



MEDIA STATEMENT

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MTC Namibia clarifies the financial position of the Namibia Premier League

MTC Namibia wishes to rectify media speculation with regard to the reports which bordered on the league being financially insolvent. Much is being made of the slow pace at which funds were recently disbursed for various activities to suggest either mismanagement of the funds or misappropriation of sponsorship monies. Nothing can be further from the truth if that is the position of those of you in the media. MTC has undertaken to fund the league properly and we are sticking to that promise irrevocably.

WIDNHOEK, Namibia – (17 June 2010) – In the interest of transparency and good governance, may we say that:

1. We regret the inconvenience experienced by clubs that were expecting prize monies to be disbursed immediately at the conclusion of the league activities.
2. We also regret the delays in disbursement of the outstanding funds to the Nationwide First Division. As is now known this particular activity was never budgeted for since it resorted under the auspices of the mother-body, the NFA. To that end, N\$900 000 which is required to complete the feeder league to the NPL had to be sourced from other MTC budgets.
3. We also regret the delays in disbursements of outstanding monthly grants to the clubs. Again the 100% increase (N\$15 00 to N\$30 000) in the monthly grants to clubs should have ideally been funded from additional revenue streams but that did not transpire during the period under review. We appreciate the teams' forbearance on this score.

What caused the delays?

4. MTC conducted a thorough review of the manner in which the league managed the funds for the past year and found significant shortcomings. Arguably, these are all part of the growing pains for any institution but should never be allowed to become the norm. There is no evidence of funds having been misappropriated but expenses were incurred which we believe did not have to be paid for from sponsorship monies.
5. Many of these expenses were also not jointly sanctioned by MTC and the NPL management.
6. Due to that review process and discoveries made that the N\$4.7 million allocated for the season would not be sufficient to conclude all the activities of the league logically. To that end the total expenditure that MTC will bear for the past season would be in excess of N\$7.5 million as opposed to the provision of N\$4.7 million made.

Going forward

7. The additional expenditure is authorised with a number of conditions, amongst others:
 - a) That the league re-examine the administrative overheads and reduce costs that can be defrayed or eliminated.
 - b) That the additional revenue streams be explored to minimise dependency on sponsorship funds to manage the affairs of the league. A professional league can never rely on sponsorship funding alone but has to consider all other commercial opportunities. TV rights, special promotional campaigns and related opportunities need to be exhausted to the fullest extent possible.
 - c) That the matters with regard to the status of the First Division be finalised so that careful budgeting and planning is made for the next season. Treating that football property as some form of political bargaining chip will not serve any long term purpose of note.
 - d) Financial reporting and management will be firmed up where MTC as the lead sponsor will play an active role. We will avail our own finance experts to assist in these matters.
 - e) All clubs will be expected as per the Windhoek Declaration to submit detailed quarterly financial returns before any grants are disbursed.

End...

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