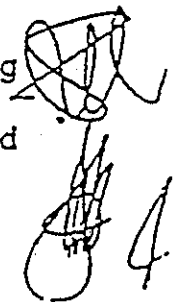
2.1.6 "excluded income" means, in respect of any financial year -

2.1.6.1 income in the form of grants received by SAFA from the South African government or any of its organs;

2.1.6.2 income received by SAFA from football pools;

2.1.6.3 income received by SAFA from its affiliates or the National Soccer League;

2.1.7 "existing agreements" means the agreements currently being negotiated between SAFA and Toyota Motor Corporation Limited

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and all written agreements formally concluded by SAFA prior to the effective date and in terms of which income is after the effective date receivable by SAFA in respect of television rights, development programmes, sponsorships, grants, endorsements or the like;

2.1.8 "Fifa" means Internationale de Football Association;

2.1.9 "financial year" means the period of 12 (twelve) months commencing 1 January of each year and ending on 31 December of the same year in accordance with SAFA's financial reporting period;

2.1.10 "the guaranteed income" means the minimum amount of income, excluding excluded income, guaranteed by Asil to SAFA in respect of any financial year;

2.1.11 "the Republic" means the national territory of the Republic of South Africa constituted by s1 of Act 200 of 1993;

2.1.12 "SAFA" means South African Football Association;

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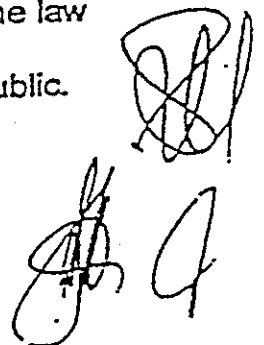
- 2.1.13 any reference to the singular includes the plural and vice versa;
- 2.1.14 any reference to natural persons includes legal persons and vice versa;
- 2.1.15 any reference to a gender includes the other genders. (

2.2 Where appropriate, meanings ascribed to defined words and expressions in 2.1 above, shall impose substantive obligations on the parties.

2.3 The clause headings in this agreement have been inserted for convenience only and shall not be taken into account in its interpretation.

2.4 Words and expressions defined in any sub-clause shall, for the purposes of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause.

2.5 This agreement shall be governed by and construed and interpreted in accordance with the law of the Republic and, in the event of a conflict between the laws of a Province and those of another Province, the law of the Pretoria- Witwatersrand- Vereeniging Province of the Republic.



3 RECORDANCE

It is recorded that -

- 3.1 Asil is an international marketing and promotions enterprise specialising in the promotion of international sporting events;
- 3.2 SAFA is the governing body in South Africa and controls soccer and all events involving South African National Soccer Teams;
- 3.3 Asil will, with effect from the effective date, act as the sole marketing and promotions manager of SAFA subject to the provisions of this agreement.

4 APPOINTMENT

4.1 SAFA hereby appoints Asil as its ~~exclusive~~ marketing and promotions manager to the extent that such ~~exclusivity~~ <sup>appointment</sup> is not in conflict with the regulations and directives of CAF, Cosafa or Fifa.

4.2 Notwithstanding 4.1, SAFA shall be entitled to consider and, after consultation with Asil, in its sole discretion accept new sponsorships, donations, grants and other fundraising projects not introduced by Asil.

4.3 Asil hereby accepts the appointment in terms of 4.1.

5 PERIOD

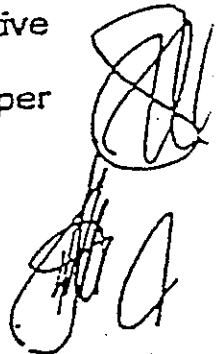
5.1 Asil's appointment in terms of 4.1 shall commence on the effective date.

5.2 Asil's appointment shall remain effective for a period of 3 (three) years and 3 (three) months and, subject to 5.3 and 6, terminate on 31 December 1997.

5.3 Notwithstanding 5.2 Asil shall have the option to renew this agreement for a further period of 3 (three) years on such terms and conditions as the parties may agree to, provided that Asil notifies SAFA of its intention to renew by not later than 30 September 1997 and provided further that Asil is not then in breach of the provisions hereof.

6 GUARANTEED INCOME AND THE RIGHT TO CANCEL

6.1 Asil guarantees to SAFA that SAFA's annual income, disregarding excluded income, shall in each of the financial years after the effective date be not less than the base income escalated at 15% (fifteen per

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centum) per annum reckoned with effect from 1 January 1995 and compounded annually on 31 December of each financial year.

6.2 Notwithstanding what is contained in paragraph 5 above, Asil's appointment shall lapse and be of no further force or effect should SAFA's income in respect of any financial year be less than the guaranteed income calculated for that financial year.

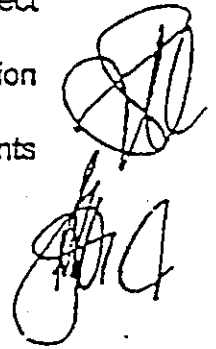
6.3 Within 30 (thirty) days after the date hereof, Asil shall lodge with SAFA a bank guarantee issued by a South African bank for the amount of income guaranteed by Asil in terms of 6.1 for the financial year ending 31 December 1995 which guarantee shall be payable on production to the guarantor of a certificate signed by SAFA's auditors, after due and diligent verification, reflecting the amount of the shortfall in the income of SAFA for that year.

6.4 It is hereby agreed that should SAFA in any way, directly or indirectly, allow any other individual or organisation to perform any of the duties contained in paragraph 7 below, then and in that event the guarantee referred to in paragraph 6 above shall immediately lapse and be null and void, thereby releasing Asil from all or any of its obligations to SAFA contained in paragraph 6.

7 ASIL'S DUTIES

7.1 Asil shall, in its capacity as marketing and promotions manager -

7.1.1 conduct all negotiations for the sale of television rights in respect of all events in respect of which SAFA has direct jurisdiction (excluding, however, television rights in respect of events



organised by the National Soccer League and provincial affiliates of SAFA);

7.1.2 solicit and contract with the sponsors of all SAFA events and activities including the SAFA development programmes;

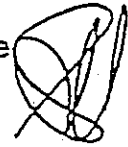
7.1.3 undertake all SAFA's general fundraising campaigns and activities from time to time;

7.1.4 in conjunction with and subject to the authority and control of SAFA, arrange all soccer tours to and from South Africa involving all the South African National Teams including all promotional appearances, media interviews, travel and accommodation arrangements and the like;

7.1.5 provide sufficient personnel to accompany the South African National Teams on all tours;

7.1.6 sell all signage at stadiums wherein SAFA events or events approved by SAFA take place;

7.1.7 generally do all things necessary to promote SAFA and the activities of SAFA.



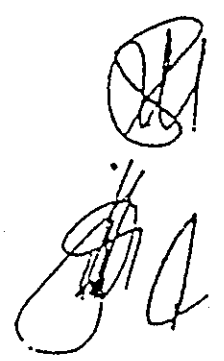
7.2 SAFA shall -

7.2.1 not itself or through any other person, other than Asil, during the period of this agreement undertake any marketing or promotional activity (other than media interviews by SAFA);

7.2.2 allow Asil access to all books, records, agreements and other documents reasonably required by Asil for the performance of its obligations hereunder;

7.2.3 timeously disclose to Asil all details of events scheduled in the SAFA calendar (which shall be deemed to include all official international matches of CAF, Cosafa, Fifa and other representative body) as soon as those events are approved by SAFA.

7.3 The parties undertake in their dealings with one another to act in good faith and to consult and co-operate in the achievement of the objects underlying this agreement with a view to ensuring maximum transparency with regard to each others activities.

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8 NON-SCHEDULED EVENTS

8.1 Asil may from time to time, but subject to SAFA's prior approval, arrange and promote events not forming part of SAFA's annual calendar.

8.2 The parties record that SAFA has already approved -

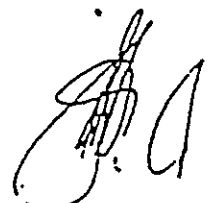
8.2.1 the International Soccer Festival, sponsored by ABSA Bank Limited, to take place during May 1995;

8.2.2 the Four Nations Cup, sponsored by Foodcorp Limited, to take place during November/December 1994, November/December 1995 and November/December 1996; and

8.2.3 the South Africa versus England soccer match to take place during March 1995;

8.2.4 the South Africa versus Brazil match (or a suitable substitute) to take place during the period 27 April 1995 to 14 May 1995 and thereafter for a period of at least 2 (two) years,

all of which events shall be deemed to have been approved by SAFA for the purposes of this clause 8.



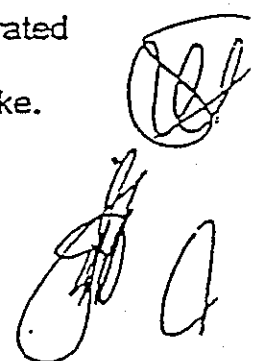
9 REMUNERATION

9.1 Asil shall be entitled to a commission of -

9.1.1 10% (ten per centum) (plus value-added tax thereon) of the amounts (excluding value-added tax) received by SAFA (in or after the effective date under or in terms of the existing contracts; provided that Asil shall only be entitled to its 10% (ten per centum) if the guaranteed income in respect of the financial year in question is achieved;

9.1.2 15% (fifteen per centum) (plus value-added tax thereon) on all amounts (excluding value-added tax) payable to or raised on behalf of SAFA after the effective date under or in terms of agreements or arrangements concluded by or on behalf of SAFA after the effective date in respect of sponsorships, television rights, general fundraising, endorsements or development programmes.

9.2 In respect of non-scheduled events arranged and promoted by Asil in terms of 8, Asil shall pay to SAFA the amount agreed to in respect of the event in question but Asil shall otherwise be entitled to all income generated by the event including, without limitation, income generated from the sale of tickets, advertising and television rights and the like.



9.3 The parties shall each maintain complete and accurate records of all amounts in respect of which commissions are payable in terms of this agreement and such commissions shall be paid by SAFA, in respect of all monies received during any month, by not later than the 14th (fourteenth) day after the end of that month.

9.4 At the request of Asil SAFA shall within 60 (sixty) days after the end of each financial year furnish Asil with a certificate, signed and certified as correct by SAFA's auditors, reflecting the aggregate amount of all commissions payable to Asil in respect of that financial year.

## 10 . EXPENDITURE

10.1 Save as otherwise provided in this agreement, Asil shall not be entitled to incur any expenditure on behalf of or in the name of SAFA in performing its obligations hereunder.

10.2 In arranging travel and accommodation expenditure on behalf of SAFA for soccer teams touring to or from South Africa Asil shall act in accordance with such budgets as may from time to time be approved by SAFA in respect of any particular event.



11 NOTICES AND DOMICILIUM

11.1 The parties choose as their domicilia citandi et executandi their respective addresses set out in this clause for all purposes arising out of or in connection with this agreement at which addresses all processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties.

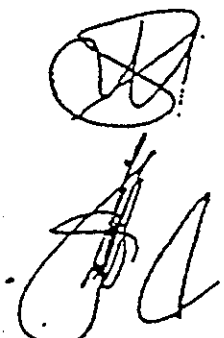
11.2 For purposes of this agreement the parties' respective addresses shall be -

11.2.1 as regards Asil at 1st Floor, Hutton Court, Jan Smuts Avenue, Hyde Park,

facsimile number 447-4732;

11.2.2 as regards SAFA at First National Bank Stadium, Nasrec, Johannesburg,

facsimile number 494-3447,

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or at such other address, not being a post office box or poste restante, of which the party concerned may notify the other in writing.

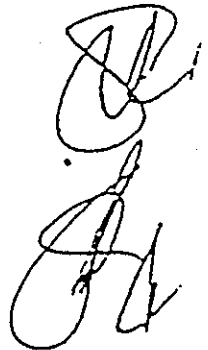
11.3 Any notice given in terms of this agreement shall be in writing and shall -

11.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

11.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

11.3.3 if transmitted by facsimile be deemed to have been received by the addressee 1 (one) day after despatch.

11.4 Notwithstanding anything to the contrary contained in this agreement, a written notice or communication actually received by one of the parties from another including by way of facsimile transmission shall be adequate written notice or communication to such party.





12 WHOLE AGREEMENT

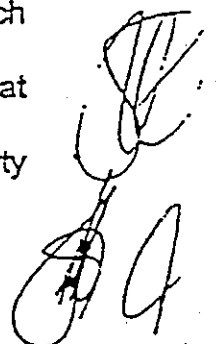
This agreement constitutes the whole agreement between the parties as to the subject-matter hereof and no agreements, representations or warranties between the parties other than those set out herein are binding on the parties.

13 VARIATION

No addition to or variation, consensual cancellation or novation of this agreement and no waiver of any right arising from this agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by both the parties or their duly authorised representatives.

14 RELAXATION

No latitude, extension of time or other indulgence which may be given or allowed by either party to any other party in respect of the performance of any obligation hereunder or the enforcement of any right arising from this agreement and no single or partial exercise of any right by any party shall under any circumstances be construed to be an implied consent by such party or operate as a waiver or a novation of, or otherwise affect any of that party's rights in terms of or arising from this agreement or estop such party

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from enforcing, at any time and without notice, strict and punctual compliance with each and every provision or term hereof.

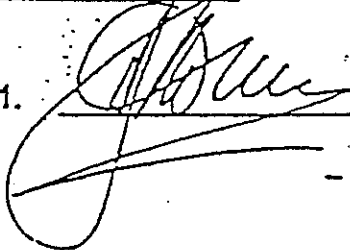
15 COSTS AND STAMP DUTY

15.1 All costs of Vorster Pereira Incorporated of negotiating, drafting, preparing and implementing this agreement and the appendices to it shall be paid by Asil.

15.2 Any stamp duty payable in respect of this agreement or any transaction recorded herein shall be paid by Asil.

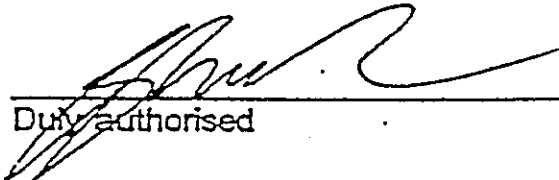
SIGNED at JOHANNESBURG on

AS WITNESSES :

1.   
\_\_\_\_\_

For: AWESOME SPORT  
INTERNATIONAL LIMITED

2. \_\_\_\_\_

  
\_\_\_\_\_

Duty authorised



