

13 June 2012

Malesela Maleka
President
Basketball South Africa

Dear Mr Maleka

BASKETBALL LEADERSHIP

The SASCOC Board received the report from the Transformation Ethics and Dispute Resolution Committee of the meeting between the Committee and the leadership of Basketball South Africa. Issues highlighted by the Committee are as follows:

1. THE ANNUAL GENERAL MEETING FOR 2011 DID NOT TAKE PLACE IN TERMS OF BASKETBALL SOUTH AFRICA CONSTITUTION AND NEITHER HAS THE ANNUAL GENERAL MEETING FOR 2012. CONSIDERING THAT THE FINANCIAL YEAR END IS IN MARCH EVERY YEAR.
2. THE AUDITED FINANCIAL STATEMENT FOR 2011 IS STILL OUTSTANDING NOTING THAT THE FINANCIAL YEAR END WAS MARCH 2011.
3. SIMILARLY THE AUDITED FINANCIAL STATEMENT FOR 2012 IS STILL OUTSTANDING NOTING THAT THE FINANCIAL YEAR END WAS MARCH 2012
4. DRAFT FINANCIALS SUBMITTED TO THE COMMITTEE HAS REFLECTED NUMEROUS SHORT COMINGS AND WHEN INTERROGATED BY THE COMMITTEE THE RESPONSE FROM THE TREASURER WAS QUESTIONABLE AND LACKED UNDERSTANDING OF WHAT WAS REQUIRED.
 - a) SUBMISSION MADE AT THE AGM HELD ON THE 11/12 SEPTEMBER 2010 REFERS THE TREASURER GENERAL AND THE PRESIDENT INFORMED THE HOUSE THAT THE FEDERATION DOES NOT HAVE ASSETS AND **THAT THE EQUIPMENT THAT WAS BOUGHT FOR THE PROVINCES INCLUDING THE TRAILERS THAT WERE PURCHASED FOR ALL THE PROVINCES CANNOT BE TRACED.**
 - b) AS PART OF THE AUDITED STATEMENT OF MARCH 2010 THE EXECUTIVE COMMITTEES REPORT STATES:
WE DRAW ATTENTION TO THE FACT THAT AT 31 MARCH 2010 THE ASSOCIATION HAD ACCUMULATED LOSSES OF R 5 772 106 AND THAT THE ASSOCIATIONS TOTAL LIABILITIES EXCEEDS ITS ASSETS BY R 5 772 106 THIS CLEARLY DEMONSTRATES THAT BASKETBALL SOUTH AFRICA WAS IN FACT BANKRUPT AND ANY ACTIVITIES UNDERTAKEN THEREAFTER WOULD SEEM TO HAVE BEEN RECKLESS TRADING WHICH COULD OPEN BASKETBALL SOUTH AFRICA AND ITS EXECUTIVE MEMBERS INDIVIDUALLY UP TO ALLEGATIONS OF MISMANAGEMENT AND/OR FRAUD
 - c) THE EXECUTIVE COMMITTEE REPORT FURTHER STATES
THE ASSOCIATION WILL CONTINUE TO OPERATE ON AN ON GOING BASIS EVEN THOUGH IT DOES NOT HAVE SUFFICIENT FUNDS TO MEET ITS DAILY OPERATIONS.



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5. A LETTER WAS HANDED IN BY THE TREASURER OF BASKETBALL SOUTH AFRICA WHICH WAS FROM THE NATIONAL LOTTERIES BOARD DATED 14 MAY 2012 AND FROM THE QUERIES RAISED IT CAN SAFELY BE ASSUMED THAT BASKETBALL SOUTH AFRICA WILL NOT HAVE THEIR APPLICATION PROCESSED AND/OR APPROVED UNTIL SUCH TIME AS THE QUERIES RAISED HAVED BEEN RESPONDED TO, TO THE SATISFACTION OF THE NLB.
6. A LIST OF CREDITORS AS AT MARCH 2012 AMOUNTING TO R 4 825 735.86 WAS SUBMITTED. NO UPDATED CREDITORS SCHEDULE WAS AVAILABLE. IN THIS REGARD IT SHOULD BE HIGHLIGHTED THAT SARS IS REFLECTED AS A CREDITOR. SERIOUS CONSIDERATION NEEDS TO BE GIVEN AS TO HOW THIS DEBT WOULD BE LIQUIDATED.

After having considered the issues highlighted by the Committee and the serious financial situation of BSA the Board has decided to accept and endorse the recommendations of the Committee. Please be advised therefore:

1. That the current Executive committee members who have failed to comply with their fiduciary duties are removed from office with immediate effect. This however does not absolve you from any liability that may arise out of your fiduciary duties.
2. That SASCOC will call an urgent meeting of the membership of Basketball South Africa scheduled for Sunday 17th June 11:00 to immediately install an interim committee to conduct the affairs of BSA in compliance with the provisions of the BSA Constitution
3. The new interim committee members will be empowered to deal with outstanding financial issues including a thorough internal audit of all expenses incurred.
4. That SASCOC will conduct an investigation into the financial affairs of wheelchair basketball, a subsidiary of Basketball South Africa.
5. That SASCOC will engage the services of Mr Tshepo Nyewe the administrator of Basketball South Africa to call for the urgent meeting of Sunday 17th June 2012.

With kind regards



Tubby Reddy
CHIEF EXECUTIVE OFFICER

Cc: Basketball South Africa – Executive members
Gideon Sam - President SASCOC
SASCOC Board
Fikile April Mbalula - The Honourable Minister SRSA
Max Fuzani - Advisor to the Minister, SRSA
Mr Alec Moemi - DG SRSA