

# SOUTH AFRICAN RUGBY UNION ANNUAL REPORT



# 2014



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# SARU SPONSORS

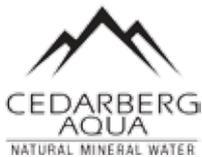
## TIER 1 SPONSORS



## ASSOCIATE SPONSORS



## OFFICIAL SUPPLIERS



## SARU ENDORSED TOURNAMENT SPONSORS



## TOURNAMENT ASSOCIATE SPONSORS





# PRESIDENT'S REPORT



It has been my responsibility to produce this report for the past nine years and I think I can safely say that in all that time our sport has not been in as stable a position as we find ourselves right now, notwithstanding the considerable financial challenges that perennially threaten the business of rugby.

No one is glossing over those or denying that the multiple leisure options available to the public nowadays makes the “battle” for audience an increasingly tough one. In fact, we had to take the reluctant step of taking over the running of the financial and administrative affairs of one of our members, Border, towards the end of the year. But what we can manage we have managed well, I believe, and structurally, we are in a better position to negotiate the challenges than we have ever been.

For instance, when the Government’s Eminent Persons’ Group (EPG) produced their report on transformation in the five major sports, rugby was the only one to receive a ‘good’ rating. We outperformed all the other major federations across a broad measure of categories, but the headlines were around the one ‘angle’ on which we were told we had more to do – transformation of the Springbok team. But we were already ahead of them.

Our Strategic Transformation Plan – mapping out the route to a minimum of 50/50 generic black representation in our teams and structures by 2019 – was already drafted and will be used to measure and monitor all our activities for the next five years. I am

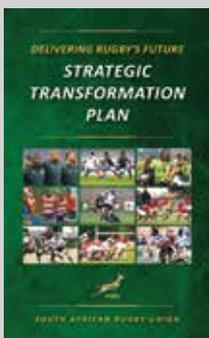
very excited that we finally have a scorecard against which we can chart our progress.

SARU members were a key part of the process that led to that document; from its launch at our Transformation Indaba at Montecasino in October 2012; during its workshopping over two years of provincial visits to its final approval in December. It was a significant day on our rugby landscape and gives us the tool to fulfil our vision of being an inspiration to all.

Of course, what really matters most to the majority of fans is whether the Springboks are winning and, in that regard, we have a very solid base on which to build in 2015. The year before a World Cup has been a time of crisis and turmoil for the Springbok team in the past. In each of the 2002, 2006 and 2010 seasons the then Bok coaches were all in the firing line for underwhelming results. That wasn’t the case in 2014.

The overall return of nine wins from 13 matches (69.23%) has only been bettered on four occasions in the previous 22 years since rugby unity, even though the year ended on an anti-climactic note with two narrow defeats on the European tour.

We also ended a run of five successive



*The SARU Strategic Transformation Plan took two years of hard work before it was presented to the country.*



defeats by New Zealand, inflicting on our fiercest rival what was only their second defeat in three years since the start of the 2011 Rugby World Cup. It was a marvellous occasion at what is now called Emirates Airline Park and stimulated the appetite for more such momentous occasions in England in World Cup year.

That occasion also launched onto the wider rugby world Handré Pollard – World Rugby’s Under-20 Player of the Year – who was one of a number of players such as Cornal Hendricks, Cobus Reinach, Lood de Jager, Damian de Allende and Oupa Mohoje who made their debuts and broadened the pool of available talent at national level in 2014.

Their elevation to an already talented, expanded group of players means that the selection question in 2015 is more likely to be: “Who will be the unlucky ones?” and not: “Where will I find a flyhalf?” The major fly in the on-field ointment is the injury suffered by our captain, Jean de Villiers, in the final match of the season: We are all holding thumbs that he returns to fitness before the Rugby World Cup tournament kicks off in September. Both he and Bryan Habana celebrated the winning of their 100th caps in 2014, outstanding achievements for two really outstanding Springbok players.

It was an even better year for our Blitzboks, who blossomed under the hand of coach Neil Powell. They won three HSBC Sevens World Series titles in 2014 – Las Vegas, Dubai and South Africa – as well as making South Africa proud by winning the gold medal at the Commonwealth Games in Glasgow in July.

That victory ended a run of three successive titles for New Zealand and, on the way, the Blitzboks created new heroes of their own in players such as Seabelo Senatla,

*ABOVE LEFT: The EP Kings returned to the Absa Currie Cup after the competition was extended to eight teams again.*

*ABOVE MIDDLE: Jean de Villiers and Bryan Habana both passed the magical 100 tests mark for the Springboks in 2014. Here SARU president, Oregan Hoskins caps De Villiers with a specially made gold cap after his milestone.*

*ABOVE RIGHT: The Springbok Sevens team, under the SASCO banner of Team SA, won their first gold medal at the Commonwealth Games in Rugby Sevens.*

Kwagga Smith and Werner Kok.

At domestic level the new-look Absa Currie Cup – featuring eight teams once more and the return of the Eastern Province Kings – had many moments of excitement. The promoted Steval Pumas did the double over the more illustrious Toyota Free State Cheetahs as well as beating the Cell C Sharks to set the cat among the pigeons early in the tournament.

The latter stages were played without 20 contracted Springboks, who were withdrawn from the tournament in the interests of player welfare and to prepare for the Castle Lager Outgoing end-of-year tour. The decision was well received by a public as concerned as we are about player workloads. The fact that agreement could be reached with the unions was a sign of the stability to which I have already alluded.

We also continue to make the game safer. In 2014 our new age banding regulations for schoolboy rugby - designed to prevent age mismatches – came into force. We also introduced new ‘zero tolerance’ regulations in respect of concussion in all rugby matches. The onus is now on the responsible coaches and medical staff to remove players from play and training, even if there is a suspicion that the individual may have been concussed. The regulations were the latest advance in our safer rugby campaign, BokSmart, since the introduction of which we are now able to show a significant decline in the injury profile at schoolboy level.

All-in-all, it was a year of steady progress for rugby in 2104. We were free of what had become the usual crises in a pre-World Cup season and administratively our landscape was one of stability and optimism as we look forward to mastering the continuing challenges.

**Oregan Hoskins**  
President  
South African Rugby Union

# CEO'S REPORT



**T**he process of shaping the operations of the organisation to the strategic needs of rugby continued at some pace in 2014 leaving SARU better placed than ever to meet the key demands of performances and transformation.

Structural changes were made to four of our seven departments, with more, minor changes to follow elsewhere in 2015. Those changes were informed by our developing strategic needs as well as the learnings of the years since 2011, when the two arms of the old 'bi-polar' organisation were combined in a major restructuring.

The Commercial Marketing and Referees departments underwent revisions to improve operational efficiency and focus resources more directly to business needs. But the major changes came in what were once named the High Performance and Development departments. Out of that process were born new, refocused Rugby and Strategic Perfor-

mance Management departments.

The Rugby Department assumed sole responsibility for an unbroken pathway for players and coaches from youth rugby to Springbok level – a responsibility that had been shared with the Development Department at more junior levels. The effect was that from the moment a promising young player appears on the SARU radar – typically at under-16 level – his career and development would be tracked until his retirement from the game. A bespoke SARU athlete management system called 'Footprint' holds that information and links to our game analysis software, 'Stratus', to provide a complete biographical and playing record of a players' career.

Similarly with coaches and team specialists, such as physios and biokineticists for instance, their careers are also being absorbed into the system so that at any one time we are aware of and can identify the leading practitioners in their field in rugby. The Rugby Department also developed a coaching manual – the SA Rugby Blueprint – to assist and guide coaches in coaching principles and techniques. The impact of the changes has been to align all SARU's playing and coaching activities in one



*In the commercial field we were pleased to secure new and enhanced commercial agreements with SAMSUNG, Coke and Marriott and we successfully launched the new national teams' playing jerseys with our new partner Asics.*

department and to capture the intellectual property captured in the process into a series of online databases and tools.

Going hand-in-hand with the Rugby Department's work will be that of Strategic Performance Management – not a new concept at SARU, but a much more rigorous approach to measuring the game's progress in six key areas of demographic representation; access to the game; skills and capacity development; performance; corporate governance and community development and social responsibility.

The Department's template on which to base performance management is SARU's Strategic Transformation Plan, which was passed by the General Council in December. It is a five-year plan with annual performance targets to guide our sport in achieving compliance with the National Sports Plan and the broader needs of the game. The majority of schools and clubs are black; the majority of South Africans describing themselves as rugby fans are black and 84% of our country's population under the age of 18 is black; those are statistics which our sport can only ignore at its peril.

Looking further afield, the year saw us complete negotiations with our sponsors on a new structure for Vodacom Super Rugby from 2016. The competition will expand to 18 teams, including a sixth South African franchise and new entrants from Argentina and Japan. The complexity of producing a tournament on four continents and across multiple time zones was a challenge but the outcomes from a parochial point of view were what we hoped for; South Africa has a sixth franchise; the new structure ensures our teams will travel less in a marginally shorter competition (in terms of playing weeks) and we will play

our matches against the Japanese entrant in Singapore to avoid an extremely arduous routing to Tokyo.

In the commercial field we were pleased to secure new and enhanced commercial agreements with SAMSUNG, Coke and Marriott and we successfully launched the new national teams' playing jerseys with our new partner Asics. One other significant development was the agreement with Rugby World Cup (Ltd) to dual brand merchandise for the Rugby World Cup.

Also 'playing' on the world stage was *The Springbok Experience* rugby museum at the V&A Waterfront in Cape Town. The Museum was shortlisted for the title of International Museum of the Year in the UK's Museum + Heritage Awards. The title was eventually taken by the National Archives of the Netherlands in The Hague, but to be listed alongside such institutions as that, the Olympic Museum in Lausanne and other European museums was highly satisfactory. So too was the fact that that was the general reaction from the more than 40 000 visitors to the museum in its first year of operation.

At the grassroots level of the game two major initiatives began in earnest. One was a training programme and manual for club administrators called, ClubWise. It was designed to improve the skill of club officials and provide a template to how to go about their business. In addition, we launched World Rugby's 'Get Into Rugby' programme in South Africa and introduced more than 24 000 primary school children to the sport for the first time. Both initiatives will form the backbone of some of the deliverables of the Strategic Transformation Plan over the coming years.

One consistent theme over recent years was the extreme financial pressure being felt in all corners of the game. Once again, we went on a cost-cutting exercise in mid-year which allowed us to report a small surplus in a very tough financial year. It was the fourth successive year of surplus for our organisation – the longest consecutive surplus period in the past 22 years.

That challenge will remain in 2015 but the team is well placed and in advanced negotiations to deliver significant growth in broadcast and sponsorship revenue over the medium term to allow us to continue the work of delivering on our mission to provide strategic leadership and standards of excellence to make South Africa the best rugby nation in the world.

**Jurie Roux**

*Chief Executive Officer*

*South African Rugby Union*





2014  
ANNUAL  
REPORT

# INTERGRATED REPORT

# GOVERNANCE STRUCTURES



The SARU Executive (front left to right) is: Tobie Titus, Boet Fick, Mark Alexander, Oregon Hoskins, James Stoffberg, Francois Davids, Pat Kuhn. Back left: Dr Ismail Jakoet (Company Secretary), Monde Tabata, Louis von Zeuner, Jurie Roux (CEO), Mputumi Damane, Basil Haddad (CFO).

## 1. MEMBERS OF THE EXECUTIVE COUNCIL

Oregon Hoskins (*Chairman*)  
 Mark Alexander  
 James Stoffberg  
 Mputumi Damane  
 Francois Davids  
*elected at AGM: 28 March 2014*  
 Nicholaas Fick  
*re-elected at AGM: 28 March 2014*  
 Pat Kuhn  
 Monde Tabata  
 Tobie Titus  
 Louis von Zeuner  
*appointed by SARPA on 11 August 2014*  
 Jurie Roux (*CEO*)  
 Basil Haddad (*CFO*)  
 Dr Ismail Jakoet (*Company secretary*)

## VACATED EXECUTIVE COUNCIL MEMBERS :

Dawie Groenewald  
*not re-elected at AGM: 28 March 2014*  
 Piet Heymans  
*recalled by SARPA on 11 August 2014*

## 2. SARU SUB-COMMITTEES

### AUDIT AND RISK COMMITTEE

Mputumi Damane (*Chairman*)  
 Raymond Fenner (*Independent*)  
 Ms Edna van Harte (*Independent*)  
 Sinxolo Jodwana (*Independent*)  
*appointed on 9 December 2014*  
 Pat Kuhn

### *Other invited members;*

Basil Haddad (*CFO*)  
 Jurie Roux: (*CEO*)

### *By invitation:*

#### External Auditors

- Ernest Carelse (*PWC*)
- Ian Jonker (*PWC*)

#### Internal Auditors

- Glen Ho (*KPMG*)
  - Gareth Ferrell (*KPMG*)
- Sesi Sekhosana (*SARU Finance Manager*)  
 Dr Ismail Jakoet (*Secretary*)

#### HUMAN RESOURCES AND REMUNERATION COMMITTEE

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Monde Tabata (*Chairman*)  
 Victor Christian (*Independent*)  
 Jonathan Goldberg (*Independent*)  
 Ms Nadia Mason (*Independent*)  
 Jurie Roux (*CEO*)  
 Basil Haddad (*CFO*)  
 Dr Ismail Jakoet (*Secretary*)  
 Ingrid Mangcu (*HR manager*)

#### FINANCE COMMITTEE

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Nicholaas Fick (*Chairman*)  
 Mark Alexander  
 Monde Tabata  
 Louis von Zeuner  
 Jurie Roux (*CEO*)  
 Basil Haddad (*CFO*)  
 Dr Ismail Jakoet (*Secretary*)

#### NATIONAL JUDICIAL COMMITTEE

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Judge. Lex Mpati (*Chairman*)  
 Adv. Jannie Lubbe  
 Peter Ingwersen  
 Christo Ferreira (*Secretary*)

#### GAMES AND POLICIES COMMITTEE

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Francois Davids  
 James Stoffberg  
 Randall September  
 Vivian Lottering  
 Louis Nel  
*replaced on 9 December 2014*  
 Gerrit Wessels  
*appointed on 9 December 2014*  
 Lindsay Mould  
 Hennie van der Merwe  
*replaced on 9 December 2014*  
 Jannie Louw  
*appointed on 9 December 2014*  
*Invited members*  
 Jurie Roux (*CEO*)  
 Rassie Erasmus (*GM: High performance*)  
 Andy Marinos (*GM: Commercial and Marketing*)  
 Christo Ferreira (*Manager: Legal*)  
 Steven Roos (*Secretary*)

### 3. SARU AD HOC COMMITTEES

#### ELITE PLAYER DEVELOPMENT COMMITTEE

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James Stoffberg (*Chairman*)  
 Kevin De Klerk  
 Francois Davids  
 Ivan Pekeur  
*appointed on 9 December 2014*  
*Invited members*  
 Jurie Roux  
 Rassie Erasmus  
 Dr. Ismail Jakoet (*Secretary*)

#### GAME DEVELOPMENT AND TRANSFORMATION COMMITTEE

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Tobie Titus (*Chairman*)  
 Hennie Baartman  
 Thelo Wakefield  
 Graham Mackenzie  
 Pumlani Mkolo  
 Cheeky Watson  
*Invited members*  
 Jurie Roux (*CEO*)  
 Mervin Green (*Secretary*)

#### CONSTITUTIONAL SUBCOMMITTEE

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Mark Alexander (*Chairman*)  
 Oregan Hoskins  
 James Stoffberg  
 Hein Mentz  
 Adv. Andre May  
*Invited members*  
 Jurie Roux  
 Dr. Ismail Jakoet  
 Christo Ferreira

#### NATIONAL WOMEN'S COMMITTEE

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Pat Kuhn (*Chairman*)  
 Alta Botha - *Blue Bulls*  
 Siphokazi Njani - *Border*  
 Gloria Sullivan - *Western Province*  
 Zilungile Ntombela - *KZN*  
 Devendra Easthorpe - *Falcons*

# SUSTAINABILITY REPORT: WORKPLACE HIV/AIDS POLICY

## 1. Scope

This policy applies to all South African Rugby Union (“SARU”) permanent and contracted employees.

## 2. Purpose

The purpose of this policy is to promote a non-discriminatory working environment for employees living with HIV/AIDS and ensuring that their rights are fully protected.

## 3. Acronyms

**AIDS:** Acquired Immunodeficiency Disease Syndrome

**EEA:** Employment Equity Act

**HCT:** HIV Counselling and Testing

**HIV:** Human Immunodeficiency Virus

**LRA:** Labour Relations Act

## 4. Policy Objectives

- 4.1 To ensure committed leadership and facilitate decision making at a high level to drive a strong response to HIV/AIDS;
- 4.2 To establish a policy that helps create a healthy and safe environment for all staff of SARU;
- 4.3 To strengthen a coordinated, integrated and holistic response to the pandemic

## 5. Confidentiality

All persons living with HIV/AIDS have the constitutionally entrenched right to privacy. An employee is therefore not legally required to disclose his/her HIV/AIDS status to the employer or other employees. Where an employee chooses to voluntarily disclose his/her HIV/AIDS status to the employer, this information may not be disclosed to others without the infected employee’s express consent.

## 6. Guidelines

### 6.1 Support Services

- 6.1.1 SARU’s Wellness Partners (ICAS and Discovery Health) will provide voluntary pre-testing and post- testing counseling;
- 6.1.2 They will offer their services to employees who wish to be tested for routine HIV and HCT, driven by the Human Resources Department on Wellness Days;
- 6.1.3 For cases that need ongoing emotional support and specialised services beyond the scope of SARU facilities, referral sources and material will be available e.g specific legal matters around infected staff.

### 6.2 Employment Conditions

- 6.2.1 An HIV test shall not be required, nor shall a prospective employee be required to reveal his/her HIV/AIDS status as a precondition of employment;
- 6.2.2 Prospective employees with HIV/AIDS shall be treated the same as those with comparable life threatening conditions such as cancer. According to medical opinion, the HIV/AIDS virus cannot be transmitted in ordinary working or social contact like shaking hands, sharing cups, glasses or crockery, hugging or kissing, using a toilet seat, washing facilities, exchanging money, coughing or sneezing, breathing, receiving mosquito or insect bites;
- 6.2.3 Employees with HIV/AIDS shall not be unfairly discriminated against with the employment relationship or within any employment policy or practice, but shall

be governed by the same contractual obligations as all other employees;

6.2.4 Employees with HIV/AIDS shall be treated in a just, humane and life-affirming way;

### 6.3 Non-Discrimination

6.3.1 No employee may be directly or indirectly discriminated against based on his/her HIV status. Unfair discrimination against HIV positive employees by any employee within SARU, based on their HIV status, will not be condoned. Such action will render employees involved subject to disciplinary action in accordance with SARU's disciplinary code and procedure;

6.3.2 Refusal to work with a person who has HIV/AIDS is neither an acceptable nor a valid reason for non-compliance with work requirements nor other reasonable instructions from the SARU.

### 6.4 Management of Employees with HIV/AIDS

6.4.1 Employees infected with HIV/AIDS are expected to meet the same performance requirements that apply to all other employees of SARU, with reasonable accommodation where necessary within the context of this policy;

6.4.2 In accordance with Section 187 of the Labour Relations Act 66 of 1995 ("LRA"), no employee shall suffer adverse consequences, whether dismissal or denial of appropriate employment opportunities, merely on the basis of having HIV/AIDS. However, where there are valid reasons related to incapacity, and the appropriate procedure in terms of the LRA has been followed, the services of an employee with HIV/AIDS may be terminated;

6.4.3 Reasonable accommodation within the organisation will be made for those employees infected with HIV/AIDS. If medically indicated, SARU will make every reasonable effort to provide alternative work;

6.4.4 If an employee is no longer able to work and/or a suitable alternative position cannot be found, the appropriate ill health and/or incapacity procedures will be applied;

6.4.5 Employees living with HIV/AIDS will have access to the applicable SARU benefits in line with the rules of The Rugby Pension Fund and Medical Aid scheme;

6.4.6 SARU recognises that employees with HIV/AIDS may live full and active lives and therefore employees with HIV/AIDS will be treated no differently to employees with any other serious illness or condition in terms of statutory and/or SARU benefits.

### 6.5 Working Environment

6.5.1 SARU will make reasonable accommodation to eliminate any direct or substantial harm that an employee infected with HIV/AIDS may pose to himself/herself or to other employees or other persons;

6.5.2 SARU is not obliged to retain the services of an employee if SARU's objective assessment indicates that the employee may expose others in the working environment, including SARU stakeholders, to a substantial health risk where:

**6.5.2.1** *there are no reasonable means to mitigate such risk; or*

**6.5.2.2** *reasonable operational requirements allow;*

6.5.3 SARU will, however, as an alternative to dismissal attempt to reasonably accommodate the employee concerned in terms of the provisions of paragraph 6 of this policy.

### 6.6 Alternatives to Dismissal

#### 6.6.1 Disciplinary Action

**6.6.1.1** *SARU will not subject any employee infected with HIV/AIDS to arbitrary disciplinary action solely on the basis of the employee's HIV/AIDS status;*

**6.6.1.2** *Any employee living with HIV/AIDS who engages in acts of misconduct or poor performance (other than in the sense of paragraph 6.6.1.3 below) will, however, be subject to the same disciplinary action as other employees of the SARU;*

**6.6.1.3** *Where an employee's poor performance is as a result of HIV/AIDS, SARU will not take disciplinary action as a result thereof, but will investigate the extent of the employee's incapacity, and consider possible*

*alternatives short of dismissal. In the process of the investigation, the employee should be allowed the opportunity to state his/her case and to be assisted by a fellow employee. SARU may also require an employee to undergo an independent medical examination in order to establish the extent of his/her incapacity;*

**6.6.1.4** SARU may, after conclusion of the investigation and on the basis that the employee concerned cannot continue with normal employment due to his/her medical condition, implement the provisions of paragraph 6.7.1 below as an alternative to dismissal.

## **6.7 Dismissal**

**6.7.1** SARU may only dismiss an employee with HIV/AIDS in accordance with appropriate fair procedures and on fair grounds. This may be as a result of poor work performance or incapacity, and after alternatives to dismissal have been considered;

**6.7.2** An employee living with HIV/AIDS who engages in an act of misconduct may be dismissed if the sanction of dismissal is warranted in the circumstances;

**6.7.3** If an employee has become incapacitated as a result of being infected with HIV/AIDS, then SARU will be obliged to follow any relevant guidelines and/or code prescribed regarding dismissal for incapacity;

**6.7.4** The degree of the employee's incapacity will be relevant in determining whether dismissal is appropriate under the circumstances.

## **7. Compliance with SARU policies**

All employees are required to comply with all SARU policies and procedures. For further information or advice regarding this policy, please contact the Human Resources department or visit the HR page on the intranet.

## **8. Annexure A**

### **HIV/AIDS – facts about the disease**

**8.1** HIV/AIDS is contracted and not inherited;

**8.2** HIV/AIDS is caused by a virus, so called because it attacks and destroys the immune system. A person with HIV/AIDS does not die of the virus but dies of one or more of the opportunistic infections that occur as a result of the damage to their immune system;

**8.3** Medical opinion is that during the period leading to the full-blown status of AIDS, a person looks and feels healthy, even after being tested positive. During this period a person is referred to as a "carrier" and can infect others. A person is seen to have AIDS when symptoms and signs appear. Early signs include weight loss, diarrhoea, fevers and skin loss;

**8.4** Without appropriate care and treatment most people will deteriorate further and develop severe and often fatal illnesses.

HIV testing will only take place where such testing is allowed in terms of the law, having regard to prevailing medical standards and protocols and other relevant and required standards;

The Company may facilitate the HIV testing of an employee who has consented to or requested a HIV test, which shall take place in accordance with the following:

**8.4.1** within a health care worker and employee-patient relationship;

**8.4.2** with the informed consent and pre- and post-test counselling.

**8.4.3** with clear procedures relating to confidentiality.

## **9. Annexure B**

### **Testing for HIV/AIDS Antibodies**

Testing for HIV/AIDS can only be undertaken on a voluntary basis, when requested by employees. Should employees request to be tested, SARU will endeavor to identify an appropriate counseling service. No employee shall be discriminated against based on his/her HIV/AIDS status.

## 10. Annexure C

### Employees identified as HIV/AIDS positive

**10.1** Employees who are aware that they are HIV/AIDS positive can elect to inform SARU of their HIV/AIDS status. Unless there are special circumstances either in the employee's own interest or in the interest of fellow employees, the diagnosis of HIV/AIDS is confidential;

**10.2** As long as infected employees are able to meet acceptable standards of work performance and work attendance and given that medical opinion indicates that their condition is not a threat to others, their treatment should be sensitive and consistent with treatment of other employees. SARU has an obligation to provide a safe working environment for all employees and clients. Thus, precautions should be taken to ensure that an employee's condition does not present a health and/ or safety hazard to other employees or clients.

# CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as the Union's secretary I confirm that all governance structures operated as required by the union's constitution, and that the minutes of all General Meetings, Executive Council and sub-committee meetings have been kept and are available for inspection by members.

*The Under-13 Coca-Cola Craven Week, held in Durban was one of five Youth Weeks organised by SARU in 2014. DHL Western Province beat Border 29-14 in the final.*



## ETHICS

The Union does not have an official Code of Ethics but subscribes to all fundamental ethical principles, including responsibility, honesty, fairness and respect.

Issues such as bribery and corruption, fraud, legal compliance, conflicts of interest, human rights and discrimination are

monitored on an ongoing basis.

SARU is committed to conducting its business with due regard to the interest of all its stakeholders and the environment.

The Union insists on compliance with all applicable laws and regulations as a minimum standard.

# TERMS OF REFERENCE FOR AUDIT & RISK COMMITTEE

## INTRODUCTION

The Audit and Risk Committee (“the Committee”) is constituted as a committee of the **South African Rugby Union** (“SARU”) and is appointed by the executive council.

The duties and responsibilities of the members of the Committee as set out in this document.

## PURPOSE OF THE TERMS OF REFERENCE

The purpose of these terms of reference is to set out the Committee’s composition, role, responsibilities, authority, meetings and procedures.

## COMPOSITION OF THE COMMITTEE

The Committee will comprise of no fewer than four (4) and no more than six (members), as per the SARU constitution.

The Committee shall have a majority of independent members who shall serve for a period of two years.

An “Independent member”, in the context of the Committee is any member of a subcommittee of SARU who is not a current member of the executive council or any of the governing structures of a province of SARU

The chairman shall be an independent non-executive director as per King III guidelines and shall be appointed by the executive council.

The President of SARU is not eligible for appointment as a member of this Committee but may attend meetings by invitation.

The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of the following: financial and sustainability reporting; internal financial controls; external audit process; internal audit process; corporate law; risk management; sustainability issues; information technology governance as it relates to integrated reporting; and governance processes within SARU.

The Committee members must keep up-to-date with developments affecting the required skill-set.

## ROLE

The Committee has an independent role with accountability to both the executive council and the general meeting. The Committee does not assume the functions of management, which remain the responsibility of the chief executive officer and other members of senior management.

## RESPONSIBILITIES

The Committee has the following specific responsibilities:

### 1. INTEGRATED REPORTING

The Committee oversees integrated reporting, and in particular must:

- Consider the factors and risks that may impact on the integrity of the integrated report;
- Review the annual financial statements;
- Comments in the annual financial statements on the financial statements in the integrated report, the accounting practices and the effectiveness of the internal financial controls;
- Recommend the integrated report for approval by the executive council;

### 2. COMBINED ASSURANCE

The Committee will ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular should:

- Ensure that the combined assurance received is appropriate to address all the significant risks facing SARU; and
- Monitor the relationship between the external assurance providers and SARU.

### 3. INTERNAL AUDIT

The Committee is responsible for the overseeing of internal audit function, and in particular:

- For the appointment and performance assessment of the Internal audit service provider;
- For recommending the approval the internal audit plan; and



- For ensuring that the internal audit function is subject to an independent quality review, as and when the Committee determines it appropriate.

#### 4. RISK MANAGEMENT

The Committee is an integral component of the risk management process and specifically must oversee:

- Financial reporting risks;
- Internal financial controls;
- Fraud risks as they relate to financial reporting;
- IT risks as they relate to financial reporting.

#### 5. EXTERNAL AUDIT

The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process, and in this regard must:

- Nominate the external auditor for appointment by the general meeting;
- Recommend the approval of the terms of engagement and remuneration for the external auditor;
- Monitor and report on the independence of the external auditor.
- Review the quality and effectiveness of the external audit process;
- Consider whether the audit firm and, where appropriate, the individual partner that will be responsible for performing the functions of auditor, are independent.

#### 6. ETHICS AND ORGANISATIONAL INTEGRITY

6.1 The committee shall:

**(a)** consider and if deemed necessary shall be entitled to make recommendations to the executive council regarding initiatives to maintain and enhance organisational integrity and this could include:

- the review of any statements on ethical standards or requirements for SARU and assisting in developing such standards and requirements,
- (b)** without limiting the generality of the foregoing, consider and if necessary make recommendations regarding channels for whistleblowing, a process for identifying and reporting irregularities, structures to which such reports are made and processes to act upon any matters reported.

#### 7. CONFLICTS OF INTERESTS

7.1 The Committee shall:

**(a)** review the process for declarations of interests by directors and any office bearers and make recommendations regarding additional mechanisms, policies or directives to improve the practices and processes in this regard.

*All the respective winners at the prestigious SA Rugby Awards held in Johannesburg in February 2015. Duane Vermeulen (middle) was named Rugby Player of the Year.*

## **AUTHORITY**

The Committee has no decision-making authority in regard to its duties and is accountable in this respect to both the executive council and the general meeting.

On all responsibilities delegated to it by the executive council, the Committee makes recommendations for approval by the executive council.

The Committee acts in accordance with its duties and the delegated authority of the executive council as recorded in this terms of reference. It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the chairman of the other executive council committees, any of the executive council members, manage-

ment, and company secretary or assurance providers to provide it with information, subject to an executive council approved process being followed.

The Committee has reasonable access to SARU's records, facilities, employees and any other resources necessary to discharge its duties and responsibilities subject to an executive council approved process being followed.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at SARU's cost, subject to an executive council approved process being followed.

# MEETINGS AND PROCEDURES

## **FREQUENCY**

The Committee chairman should, in consultation with the company secretary, decide the frequency and timing of its meetings. The Committee should meet as frequently as is necessary to perform its functions, but should meet at least twice a year. Reasonable time should be allocated for all audit committee meetings.

Meetings in addition to those scheduled may, with approval of the chairman, be held at the request of the external auditor, the internal auditor, the chief executive officer, chief financial officer, or at the instance of the executive council.

The Committee should meet at least once a year with the external and internal auditors without management being present. These may be separate meetings or meetings held before or after a scheduled audit committee meeting.

The chairman of the Committee should be present at SARU's Annual General Meeting to answer questions relating to the Committee's activities within the scope of its responsibilities.

The Committee's chairman should give at least an oral summary of the Committees' deliberations at the executive council meeting following each Committee meeting. The minutes of the Committee meeting's proceedings should be included in the pack for the executive council's information as soon as they have been approved.

## **ATTENDANCE**

The chief executive officer, chief financial officer, representatives from the external auditors, representatives from the internal audit service provider, other assurance providers, professional advisors and other members of the executive council who are not members of this Committee, may be in attendance at Committee meetings, but by invitation only, without the right to vote.

The Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or company secretary.

The company secretary is the secretary to the Committee.

If the incumbent chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

## AGENDA AND MINUTES

The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for that year.

The annual plan must ensure proper coverage of the matters laid out in the Committee plan: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period.

The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.

The minutes of Committee meetings must be completed as soon as possible after each meeting and circulated to the chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

Committee members shall declare their interest whether of a general nature, or related to specific agenda issues, at meetings of the Committee.

## QUORUM

A quorum for Committee meetings is a majority of members being present.

Invitees in attendance at Committee meetings may participate in discussions but do not form part of the quorum for Committee meetings.

## EVALUATION

The executive council must perform an evaluation of the effectiveness of the Committee every year.

## REMUNERATION

- All independent members of the Audit & Risk Committee are eligible to receive such remuneration in respect of their time and contributions to the business of the Audit & Risk Committee as may be determined by formal resolution of the Remuneration Committee of SARU from time to time. Members excluded from being remunerated include Executive Council members and members of SARU's staff who serve on this committee.
- The members and attendees may also be reimbursed all travelling, hotel and other expenses properly incurred by them in or about the performance of their activities as members or attendees, including those of travelling to and from meetings of the Audit & Risk Committee, on such basis as the Remuneration Committee of SARU may determine from time to time.

## CONFIDENTIALITY AND GOVERNANCE

- All members of the Audit & Risk Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics ("Unified Code of Ethics").
- All members of the Audit & Risk Committee automatically undertake to observe full confidentiality regarding the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the CEO of SARU
- Unless specifically authorised by the CEO of SARU, no member of the Audit & Risk Committee may make statements to the media.

## APPROVAL OF THESE TERMS OF REFERENCE

- These terms of reference were approved by the executive council and the Chairman of the Committee on 12 August 2013.



*The GWK Griquas team were crowned Vodacom Cup champions of 2014 after beating the Xerox Golden Lions 30-6 in the final in Kimberley.*

## TERMS OF REFERENCE FOR NATIONAL JUDICIAL COMMITTEE

### 1. MEMBERSHIP

- 1.1 The Committee shall comprise of not fewer than three (3) members and no more than six (6) members. The chairman is to be appointed by the Executive Council.
- 1.2 The Committee shall be appointed for an indefinite period and until replaced by the Executive Council, which may, at its discretion, remove any member of the Committee, at any time.

### 2. ROLE OF THE COMMITTEE

The role of the Committee will be:

- 2.1 to act as legal advisers of the Executive Council and otherwise in terms of the Constitution, Regulations and Rules of the Union and/or as mandated or required by the Executive Council, the Chief Executive Officer or the Manager: Legal from time to time; and
- 2.2 to act as the delegated committee referred to in clause 17.13 of the Constitution of the Union and for which purpose the Executive Council hereby delegates its disciplinary powers in terms of clause 17.12.2 of the Constitution, and otherwise, to the Committee, with the right to further delegate such powers to disciplinary committees or judicial officers.

### 3. TERMS OF REFERENCE

The functions of the Committee will be to:

- 3.1 advise the Executive Council, the Chief Executive Officer or the Manager: Legal on all legal or quasi-legal matters as required from time to time;
- 3.2 act as the committee to which the Executive Council in terms of clause 17.13 of the Constitution has delegated its disciplinary powers: ***The executive council must establish a national judicial committee where members should be independent of SARU. The executive council may delegate its disciplinary powers to the national judicial committee or an ad hoc committee, either of which shall have the right, notwithstanding the provisions of this constitution, to further delegate such powers, and may for this purpose issue rules regarding –***
- 3.3 The Committee shall have the power to take such steps as it may deem fit against any rugby body or person, as defined in the Constitution, failing to comply with or contravening –
  - (a) the Constitution or any of SARU's rules or regulations;
  - (b) the constitution or any of the by-laws, rules and regulations of the IRB, or any body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including, but not limited to, SANZAR and CAR;
  - (c) any decisions taken, resolutions adopted or rulings made by the general meeting, the executive council, the IRB or any body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including, but not limited to, SANZAR and CAR;
  - (d) any contract entered into by or on behalf of SARU; and
  - (e) the laws of the game;
- 3.4 act in terms of the provisions of or stipulated by the Regulations and Rules of the Union or any resolutions or decisions taken by the Executive Council of the Union;
- 3.5 prepare and recommend amendments and/ or additions to the Constitution, Regulations or Rules or prepare and recommend new regulations, rules or documents that may be required from time to time;
- 3.6 interpret any of the provisions of the Constitution, Regulations or Rules of the Union; and
- 3.7 in general to act as mandated or required by the Executive Council, the Chief Executive Officer or the Manager: Legal from time to time.

### 4. MEETINGS

Meetings of the Committee will be held at such time and at such venue as the Chairperson deems appropriate.

### 5. DELEGATION OF POWERS

The Committee shall have the right to delegate its powers and functions to any other committee or person.

### 6. CONFIDENTIALITY AND GOVERNANCE

- 6.1 All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics ("Unified Code of Ethics").
- 6.2 All members of the Committee automatically undertake to observe full confidentiality re the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the Chairman of the Executive Council.
- 6.3 Unless specifically authorised by the Chairman of the Executive Council or in terms of the Regulations or Rules of SARU, SANZAR or the IRB, no member of the Committee may make statements to the media.
- 6.4 Furthermore all members are under the obligation of the SARU Communications Protocol

# TERMS OF REFERENCE OF THE HUMAN RESOURCES & REMUNERATION COMMITTEE

## 1. ROLE AND COMPOSITION OF THE COMMITTEE

The role of the Committee will be to assist the Executive Council:

- 1.1 To evaluate and consider specific proposals made for remuneration and other conditions of employment by the appropriate executive, non-executive persons and elected members of the Executive Council.
- 1.2 Consider and make recommendations to the Executive Council on specific remuneration packages for other members of management put to the Committee.
- 1.3 Inquire into and comment on specific policies including and relating to Recruitment and Remuneration, Performance Management, Employment Equity and Transformation, Training and Development, Succession Planning and make recommendations on these issues to the Executive Council after consulting the appropriate executives and management.

### COMPOSITION

- 1.4 The Committee will comprise of no fewer than four (4) and no more than six (members) as per SARU constitution.
- 1.5 The Committee should preferably comprise of members of the executive council and should have a majority of non-executive directors. The majority of the non-executive directors serving on this committee should be independent. An “Independent member”, in the context of the Committee is any member of a subcommittee of SARU who is not a current member of the executive council of any of the governing structures of a member of SARU
- 1.6 The chairman shall be an independent non-executive director as per King III guidelines.
  - Commentary: For transparency and impartiality and given the terms of reference of this committee (as in clause 1.1 above), the non-executive members of the executive council have opted not to serve on this committee but have all of these members as independents with no affiliation to any provincial union.
  - This is in line with King III- “apply or explain”
    - a. An “Independent member”, in the context of the Committee is any member of a subcommittee of SARU who is not a current member of the executive council or any of the governing structures of a province of SARU

## 2. FUNCTIONING

- The Committee shall meet, adjourn or otherwise regulate its meetings as it deems fit, but it shall meet at least three times per annum.
- A meeting secretary shall be appointed to keep full and proper minutes of all meetings of the Committee.
- In order to perform their responsibilities, the Committee will create such structures and hire such advisors and assistance, as they deem appropriate from time to time.

## 3. CONFIDENTIALITY AND GOVERNANCE

- All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).
- All members of the Committee automatically undertake to observe full confidentiality re the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the Chairman of the Executive Council.

- Unless specifically authorised by the Chairman of the Executive Council, no member of the Committee may make statements to the media.

#### 4. REMUNERATION

- All independent members of the Committee who are not independent non-executive directors, as well as such other independent professionals as may be requested to assist or consult to the Committee on occasion, are eligible to receive such remuneration in respect of their time and contributions to the business of the Committee as may be determined by formal resolution of the Committee from time to time.
- The members and attendees may also be reimbursed all travelling, hotel and other expenses properly incurred by them in or about the performance of their activities as members or attendees, including those of travelling to and from meetings of the Committee, on such basis as the Committee may determine from time to time.

## TERMS OF REFERENCE FOR THE FINANCE COMMITTEE

### 1. STATUS OF THE COMMITTEE

- 1.1 SARU's constitution provides for the establishment and operation of a Finance Committee, as a sub-committee of the executive council, whose members shall be members of the executive council.
- 1.2 The committee's chairman should give at least an oral summary of the committees' deliberations at the executive council meeting following the committee meeting. The minutes of the committee meeting's proceedings should be included in the board pack for the executive council's information as soon as they have been approved.

### 2. ROLE, COMPOSITION AND TERM OF THE COMMITTEE

The role of the committee is to assist the executive council in fulfilling its responsibility for overseeing SARU's financial affairs in terms of clause 16.12.3.4 of its constitution.

The committee shall comprise of no fewer than four (4) members and no more than six (6) members, all of whom shall be members of the Executive Council.

The committee shall serve for a period of two years.

### 3. ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is the executive responsible for SARU's financial affairs on a day-to-day basis, subject always to the directions of the Chief Executive Officer.

### 4. RESPONSIBILITIES

The Committee has the following specific responsibilities subject to its mandate from the Executive Council:

#### 4.1 Internal monthly financial reporting

The Committee reviews internal monthly financial reporting, including that of the provincial unions and their commercial arms

#### 4.2 Management of revenue streams (including Commercial Properties, Sponsorships and Broadcasting Rights)

The Committee has immediate oversight in matters related to major revenue streams (including Commercial Properties, Sponsorships and Broadcasting Rights) and must review and recommend to the Executive Council the signing off of Sponsorships and Broadcasting Rights contracts with a monetary value in excess of R10 million. This amount may be increased as deemed necessary by the Committee.

#### 4.3 Financial Policies

The Committee has immediate oversight in matters related to financial policies.

#### 4.4 Financial results, budgets, cash flow management and financial planning

The Committee has immediate oversight in matters related to financial results, budgets, both operating and capital expenditure, cash flow management and financial planning.

#### **4.5 Ad-hoc matters which have a financial or commercial impact**

The Committee has immediate oversight in matters which have a financial or commercial impact, i.e:

- Ensuring the build-up of adequate reserves
- Liaise with other committees on expenses they oversee, i.e. salary increases, etc.

#### **4.6 Financial Support**

The committee will evaluate application from a union for financial support – set criteria will be determined to evaluate such applications. Should financial support be approved SARU and the relevant Union will enter into a formal agreement which will contain the conditions of approval. Punitive measures will be applied where there is a breach to the agreement.

#### **4.7 Delegation of Authority**

The Committee will approve the authority.

## **5. AUTHORITY**

The Committee acts in accordance with its delegated authority from the Executive Council as recorded in these terms of reference (as listed in paragraph 5 above). It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the Chairman of the other Sub Committees, any of the Chief Executive Officer, Company Officers, Company Secretary or assurance providers to provide it with information subject to Executive Council approved processes.

The Committee must have reasonable access to SARU's records, facilities and any other resources necessary to discharge its duties and responsibilities subject to following Executive Council approved process.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the Company's cost, subject to an Executive Council approved process being followed.

The Committee has no decision-making authority in regard to its duties and is accountable in this respect to the Executive Council. The Chairman of the Committee must be present at all annual general meetings.

On all responsibilities delegated to it by the Executive Council, the Committee makes recommendations for approval by the Executive Council.

Where there is a perceived overlap of responsibilities between the Committee and the Audit & Risk Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfil any obligation.

## **6. MEETINGS AND PROCEDURES**

### **6.1 Frequency**

The Committee should hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a maximum of three (3) meetings per year. These meetings should be held prior to the Executive Council meetings.

Meetings in addition to those scheduled may be held at the request of the Committee Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary or at the instance of the Executive Council.

### **6.2 Attendance**

Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or Chief Executive. A quorum will comprise any two independent director Committee members.

The Company secretary is the secretary to this Committee.

If the nominated Chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairman.

## 7. CONFIDENTIALITY AND GOVERNANCE

- All members of the Finance Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).
- All members of the Finance Committee automatically undertake to observe full confidentiality regarding the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the CEO of SARU
- Unless specifically authorised by the CEO of SARU, no member of the Finance Committee may make statements to the media.

*Springbok captain Jean de Villiers (right) and 2014 test debutant Tebogo Mohoje (left) with Gerhard Swarts (middle) at the annual Chris Burger/Petro Jackson Players Fund Banquet that was held at Montecasino.*



# TERMS OF REFERENCE FOR GAMES POLICIES COMMITTEE

## 1. ROLES AND RESPONSIBILITIES

To manage the various issues involved in realising the objectives of the SARU “Competitions” strategy. Specifically, the Committee is required to:

- Plan, implement, structure, evaluate all new Competitions including age group competitions;
- Plan and implement a tiered competition structure which will provide a natural upwards progression of players, thereby supporting the development of Super Rugby and National teams;
- Develop the Competition schedule in conjunction with the needs of broadcasters, sponsors and the IRB schedules;
- Develop measures to measure the quality of the Competitions, as well as their performance in respect of developing market share, increasing revenues and increasing customer (spectator) satisfaction;
- Ensure that the timing of the various Competitions does not clash or overlap, and that they are held in a sequence which is conducive to the success of the national teams and other national priorities;
- Perform any other activity as may be specifically requested of it by the Executive Council of SARU from time to time.

## 2. COMPOSITION

- The Committee shall comprise of no fewer than six (6) members and no more than eight (8) members and members shall serve for a period of two years

## 3. FUNCTIONING

- A meeting secretary shall be appointed to keep full and proper minutes of all meetings of the Committee.

## 4. CONFIDENTIALITY AND GOVERNANCE

- All members of the Game Policies and Procedures Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).
- All employees of the Game Policies and Procedures Committee automatically undertake to observe full confidentiality re the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the Chairman of the Executive Council.
- Unless specifically authorised by the Chairman of the Executive Council, no member of the Game Policies and Procedures Committee may make statements to the media.

## 5. REMUNERATION

- The members and attendees may be reimbursed all travelling, hotel and other expenses properly incurred by them in or about the performance of their activities as members or attendees, including those of travelling to and from meetings of the Game Policies and Procedures Committee, on such basis as the Remuneration Committee of SARU may determine from time to time.
- An “Independent member”, in the context of the Committee is any member of a subcommittee of SARU who is not a current member of the executive council or any of the governing structures of a member of SARU

## 7. COMMITTEE EFFECTIVENESS

- The Committee shall be subject to evaluations, either through self-assessments or external evaluations, to determine its relevance and effectiveness. The outcome of the evaluations shall be presented to the Executive Council of SARU for its consideration.

## 8. REVIEW

- These Terms of Reference shall be reviewed on a periodic basis to determine their relevance and effectiveness, by being tabled at a meeting of the Executive Council of SARU.

*DHL Western Province capped a fine season by winning the Absa Currie Cup, beating the Xerox Golden Lions 19-16 in the final played at DHL Newlands in Cape Town.*





# EXECUTIVE COUNCIL REPORT

## GENERAL MEETING

In compliance with clause 12.1 of the SARU Constitution the General Meeting assembled for an Annual General Meeting in March and two Ordinary General Meetings in August and December. SARU held two Special General Meetings:

- At the meeting in February the format of the ABSA Currie Cup for 2014 and 2015 and the participation in Vodacom Super Rugby in 2014 and 2015 were debated extensively.
- At the meeting in December 2014, SARU's Strategic Transformation & Implementation Plan and Constitutional Amendments were approved

As per clause 13.2 of the SARU Constitution, the General Meeting approved SARU's annual budget for 2015 at the meeting held on 10 December 2014.

## EXECUTIVE COUNCIL

The Executive Council complied with clause 15.1 of the Constitution by having fifteen meetings of which six of these were scheduled meetings and nine were held via teleconference.

The attendance by members of the Executive Council was as follows for the period 1 January 2014 until 31 December 2014:

<b>Oregan Hoskins</b>	15
<b>Mark Alexander</b>	15
<b>James Stoffberg</b>	14
<b>Mputumi Damane</b>	15
<b>Dawie Groenewald</b>	5
<b>Francois Davids</b>	10
<b>Piet Heymans</b>	7
<b>Louis von Zeuner</b>	6
<b>Nicholaas Fick</b>	15
<b>Pat Kuhn</b>	12
<b>Monde Tabata</b>	15
<b>Tobie Titus</b>	14
<b>Jurie Roux</b>	15
<b>Basil Haddad</b>	15
<b>Dr I Jakoet</b>	14

## SUB COMMITTEES AND AD HOC COMMITTEES

Sub-committees and *ad hoc* Committees were established in terms of the SARU Constitution and taking into consideration as far as possible, the principles and the best practice recommendations set out in the Code of Governance Principles for South Africa- 2009 King III.

The sub-committees are:

- **Audit & Risk Committee** – had three meetings  
Attendance at meetings:
  - Mputumi Damane (*Chairman*) – 3 meetings
  - Edna van Harte – 2 meetings
  - Mr Kuhn – 3 meetings
  - Mr Fenner – 3 meetings
- **Human Resources and Remuneration Committee** – had two meetings  
Attendance at meetings:
  - Mr Monde Tabata (*Chairman*) – 2 meetings
  - Mr Goldberg – 2 meetings
  - Ms Mason – 2 meetings
  - Mr. Christian - 2 meetings
- **Finance Committee** – had one meeting with a 100% attendance
- **National Judicial Committee** – had two meetings with 100% attendance at each one
- **Games and Policies Committee** - had three meetings with 95% attendance at each one

*The Coca-Cola Schools of Excellence tournament, held at Loftus Versfeld in Pretoria, again provided great exposure to schools from disadvantaged communities.*



2014  
ANNUAL  
REPORT

# AUDIT & RISK COMMITTEE

*For the year 31 December 2014*

*The Audit and Risk Committee has pleasure in submitting this Audit and Risk Report for the year under review:*

## FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has adopted formal terms of reference, delegated to it by the executive council, as its Audit and Risk Committee Charter.

The Committee has discharged the functions in terms of its charter and ascribed as follows:

- Reviewed the financial statements, culminating in a recommendation to the executive council to adopt them. In the course of its review the committee:
  - › takes appropriate steps to ensure that the financial statements are prepared in accordance with the applicable accounting framework in SA
  - › considers and, when appropriate, makes recommendations on internal financial controls; and
  - › deals with concerns or complaints relating to accounting policies, the auditing or content of annual financial statements, and internal financial controls.
- Reviewed the external audit reports on the annual financial statements
- Recommended the appointment of the internal auditors
- Recommended the risk-based internal audit plan
- Reviewed the internal audit and risk management reports, and, where relevant, recommendations being made to the executive council
- Evaluated the effectiveness of risk management, controls and the information technology governance process
- Reviewed the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as the auditor for the ensuing financial year and noted the appointment of Mr Ernest Carelse as the designated auditor
- Recommended the audit fees, the engagement terms of the external auditor, the audit plan and
- Reviewed and determined the nature and extent of allowable non-audit services and approved the appointment for the provisions of non-audit services by the external auditor.

*Cell C Sharks scrum-half Cobus Reinach clears the ball in their Vodacom Super Rugby semi-final clash against the Crusaders in Christchurch. The Durban side won the South African Conference, but could not get past the New Zealanders to make the final.*





## MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE AT MEETINGS

The Audit and Risk Committee consists of non-executive members which have been listed (refer to governance structures) and meets at least three times a year in accordance with the Audit and Risk Committee Charter.

During the year under review the following four meetings were held:

DATE OF MEETINGS	FOCUS AREA
6 March 2014	Financial Statements
11 August 2014	Internal Audit & Combined Assurance
23 October 2014	Audit plan and engagement letters for External Audit

The Audit and Risk Committee, is a committee of the Executive Council and therefore reports to the executive council by submitting the minutes of meetings at scheduled meetings.

### TERMS OF REFERENCE

The Audit and Risk Committee has adopted a formal terms of reference that has been approved by the executive council. The terms of reference have been determined taking into account the statutory responsibilities and the duties assigned to it by the executive council.

The committee's terms of reference are reviewed annually and have been reviewed and updated during the year.

### ATTENDANCE

The internal and external auditors, in their capacity as auditors to the entity, attended and reported at meetings of the audit and risk committee. Executive directors and relevant senior managers attended meetings by invitation.

### FINANCIAL STATEMENTS

The Audit and Risk Committee has discharged the functions in terms of its charter and ascribed to it as follows:

- Reviewed the financial statements, culminating in a recommendation to the executive council to adopt them. In the course of its review the committee:
  - › takes appropriate steps to ensure that the financial statements are prepared in accordance with the applicable accounting framework in SA
  - › considers and, when appropriate, makes recommendations on internal financial controls
- deals with concerns relating to accounting policies, the auditing or content of annual financial statements, and internal financial controls, and
- Reviewed the external audit reports on the annual financial statements

### INTERNAL AUDIT

The Audit and Risk Committee fulfils an oversight role regarding SARU's financial statements and the reporting process, including the system of internal financial control. It is responsible for ensuring that the SARU's internal audit function is independent and has the necessary resources, standing and authority within the entity to enable it to discharge its duties.

Furthermore, the Audit and Risk Committee oversees co-operation between the internal and external auditors, and serves as a link between the executive council and these functions.

The Audit and Risk Committee reviewed the Internal Audit plan and recommended that the plan be approved by the Executive Council. The Internal Auditors have issued an assurance report for the year under review. In addition, the Committee reviewed the Combined Assurance plan prepared by the Internal Auditors and recommended the Combined Assurance plan to the Executive Council for approval.

The Report of the Internal Auditors on the control environment appears below.

For the year ending 2013, based on:

- › An assessment of SARU's internal control environment in accordance with our internal audit plan: and
- › Performance of suitable testing of the existence and effectiveness of internal financial controls at SARU, and as directed and approved by the Audit and Risk Committee; we report that, based on the scope of our work, the results of the internal control testing and subject to the limitations of the sampling and the reliance on the efficiency of the combined assurance framework.

Nothing other than the results of the areas tabled in the report came to our attention that would suggest that the internal financial controls at SARU are not operating as "acceptable"

## EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

PricewaterhouseCoopers Inc. (PWC) served as SARU's designated auditors for the 2014 financial year.

The Audit and Risk Committee has reviewed the independence guidelines applied of PWC and the Independent Regulatory Board of Auditors in respect of independence and conflict of interest. The external auditors provided evidence to the Audit and Risk Committee of their independence.

The Audit and Risk Committee recommended the approval of the terms of engagement and the external audit fees paid to the external auditors.

The Audit and Risk committee ensured that the nature and extent of non-audit services provided by the external auditors were in terms of the external auditor independence policy.

The Audit and Risk Committee has recommended the re-appointment of PricewaterhouseCoopers Inc. as auditors for the 2015 Financial Year.

The Audit and Risk Committee discussed and evaluated the audit plan submitted by the external auditors and has recommended the audit plan for approval to the executive council

## INFORMATION TECHNOLOGY

In accordance with the terms of reference, the Audit and Risk Committee also reviewed the risks relating to the Information Technology (IT). The Audit and Risk Committee is of the view that the Information Technology controls are improving and in the current year focused on the disaster recovery plans. The Committee reviewed the improvements proposed by management to improve the disaster recovery controls.

# RISK MANAGEMENT

The executive council is ultimately responsible for risk management and the executive council has delegated the specific responsibility to the Audit and Risk Committee.

The Committee assisted the Executive Council to discharge its responsibilities by monitoring and assessing the role and effectiveness of the internal audit function in the context of the risk management function, ensuring that the work undertaken by the internal auditors is aligned with the risk priorities.

Based on the risk assessment done in previous years and highlighted and discussed at meetings, it is clear that the risk profile of SARU is improving and it is clear that Management and the Executive Council is giving the requisite attention to the identified risk year on year.

The internal auditors identified certain weaknesses and the Committee is satisfied that the management approach of assigning an executive to the identified weakness(es) and the performance management of such executives in relation to their risk area (s) provides adequate direction to ensure that the organisation is focused on resolving weaknesses that are identified.

Furthermore, the risk assessment was used as a basis for the risk-based internal audit plan. Moreover, Risk Management has now been included on the agenda for all meetings to consider and discuss new and emerging risks that may impact on SARU or its operations.

‘AS KIDS GROWING UP IN SOUTH AFRICA IN THOSE DAYS RUGBY WAS LIKE A RELIGION AND YOU ONLY DREAMED OF PLAYING FOR YOUR COUNTRY.’

HO DE VILLIERS



RUGBY WORLD CUP 2015

RUGBY WORLD CUP TROPHY TOUR

PRESENTED BY



England 2015

#CELEBRATINGRUGBY

# OPERATIONS & FINANCE

## OPERATING RESULTS

SARU reported a group profit before taxation of R6.6 million for the year ended 31 December 2014, which is higher than the R5.1 million achieved in the previous financial year.

In a very difficult economic environment, this is considered a satisfactory operating result. A deferred taxation charge of R4.7 million resulted in after tax profit of R1.9 million (2013: R11.1 million).

Group revenue rose to R820 million, slightly up from the 2013 level of R799 million, due mainly to an 8% increase in sponsorship revenue, while group operating expenditure increased by a modest 3%.

## FINANCIAL POSITION

The Group's financial position remains reasonably healthy, with total equity of R82 million.

Cash flow improved significantly and as a result a net cash balance of R11 million was reported at 2014 year-end, compared to a net bank overdraft position of R25 million at the end of the previous financial year.

The ratio of current assets to current liabilities was 1.02 to 1.00 at year-end (2013: 1.22 to 1.00).

## PROSPECTS FOR 2015 AND BEYOND

Revenue from broadcasting rights and sponsorships is secure and total revenue will rise by 9% in 2015. As expenditure is expected to increase by a similar level, another modest profit before taxation is likely to be recorded in 2015.

While negotiations for the renewal of broadcasting rights contracts and most sponsorship agreements are currently still in progress, indications are that there will be a healthy increase in these revenues as from 2016. This, together with ongoing efforts to control operating costs, should provide a sound platform for financial sustainability beyond 2015.

## STRUCTURE

The Operations & Finance division consists of Finance, Legal (non-commercial) and Asset Care as its component departments, and continues to have responsibility for the IT and Travel functions, which are presently outsourced.

# SOUTH AFRICAN RUGBY UNION

VOLUNTARY ASSOCIATION OF PERSONS

## *CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2014*

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### GENERAL INFORMATION

*Country of incorporation and domicile:*

*South Africa*

*Nature of business and principal activities:*

*the promotion, development and support of all levels of rugby in South Africa*

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### EXECUTIVE COUNCIL

O Hoskins (President)

M Alexander (Deputy President)

J Stoffberg (Vice President)

J Roux (Chief Executive Officer)

B Haddad (Chief Financial Officer)

M Damane

F Davids

N Fick

P Kuhn

M Tabata

T Titus

L von Zeuner

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*The annual financial statements were independently compiled  
under the supervision of: PricewaterhouseCoopers Inc.  
ID Allen CA (SA)*

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## STATUTORY INFORMATION

### Business address

SARU House  
Tygerberg Park  
163 Uys Krige Road  
Platteklouf  
7500  
Cape Town

### Postal address

PO Box 15929  
Panorama  
7506  
Cape Town

### Auditors

PricewaterhouseCoopers Inc.  
Registered Auditor  
Cape Town

### Bankers

ABSA Bank Ltd  
INVESTEC Bank Ltd

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## **EXECUTIVE COUNCIL'S RESPONSIBILITIES AND APPROVAL**

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The Executive Council is responsible for ensuring that adequate accounting records are maintained and is responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is its responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Executive Council acknowledges that it is ultimately responsible for the system of internal financial control established by the group and places considerable importance on maintaining a strong control environment. To enable it to meet these responsibilities, the Executive Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

The Executive Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Council has reviewed the group's cash flow forecast for the year to 31 December 2015 and, in light of this review and the current financial position, it is satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 7.

The consolidated financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the Executive Council on \_\_\_\_\_ and were signed on its behalf by:

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**O Hoskins (President)**

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**J Roux (Chief Executive Officer)**

## EXECUTIVE COUNCIL'S REPORT

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The Executive Council submits its report for the year ended 31 December 2014.

### 1. Review of activities

#### Main business and operations

The group is engaged in the promotion, development and support of all levels of rugby in South Africa.

The operating results and state of affairs of the group are fully set out in the attached consolidated financial statements. The group financial statements comprise those of the South African Rugby Union, Springbok Supporters Club Proprietary Limited, The South African Rugby Heritage Trust, associate companies: SANZAR Proprietary Limited, SANZAR Europe S.a.r.l. and joint operations: SA Rugby Travel and IRB HSBC World Sevens Series: SA Event.

Net profit of the group was R 1,923,066 (2013: R 11,136,566 profit), after taxation of R 4,724,128 (2013 (overcharge): R 5,995,316).

### 2. Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after the reporting period

The Executive Council is not aware of any matter or circumstance arising since the end of the financial year that will have a significant influence on the attached financial statements.

### 4. Membership control

The group is controlled by 14 Provincial Unions, each of which is a member of the Union. Each Provincial Union has the right to designate two persons to represent them at general meetings of members, and each such representative has one vote. The only other person entitled to vote at general meetings of members is the President, who in the case of an equality of votes, shall be entitled to a second or casting vote, provided that he has used his deliberate vote. The Union's business and activities are overseen by the members in general meeting, which has the ultimate authority in respect of, and responsibility for, its affairs.

## EXECUTIVE COUNCIL'S REPORT *(continued)*

### 5. Subsidiary, associates, joint operations and trust

The Union has the following interests:

A 51% shareholding in Springbok Supporters Club Proprietary Limited, which has as its main objective the promotion of the Springbok rugby brand. The remaining shares are held by Treble Entertainment Proprietary Limited.

A 33.3% shareholding in SANZAR Proprietary Limited which manages the Super Rugby and The Rugby Championship competitions played in the Southern Hemisphere. The remaining shares are held equally by the Australian Rugby Union and the New Zealand Rugby Union. The company is equity accounted for by the group. All income from the broadcasting rights agreements relating to these competitions, other than the rights sold to European broadcasters, is derived directly by the Unions. The Union's share of losses of the associate, as reported in its 2014 annual financial statements was R 9,652 (2013: R604,864 (loss)).

A 33.3% shareholding in SANZAR Europe S.a.r.l., a Luxembourg based company which owns and manages the sales of broadcasting rights for the Super Rugby and The Rugby Championship competitions, to Europe broadcasters. The remaining shares are held equally by the Australian Rugby Union and the New Zealand Rugby Union. The company is equity accounted for by the group. The Union's share of accumulated profits as reported in its 2014 annual financial statements was R 1,142,574 (2013: R nil).

A 50% interest in the IRB HSBC World Sevens Series: SA Event joint venture, which stages and conducts all related activities for the tournament played annually at the Nelson Mandela Bay Stadium, Port Elizabeth. Eastern Province Rugby Proprietary Limited and Nelson Mandela Bay Metropolitan Municipality hold the remaining interest. All profits are distributed annually to its members. The Union's share of profit as reported in the joint venture's 2014 annual financial statements was R 6,640,522 (2013: R 4,000,000).

A 50% interest in SA Rugby Travel, a joint operation which creates, markets and sells official travel packages for Springbok rugby events, Rugby World Cup 2015 and 2019 and other events.

Control of The South African Rugby Heritage Trust by way of trustee representation, the aims and objectives of which are to advance, promote and preserve South Africa's rugby heritage.

Further details relating to these entities are given in notes 6, 7 and 25 of the annual financial statements.

### 6. Executive Council

The members of the Executive Council of the Union during the year and to the date of this report are as follows:

Name	Changes
O Hoskins (President)	
M Alexander (Deputy President)	
J Stoffberg (Vice President)	
J Roux (Chief Executive Officer)	
B Haddad (Chief Financial Officer)	
M Damane	
F Davids	Elected 28 March 2014
N Fick	
D Groenewald	Not re-elected 28 March 2014
P Heymans	Resigned 12 August 2014
P Kuhn	
M Tabata	
T Titus	
L von Zeuner	Appointed 12 August 2014

## PWC - INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH AFRICAN RUGBY UNION

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We have audited the consolidated financial statements of the South African Rugby Union set out on pages 8 to 41, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### *Executive Councils' Responsibility for the Financial Statements*

The Executive Council is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as the Executive Council determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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T: +27 (21) 529 2000, F: +27 (21) 529 3300, www.pwc.co.za*

Africa Senior Partner: S P Kana  
Management Committee: H Boegman, T P Blandin de Chalain, B M Deegan, J G Louw, S N Madikane, P J Mothibe, T D Shango, S Subramoney, A R Tilakdari, F Tonelli  
Western Cape region – Partner in charge: D J Fölscher  
The Firm's principal place of business is at 2 Eglin Road, Sunninghill where a list of the partners' names is available for inspection.  
VAT reg.no. 4070182128

## SOUTH AFRICAN RUGBY UNION

Voluntary Association of persons

# PWC - INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH AFRICAN RUGBY UNION

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### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the South African Rugby Union as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Other reports*

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2014, we have read the Executive Council's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited consolidated and separate financial statements. This report is the responsibility of the preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited consolidated and separate financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

PricewaterhouseCoopers Inc.

Director: EJ Carelse

Registered Auditor

Cape Town

Date: \_\_\_\_\_

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

		Group		Union	
	Note(s)	2014 R	2013 R	2014 R	2013 R
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	42,169,781	16,198,845	14,138,051	16,181,169
Intangible assets	5	1,541,667	1,641,667	1,541,667	1,641,667
Investment in subsidiary	6	-	-	51	51
Investments in associates	7	1,142,574	-	-	-
Deferred income tax	8	14,242,082	18,831,985	14,143,550	18,733,453
Trade and other receivables	9	20,244,846	18,245,323	20,244,846	18,245,323
		<u>79,340,950</u>	<u>54,917,820</u>	<u>50,068,165</u>	<u>54,801,663</u>
<b>Current Assets</b>					
Inventories	10	3,190,195	433,659	3,190,195	433,659
Trade and other receivables	9	119,661,234	183,830,023	128,549,330	183,394,379
Cash and cash equivalents	11	11,445,815	1,395,716	9,412,563	50,957
		<u>134,297,244</u>	<u>185,659,398</u>	<u>141,152,088</u>	<u>183,878,995</u>
<b>Total Assets</b>		<u>213,638,194</u>	<u>240,577,218</u>	<u>191,220,253</u>	<u>238,680,658</u>
<b>Equity and Liabilities</b>					
<b>Equity Attributable to Equity Holders of Parent</b>					
Retained income		81,709,871	79,790,455	81,772,549	79,727,286
		<u>81,709,871</u>	<u>79,790,455</u>	<u>81,772,549</u>	<u>79,727,286</u>
Non-controlling interest		215,465	211,815	-	-
		<u>81,925,336</u>	<u>80,002,270</u>	<u>81,772,549</u>	<u>79,727,286</u>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Deferred income	12	-	8,666,668	-	8,666,668
<b>Current Liabilities</b>					
Other financial liabilities	13	1,629,182	1,455,955	1,629,182	1,455,955
Current income tax payable		-	31,935	-	-
Trade and other payables	14	117,563,987	108,453,855	95,298,833	107,081,724
Deferred income	12	12,519,689	15,349,673	12,519,689	15,132,163
Bank overdraft	11	-	26,616,862	-	26,616,862
		<u>131,712,858</u>	<u>151,908,280</u>	<u>109,447,704</u>	<u>150,286,704</u>
<b>Total Liabilities</b>		<u>131,712,858</u>	<u>160,574,948</u>	<u>109,447,704</u>	<u>158,953,372</u>
<b>Total Equity and Liabilities</b>		<u>213,638,194</u>	<u>240,577,218</u>	<u>191,220,253</u>	<u>238,680,658</u>

The notes on page 46 to 75 are an integral part of these financial statements.

## SOUTH AFRICAN RUGBY UNION

Voluntary Association of persons

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Notes	Group		Union	
		2014 R	2013 R	2014 R	2013 R
Revenue	15	819,982,769	798,576,552	807,346,412	790,290,000
Other income	16	8,066,414	4,404,202	8,404,080	4,377,770
Operating expenses	17	(824,044,979)	(797,783,396)	(810,632,517)	(789,561,222)
<b>Operating profit / (loss)</b>	17	<b>4,004,204</b>	<b>5,197,358</b>	<b>5,117,975</b>	<b>5,106,548</b>
Investment revenue	18	2,514,701	2,189,142	2,531,476	2,142,773
Income/(expense) from equity accounted investments		1,142,574	(604,865)	-	-
Interest paid	19	(1,014,285)	(1,640,385)	(1,014,285)	(1,640,385)
<b>Profit before taxation</b>		<b>6,647,194</b>	<b>5,141,250</b>	<b>6,635,166</b>	<b>5,608,936</b>
Taxation	20	(4,724,128)	5,995,316	(4,589,903)	6,074,063
<b>Profit for the year</b>		<b>1,923,066</b>	<b>11,136,566</b>	<b>2,045,263</b>	<b>11,682,999</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>1,923,066</b>	<b>11,136,566</b>	<b>2,045,263</b>	<b>11,682,999</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		1,919,416	11,067,206	2,045,263	11,682,999
Non-controlling interest		3,650	69,360	-	-
		<b>1,923,066</b>	<b>11,136,566</b>	<b>2,045,263</b>	<b>11,682,999</b>
<b>Profit attributable to :</b>					
Owners of the parent		1,919,416	11,067,206	2,045,263	11,682,999
Non-controlling interest		3,650	69,360	-	-
		<b>1,923,066</b>	<b>11,136,566</b>	<b>2,045,263</b>	<b>11,682,999</b>

The notes on page 46 to 75 are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

		Retained income	Non- controlling interest	Total equity
		R	R	R
<b>Group</b>				
<b>Balance at 01 January 2013</b>	<b>68,723,249</b>	<b>68,723,249</b>	<b>142,455</b>	<b>68,865,704</b>
Profit for the year	11,067,206	11,067,206	69,360	11,136,566
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>11,067,206</b>	<b>11,067,206</b>	<b>69,360</b>	<b>11,136,566</b>
<b>Balance at 01 January 2014</b>	<b>79,790,455</b>	<b>79,790,455</b>	<b>211,815</b>	<b>80,002,270</b>
Profit for the year	1,919,416	1,919,416	3,650	1,923,066
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,919,416</b>	<b>1,919,416</b>	<b>3,650</b>	<b>1,923,066</b>
<b>Balance at 31 December 2014</b>	<b>81,709,871</b>	<b>81,709,871</b>	<b>215,465</b>	<b>81,925,336</b>
<b>Union</b>				
<b>Balance at 01 January 2013</b>	<b>68,044,287</b>	<b>68,044,287</b>	<b>-</b>	<b>68,044,287</b>
Profit for the year	11,682,999	11,682,999	-	11,682,999
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>11,682,999</b>	<b>11,682,999</b>	<b>-</b>	<b>11,682,999</b>
<b>Balance at 01 January 2014</b>	<b>79,727,286</b>	<b>79,727,286</b>	<b>-</b>	<b>79,727,286</b>
Profit for the year	2,045,263	2,045,263	-	2,045,263
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,045,263</b>	<b>2,045,263</b>	<b>-</b>	<b>2,045,263</b>
<b>Balance at 31 December 2014</b>	<b>81,772,549</b>	<b>81,772,549</b>	<b>-</b>	<b>81,772,549</b>

The notes on page 46 to 75 are an integral part of these financial statements.

## SOUTH AFRICAN RUGBY UNION

Voluntary Association of persons

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	Notes	Group		Union	
		2014 R	2013 R	2014 R	2013 R
<b>Cash flows from operating activities</b>					
Cash generated from/(used in) operations	21	36,985,569	(37,595,727)	36,114,141	(38,917,959)
Interest received		2,514,701	2,189,142	2,531,476	2,142,773
Interest paid		(1,014,285)	(1,640,385)	(1,014,285)	(1,640,385)
Tax (paid) received	22	(166,160)	6,751,997	-	6,825,493
<b>Net cash flows from operating activities</b>		<b>38,319,825</b>	<b>(30,294,973)</b>	<b>37,631,332</b>	<b>(31,590,078)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	4	(1,845,461)	(5,884,808)	(1,845,461)	(5,869,433)
Proceeds from the sale of property, plant and equipment	4	192,597	639,342	192,597	639,342
<b>Net cash flows from investing activities</b>		<b>(1,652,864)</b>	<b>(5,245,466)</b>	<b>(1,652,864)</b>	<b>(5,230,091)</b>
<b>Total cash movement for the year</b>		<b>36,666,961</b>	<b>(35,540,439)</b>	<b>35,978,468</b>	<b>(36,820,169)</b>
Cash at the beginning of the year		(25,221,146)	10,319,293	(26,565,905)	10,254,264
<b>Total cash at end of the year</b>	11	<b>11,445,815</b>	<b>(25,221,146)</b>	<b>9,412,563</b>	<b>(26,565,905)</b>

The notes on page 46 to 75 are an integral part of these financial statements.

## ACCOUNTING POLICIES

*for the year ended 31 December 2014*

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### 1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Consolidation

##### Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Union and all entities, including special purpose entities, which are controlled by the Union.

Control exists when the Union has the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

##### Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date control ceases.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### Investment in associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

## **ACCOUNTING POLICIES** *(continued)*

*for the year ended 31 December 2014*

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### **1.1 Consolidation (continued)**

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

### **Joint arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

### **Joint operations**

The company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

### **1.2 Significant judgements and sources of estimation uncertainty**

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgements include:

## 1.2 Significant judgements and sources of estimation uncertainty (continued)

### Income taxes

The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income statement and deferred tax provisions in the period in which such determination is made.

### Trade receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from financial assets.

### Estimates of residual values and useful lives of property, plant and equipment

The group reassesses annually the residual values and remaining useful lives of significant assets. The residual values of these assets have been estimated as the amount that the group would currently obtain from the disposal of each significant asset, in its location, if the asset were already of the age and in the condition expected at the end of its useful life. The useful life is estimated as the period over which an asset is expected to be available for use by the group.

## 1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the group; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Property, plant and equipment is depreciated on the straight line basis over its expected useful lives to the estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Motor vehicles	3 - 5 years
Office furniture and equipment	3 - 8 years
Computer software and equipment	3 years
Leasehold improvements	10 years (period of the lease)

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

## **ACCOUNTING POLICIES** *(continued)*

*for the year ended 31 December 2014*

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### **1.3 Property, plant and equipment (continued)**

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### **1.4 Intangible assets**

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

<b>Item</b>	<b>Useful life</b>
Trademarks	20 years

### **1.5 Investment in subsidiary**

In the Union's separate consolidated financial statements, investment in subsidiary are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Union; plus
- any costs directly attributable to the purchase of the subsidiary.

### **1.6 Investments in associates**

An investment in an associate is carried at cost less any accumulated impairment.

### **1.7 Financial instruments**

#### **Classification**

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
  - Financial liabilities at fair value through profit or loss - designated
  - Financial liabilities measured at amortised cost
-

## 1.7 Financial instruments (continued)

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category.

### Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

### Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

# ACCOUNTING POLICIES *(continued)*

*for the year ended 31 December 2014*

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## 1.7 Financial instruments (continued)

### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

## 1.8 Income tax

### Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred income tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

## 1.8 Income tax (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

## 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

## 1.10 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in, first-out (FIFO) basis.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of inventories comprises of all costs of purchase (excluding any borrowing costs), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 1.11 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

## **ACCOUNTING POLICIES** *(continued)*

*for the year ended 31 December 2014*

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### **1.11 Impairment of non-financial assets (continued)**

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### **1.12 Employee benefits**

#### **Pension Obligations**

The group's employees are members of The Rugby Pension Fund. The fund is generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The fund has a contribution plan and a defined benefit plan.

A defined contribution plan is a pension plan under which the employer and employee pays fixed contributions into the fund. The Group has no legal or constructive obligations to pay further contributions to the fund.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses once they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

A defined benefit plan is a pension plan under which the employer and employees pays fixed contributions into the fund. Defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and level of remuneration prior to retirement.

### 1.12 Employee benefits (continued)

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximate to the terms of the related pension liability.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

#### Other post-employment obligations

The group provides post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

### 1.13 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

## **ACCOUNTING POLICIES** *(continued)*

*for the year ended 31 December 2014*

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### **1.13 Provisions and contingencies (continued)**

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Contingent assets and contingent liabilities are not recognised.

### **1.14 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

#### **Sale of goods**

Revenue from the sale of goods is recognised when the group has transferred to the buyer the significant risks and rewards of ownership of the goods, the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Sponsorship income**

Long term sponsorship income is recognised on the basis of either apportionment over time, or apportionment over the number of matches completed if the sponsorship income relates to a specific tournament. Deferred revenue is recognised when the consideration received, is in respect of future periods.

Product sponsorships are also accounted for. Where the product has an economic benefit of some duration, the carrying value is capitalised and amortised over the useful life of the asset. Where the benefit relates only to the current period, the product is expensed (i.e. the net effect on the accounting records is nil).

#### **Sales of broadcasting rights**

Proceeds from the sale of broadcasting rights are accounted for on a due and payable basis. Deferred revenue is recognised in respect of broadcasting rights, when the consideration received is in respect of competitions that are to be broadcasted in future financial periods.

**1.14 Revenue (continued)**

## Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

## Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

**1.15 Borrowing costs**

All borrowing costs are recognised as an expense in the period in which they are incurred.

**1.16 Translation of foreign currencies****Functional and presentation currency**

Items included in the consolidated financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated consolidated financial statements are presented in Rand which is the group functional and presentation currency.

**Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*for the year ended 31 December 2014*

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>
• Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	01 January 2014
• Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	01 January 2014
• IFRIC 21 Levies	01 January 2014
• Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	01 January 2014
• Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	01 January 2014

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 January 2015 or later periods but are not relevant to its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>
• IFRS 9 Financial Instruments	01 January 2018
• Amendments to IAS 19: Defined Benefit Plans: Employee Contributions.	01 July 2014
• Amendment to IFRS 2: Share-based Payment: Annual improvements project	01 July 2014
• Amendment to IFRS 3: Business Combinations: Annual improvements project	01 July 2014
• Amendment to IFRS 8: Operating Segments: Annual improvements project	01 July 2014
• Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project	01 July 2014
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	01 July 2014
• Amendment to IAS 38: Intangible Assets: Annual improvements project	01 July 2014
• Amendment to IFRS 3: Business Combinations: Annual improvements project	01 July 2014
• Amendment to IFRS 13: Fair Value Measurement: Annual improvements project	01 July 2014
• Amendment to IAS 40: Investment Property: Annual improvements project	01 July 2014
• IFRS 14 Regulatory Deferral Accounts	01 January 2016
• Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01 January 2016
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016
• IFRS 15 Revenue from Contracts with Customers	01 January 2017

**2. New Standards and Interpretations (continued)**

The aggregate impact of the initial application of the statements and interpretations on the group's consolidated financial statements is expected to be immaterial.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

### 3. Risk management

#### Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

#### Liquidity and interest rate risk

The group has a number of short term deposits with banks and also number of loans granted to the Unions which result in risk from interest rate changes. The interest rates charged on these assets are linked to the prime overdraft lending rate. A 2% increase/decrease in the prime interest rate would result in a R 537,326 (2013: R 149,114) change in the interest.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Group

At 31 December 2014	Less than 1 year
Trade and other payables	117,563,987
At 31 December 2013	Less than 1 year
Trade and other payables	108,453,855
Bank overdraft	26,616,862

#### Union

At 31 December 2014	Less than 1 year
Trade and other payables	95,298,833
At 31 December 2013	Less than 1 year
Trade and other payables	107,081,724
Bank overdraft	26,616,862

#### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposures to sponsors, including outstanding receivables and committed transactions.

Financial assets exposed to credit risk at year end were as follows:

	Group - 2014 R	Group - 2013 R	Union - 2014 R	Union - 2013 R
Financial instrument				
Trade and other receivables	139,906,080	202,075,346	148,794,176	201,639,702
Cash and cash equivalents	11,232,264	1,395,716	9,199,012	50,957

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### **3. Risk management (continued)**

#### **Foreign exchange risk**

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

At 31 December 2014, if the currency had weakened/strengthened by 11% against the British Pound with all other variables held constant, post-tax (loss)/profit for the year would have been R nil (2013: R 129,640) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pound denominated trade receivables.

At 31 December 2014, if the currency had weakened/strengthened by 11% against the US Dollar with all other variables held constant, post-tax (loss)/profit for the year would have been R nil (2013: R 32,096) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables.

#### **Fair value estimation**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for IFRS 7 disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
*for the year ended 31 December 2014*
**4. Property, plant and equipment**

Group	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office furniture and equipment	4,188,548	(1,551,337)	2,637,211	5,044,384	(1,546,747)	3,497,637
Motor vehicles	928,947	(371,758)	557,189	928,947	(75,635)	853,312
Computer software and equipment	9,413,033	(4,495,647)	4,917,386	10,392,714	(5,111,665)	5,281,049
Leasehold improvements	40,158,898	(6,100,903)	34,057,995	7,326,802	(759,955)	6,566,847
<b>Total</b>	<b>54,689,426</b>	<b>(12,519,645)</b>	<b>42,169,781</b>	<b>23,692,847</b>	<b>(7,494,002)</b>	<b>16,198,845</b>

Union	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office furniture and equipment	4,148,380	(1,515,657)	2,632,723	4,935,592	(1,512,018)	3,423,574
Motor vehicles	928,947	(371,758)	557,189	928,947	(75,635)	853,312
Computer software and equipment	9,403,100	(4,495,647)	4,907,453	10,357,665	(5,020,229)	5,337,436
Leasehold improvements	7,542,301	(1,501,615)	6,040,686	7,326,802	(759,955)	6,566,847
<b>Total</b>	<b>22,022,728</b>	<b>(7,884,677)</b>	<b>14,138,051</b>	<b>23,549,006</b>	<b>(7,367,837)</b>	<b>16,181,169</b>

**Reconciliation of property, plant and equipment - Group - 2014**

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	3,497,637	298,643	(469,276)	(689,793)	2,637,211
Motor vehicles	853,312	-	(110,334)	(185,789)	557,189
Computer software and equipment	5,281,049	1,336,441	(11,339)	(1,688,765)	4,917,386
Leasehold improvements	6,566,847	32,832,095	-	(5,340,947)	34,057,995
	<b>16,198,845</b>	<b>34,467,179</b>	<b>(590,949)</b>	<b>(7,905,294)</b>	<b>42,169,781</b>

**Reconciliation of property, plant and equipment - Group - 2013**

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	4,797,155	94,210	(591,521)	(802,207)	3,497,637
Motor vehicles	244,701	662,000	-	(53,389)	853,312
Computer software and equipment	1,614,366	4,783,434	-	(1,116,751)	5,281,049
Leasehold improvements	6,923,457	345,164	-	(701,774)	6,566,847
	<b>13,579,679</b>	<b>5,884,808</b>	<b>(591,521)</b>	<b>(2,674,121)</b>	<b>16,198,845</b>

**4. Property, plant and equipment (continued)**
**Reconciliation of property, plant and equipment - Union - 2014**

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	3,423,574	367,266	(469,276)	(688,841)	2,632,723
Motor vehicles	853,312	-	(110,334)	(185,789)	557,189
Computer software and equipment	5,337,436	1,262,697	(11,339)	(1,681,341)	4,907,453
Leasehold improvements	6,566,847	215,498	-	(741,659)	6,040,686
	<b>16,181,169</b>	<b>1,845,461</b>	<b>(590,949)</b>	<b>(3,297,630)</b>	<b>14,138,051</b>

**Reconciliation of property, plant and equipment - Union - 2013**

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	4,795,648	20,467	(591,521)	(801,020)	3,423,574
Motor vehicles	244,701	662,000	-	(53,389)	853,312
Computer software and equipment	1,608,805	4,841,802	-	(1,113,171)	5,337,436
Leasehold improvements	6,923,457	345,164	-	(701,774)	6,566,847
	<b>13,572,611</b>	<b>5,869,433</b>	<b>(591,521)</b>	<b>(2,669,354)</b>	<b>16,181,169</b>

**5. Intangible assets**

Group	2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademark	2,000,000	(458,333)	1,541,667	2,000,000	(358,333)	1,641,667

Union	2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademark	2,000,000	(458,333)	1,541,667	2,000,000	(358,333)	1,641,667

**Reconciliation of intangible assets - Group - 2014**

	Opening balance	Amortisation	Total
Trademark	1,641,667	(100,000)	1,541,667

**Reconciliation of intangible assets - Group - 2013**

	Opening balance	Amortisation	Total
Trademark	1,741,667	(100,000)	1,641,667

**Reconciliation of intangible assets - Union - 2014**

	Opening balance	Amortisation	Total
Trademark	1,641,667	(100,000)	1,541,667

**Reconciliation of intangible assets - Union - 2013**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

### 5. Intangible assets (continued)

	Opening balance	Amortisation	Total
Trademark	1,741,667	(100,000)	1,641,667

### 6. Investment in subsidiary

Name of company	Carrying amount 2014	Carrying amount 2013
Springbok Supporters Club Proprietary Limited	51	51

The carrying amount of the subsidiary is shown net of impairment losses, where necessary.

### 7. Investments in associates

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
SANZAR Proprietary Limited	-	-	-	-
SANZAR Europe S.a.r.l	1,142,574	-	-	-
	<u>1,142,574</u>	<u>-</u>	<u>-</u>	<u>-</u>

The carrying amounts of associates are shown net of impairment losses, where necessary.

The results and year-end position of IRB HSBC World Sevens Series: SA Event are proportionally accounted for in the stand alone figures of South African Rugby Union.

The results and year-end position of The South African Rugby Heritage Trust are proportionally consolidated into the group figures of South African Rugby Union.

The gross results, of the Union's unlisted principal associates and of their assets and liabilities, which are based on the unaudited management accounts as at 31 December 2014, are as follows:

	Assets	Liabilities	Revenue	Loss / (profit)	Accumulated loss / (profit)
SANZAR Proprietary Limited (33.3%)	15,440,162	(11,439,025)	37,310,015	(272,746)	(272,746)
SANZAR Europe S.a.r.l (33.3%)	112,489,276	(83,033,649)	75,617,058	(4,971,399)	(3,427,722)
SA Rugby Travel	55,823,149	(58,155,886)	13,875,222	2,332,736	2,332,736
	<u>183,752,587</u>	<u>(152,628,560)</u>	<u>126,802,295</u>	<u>(2,911,409)</u>	<u>(1,367,732)</u>

Since acquisition of the investment in associates, the cumulative losses at acquisition have not been recognised.

During 2014 the shares in Eastern Province Rugby Proprietary Limited were sold to Eastern Province Rugby Union, at nominal value.

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>8. Deferred income tax</b>				
<b>Deferred tax asset</b>				
Accounts receivable	21,000	21,000	21,000	21,000
Provisions	133,312	133,312	95,964	95,964
Deferred revenue	12,264,547	12,264,547	12,203,364	12,203,364
Fixed assets	(15,248)	(15,248)	(15,248)	(15,248)
Assessed loss	1,838,471	6,428,374	1,838,470	6,428,373
	<b>14,242,082</b>	<b>18,831,985</b>	<b>14,143,550</b>	<b>18,733,453</b>
<b>Reconciliation of deferred tax asset</b>				
At beginning of the year	18,831,985	13,412,877	18,733,453	13,374,374
Income statement charge	(4,589,903)	5,419,108	(4,589,903)	5,359,079
	<b>14,242,082</b>	<b>18,831,985</b>	<b>14,143,550</b>	<b>18,733,453</b>
<b>9. Trade and other receivables</b>				
Trade receivables	20,752,917	89,304,100	20,752,917	88,867,456
Impairment on trade receivables	(90,406)	(100,000)	(90,406)	(100,000)
	<b>20,662,511</b>	<b>89,204,100</b>	<b>20,662,511</b>	<b>88,767,456</b>
Amounts receivable from provincial Unions	8,818	5,849,340	8,818	5,849,340
Loans to provincial Unions	29,802,387	35,626,247	29,802,388	35,627,247
Prepayments	49,515,955	9,274,687	19,724,691	9,274,687
Loan to The South African Rugby Heritage Trust	-	36,901,751	30,348,847	36,901,751
Loan to SA Rugby Travel	1,424,886	-	9,808,028	-
Accrued income	27,004,763	16,290,669	27,004,763	16,290,669
Other receivables	11,486,760	8,928,552	11,434,130	8,928,552
	<b>139,906,080</b>	<b>202,075,346</b>	<b>148,794,176</b>	<b>201,639,702</b>
Total trade and other receivables	139,906,080	202,075,346	148,794,176	201,639,702
Less: non current portion of loans to provincial Unions	(20,244,846)	(18,245,323)	(20,244,846)	(18,245,323)
	<b>119,661,234</b>	<b>183,830,023</b>	<b>128,549,330</b>	<b>183,394,379</b>

The bank overdraft is secured by the General Cession by the borrower in respect of receivables, refer to note 11.

All non-current receivables relate to loan receivables from Unions which are due within two to five years. These loan receivables are unsecured, due within maximum 60 months and interest is charged based on the prime interest rate less 2%. Regarding all other loans, there are no repayment terms and no interest is charged.

Prepayments includes broadcasting rights allocation payments to provincial unions totalling R 5,774,342 (2013: R1,800,000) which will become due in 2015.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
*for the year ended 31 December 2014*

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>9. Trade and other receivables (continued)</b>				
Included in trade and other receivables is a loan to The South African Rugby Heritage Trust. The loan is broken down as follows:				
<b>The South African Rugby Heritage Trust</b>				
Fixed assets	-	32,408,272	28,017,309	32,408,272
Merchandise	-	1,657,085	-	1,657,085
Working capital	-	2,836,394	2,331,539	2,836,394
	<u>-</u>	<u>36,901,751</u>	<u>30,348,848</u>	<u>36,901,751</u>

The loan to The South African Rugby Heritage Trust is shown net of impairment. The impairment write off during 2014 was R 10,106,774, and it relates specifically to the operating costs of the Trust.

**Trade and other receivables not impaired**

The ageing of amounts not impaired is as follows:

Up to 3 months	19,564,652	82,476,031	19,564,652	82,039,387
More than 3 months	1,097,859	6,728,069	1,097,859	6,728,069
	<u>20,662,511</u>	<u>89,204,100</u>	<u>20,662,511</u>	<u>88,767,456</u>

**Currencies**

The carrying amount of trade and other receivables are denominated in the following currencies:

South African Rand	21,120,455	97,732,323	21,120,455	97,732,323
US Dollar	-	291,780	-	291,780
British Pound	-	1,178,549	-	1,178,549
	<u>21,120,455</u>	<u>99,202,652</u>	<u>21,120,455</u>	<u>99,202,652</u>

**Reconciliation of provision for impairment of trade and other receivables**

Opening balance	100,000	100,000	100,000	100,000
Provision for impairment	90,726	-	90,726	-
Amounts written off	(100,320)	-	(100,320)	-
	<u>90,406</u>	<u>100,000</u>	<u>90,406</u>	<u>100,000</u>

Amounts charged to the provision account are generally written off when there is no expectation recovery.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Union does not hold any collateral as security.

**10. Inventories**

Apparel	<u>3,190,195</u>	<u>433,659</u>	<u>3,190,195</u>	<u>433,659</u>
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	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>11. Cash and cash equivalents</b>				
For the purpose of the statement of cash flows, cash, cash equivalents and bank overdrafts include total cash assets less bank overdrafts:				
Cash	213,551	50,957	213,551	50,957
Bank and short term bank deposits	11,232,264	1,344,759	9,199,012	-
Net bank overdraft	-	(26,616,862)	-	(26,616,862)
	<b>11,445,815</b>	<b>(25,221,146)</b>	<b>9,412,563</b>	<b>(26,565,905)</b>
Current assets	11,445,815	1,395,716	9,412,563	50,957
Current liabilities	-	(26,616,862)	-	(26,616,862)
	<b>11,445,815</b>	<b>(25,221,146)</b>	<b>9,412,563</b>	<b>(26,565,905)</b>
The bank overdraft is secured by the General Cession by the borrower in respect of receivables.				
<b>Credit quality of cash at bank and short term deposits, excluding cash on hand</b>				
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates:				
<b>Credit rating</b>				
ABSA (A-)	11,232,264	1,344,759	9,199,012	-
<b>12. Deferred income</b>				
Deferred income comprise of the following:				
Sponsorships	2,910,645	2,761,159	2,910,645	2,761,159
Broadcasting rights	6,088,201	17,411,413	6,088,201	17,411,413
Grants	3,520,843	3,843,769	3,520,843	3,626,259
	<b>12,519,689</b>	<b>24,016,341</b>	<b>12,519,689</b>	<b>23,798,831</b>
Non-current liabilities	-	8,666,668	-	8,666,668
Current liabilities	12,519,689	15,349,673	12,519,689	15,132,163
	<b>12,519,689</b>	<b>24,016,341</b>	<b>12,519,689</b>	<b>23,798,831</b>
<b>13. Other financial liabilities</b>				
<b>At fair value through profit or loss - designated</b>				
Foreign exchange contract	1,629,182	1,455,955	1,629,182	1,455,955
<b>Current liabilities</b>				
Fair value through profit or loss	1,629,182	1,455,955	1,629,182	1,455,955

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>13. Other financial liabilities (continued)</b>				
<b>Other financial liabilities at fair value through profit or loss</b>				
Financial liabilities at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.				
The following classes of financial liabilities at fair value through profit or loss are measured to fair value using quoted market prices:				
• FEC's				
The amount of change during the period, and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk determined either:				
• As the amount of change in its fair value that is not attributable to changes in market condition that give rise to market risk; or				
• Using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the liability.				
The differences between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.				
<b>Fair value hierarchy of financial liabilities at fair value through profit or loss</b>				
For financial liabilities recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.				
Level 1 represents those assets which are measured using unadjusted quoted prices for identical liabilities.				
Level 2 applies inputs other than quoted prices that are observable for the liabilities either directly (as prices) or indirectly (derived from prices).				
Level 3 applies inputs which are not based on observable market data.				
<b>Level 1</b>				
FEC's	1,629,182	1,455,955	1,629,182	1,455,955
<b>Transfers into level 1</b>				
FEC's	-	1,455,955	-	1,455,955
<b>14. Trade and other payables</b>				
Trade payables	27,383,262	27,686,023	27,113,147	27,679,046
VAT	1,897,407	9,339,474	2,117,001	9,650,128
Amounts payable to provincial Unions	-	14,015,304	-	14,015,304
Amounts payable to related parties	18,690	1,406,519	-	-
IRB HSBC WSS: SA Event - JV loan account	14,797,120	11,299,970	14,797,120	11,299,970
Income received in advance	20,694,801	-	-	-
Accrued expenses	48,793,096	38,517,562	47,291,956	38,208,518
Other payables	3,979,611	6,189,003	3,979,609	6,228,758
	<b>117,563,987</b>	<b>108,453,855</b>	<b>95,298,833</b>	<b>107,081,724</b>

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>15. Revenue</b>				
Broadcasting rights	317,032,545	340,864,209	317,032,545	340,864,209
Sponsorships	359,781,591	339,243,194	359,781,992	339,204,999
Grants from IRB Trust	28,357,377	22,711,766	28,357,376	22,711,766
Home Tests	47,192,924	52,230,000	47,192,924	52,230,000
Away Tests	15,455,880	-	15,455,880	-
Merchandising royalties	12,997,606	15,499,862	9,752,309	11,713,546
Government grants	4,405,756	2,049,757	8,130,756	2,049,757
Lottery grants	18,945,130	20,215,223	18,945,130	20,215,223
Springbok Supporters Club	5,582,703	5,762,541	1,147,500	1,300,500
South African Rugby Heritage Trust	2,242,021	-	-	-
Stratus software	1,550,000	-	1,550,000	-
SA Rugby Travel	6,439,236	-	-	-
	<b>819,982,769</b>	<b>798,576,552</b>	<b>807,346,412</b>	<b>790,290,000</b>
<b>16. Other income</b>				
Share of profits - IRB HSBC WSS: SA Event	6,640,522	4,000,000	6,640,522	4,000,000
Other income	1,425,892	356,381	1,763,558	329,949
Profit on sale of equipment	-	47,821	-	47,821
	<b>8,066,414</b>	<b>4,404,202</b>	<b>8,404,080</b>	<b>4,377,770</b>
<b>17. Operating profit / (loss)</b>				
Operating profit / (loss) for the year is stated after accounting for the following:				
Auditors remuneration	1,196,078	1,113,000	1,196,078	1,113,000
Auditors remuneration - other services	297,061	538,271	297,061	538,271
Legal fees	2,560,387	1,852,275	2,320,060	1,852,275
Internal audit fees	586,435	1,052,324	586,435	1,052,324
Consulting fees	1,627,315	1,177,312	1,627,315	1,176,132
	<b>6,267,276</b>	<b>5,733,182</b>	<b>6,026,949</b>	<b>5,732,002</b>
<b>Operating lease charges</b>				
Premises				
• Contractual amounts	5,332,890	5,790,026	5,332,890	5,790,026
Equipment				
• Contractual amounts	472,714	1,015,182	472,714	1,015,182
	<b>5,805,604</b>	<b>6,805,208</b>	<b>5,805,604</b>	<b>6,805,208</b>
Profit on sale of equipment	398,352	(47,821)	398,352	(47,821)
Depreciation and amortisation	8,005,294	2,774,121	3,397,630	2,769,354
Loss on foreign exchange	861,480	1,347,598	861,480	1,347,598
Staff costs	74,521,559	68,779,939	71,784,060	67,165,259

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
*for the year ended 31 December 2014*

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>17. Operating profit / (loss) (continued)</b>				
<b>Staff costs consist of:</b>				
Salaries etc.	64,355,004	60,121,180	61,617,505	58,506,500
Contributions	8,732,764	8,377,790	8,732,764	8,377,790
Leave pay	1,433,791	280,969	1,433,791	280,969
	<u>74,521,559</u>	<u>68,779,939</u>	<u>71,784,060</u>	<u>67,165,259</u>
<b>Operating expenses</b>				
Broadcasting rights and other allocations to provinces	160,485,465	170,212,582	160,485,465	170,212,582
Commercial and marketing	242,394,606	233,451,050	240,296,810	227,886,371
Corporate affairs	12,093,329	13,042,248	12,093,325	13,042,248
Development	87,292,805	94,691,639	87,292,805	92,122,019
Governance	12,482,651	10,714,202	12,482,646	10,714,202
High performance	203,357,402	194,084,503	203,357,403	194,012,502
Human resources	7,075,133	6,330,441	7,075,133	6,279,574
Office of the CEO	10,308,050	9,089,586	10,308,051	9,089,586
Operations and finance	57,349,679	32,010,954	46,035,022	32,006,192
Referees	31,205,859	34,156,191	31,205,857	34,195,946
	<u>824,044,979</u>	<u>797,783,396</u>	<u>810,632,517</u>	<u>789,561,222</u>
<b>18. Investment revenue</b>				
<b>Finance income</b>				
Bank	540,552	862,268	557,327	862,268
Loans to provincial Unions	1,974,149	1,326,874	1,974,149	1,280,505
	<u>2,514,701</u>	<u>2,189,142</u>	<u>2,531,476</u>	<u>2,142,773</u>
<b>19. Interest paid</b>				
Bank	1,014,285	1,640,385	1,014,285	1,640,385
<b>20. Income tax expense</b>				
<b>Major components of the income tax expense (income)</b>				
<b>Current</b>				
Local income tax - current period	134,225	86,618	-	-
Local income tax - recognised in current tax for prior periods	-	(662,826)	-	(714,984)
	<u>134,225</u>	<u>(576,208)</u>	<u>-</u>	<u>(714,984)</u>
<b>Deferred</b>				
Originating and reversing temporary differences	-	3,526,278	-	3,551,208
Arising from prior period adjustments	4,589,903	(8,945,386)	4,589,903	(8,910,287)
	<u>4,589,903</u>	<u>(5,419,108)</u>	<u>4,589,903</u>	<u>(5,359,079)</u>
	<u>4,724,128</u>	<u>(5,995,316)</u>	<u>4,589,903</u>	<u>(6,074,063)</u>

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>20. Income tax expense (continued)</b>				
<b>Reconciliation of the income tax expense</b>				
Reconciliation between accounting profit and income tax expense.				
Accounting profit	6,647,194	5,141,250	6,635,166	5,608,936
Tax at the applicable tax rate of 28% (2013: 28%)	1,861,214	1,439,550	1,857,846	1,570,502
<b>Tax effect of adjustments on taxable income</b>				
Non-taxable income	(563,129)	-	(693,986)	-
Non-deductible expenses	202,321	1,957,441	202,321	1,957,441
Prior year under/(over) provision for current tax	-	(662,826)	-	(714,984)
Prior year under/(over) provision for deferred tax	4,589,903	(8,945,386)	4,589,903	(8,910,289)
Deferred tax asset not recognised	(1,366,181)	46,543	(1,366,181)	23,267
Tax on income from equity accounted investments	-	169,362	-	-
	<b>4,724,128</b>	<b>(5,995,316)</b>	<b>4,589,903</b>	<b>(6,074,063)</b>
<b>21. Cash generated from (used in) operations</b>				
Profit before taxation	6,647,194	5,141,250	6,635,166	5,608,936
<b>Adjustments for:</b>				
Depreciation and amortisation	8,005,294	2,774,121	3,397,630	2,769,354
Loss/(profit) on sale of assets	398,352	(47,821)	398,352	(47,821)
Income from equity accounted investments	(1,142,574)	604,865	-	-
Investment revenue	(2,514,701)	(2,189,142)	(2,531,476)	(2,142,773)
Interest paid	1,014,285	1,640,385	1,014,285	1,640,385
Foreign exchange adjustment on FEC's	173,227	1,455,955	173,227	1,455,955
<b>Changes in working capital:</b>				
Inventories	(2,756,536)	2,673,003	(2,756,536)	2,669,046
Trade and other receivables	29,547,548	(62,746,274)	52,845,526	(62,670,662)
Trade and other payables	9,110,132	37,483,153	(11,782,891)	36,402,353
Deferred income	(11,496,652)	(24,385,222)	(11,279,142)	(24,602,732)
	<b>36,985,569</b>	<b>(37,595,727)</b>	<b>36,114,141</b>	<b>(38,917,959)</b>
<b>22. Tax received (paid)</b>				
Balance at beginning of the year	(31,935)	6,143,854	-	6,110,509
Current tax for the year recognised in profit or loss	(134,225)	576,208	-	714,984
Balance at end of the year	-	31,935	-	-
	<b>(166,160)</b>	<b>6,751,997</b>	<b>-</b>	<b>6,825,493</b>

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*for the year ended 31 December 2014*

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>23. Commitments</b>				
<b>Operating leases – as lessee (expense)</b>				
<b>Minimum lease payments due</b>				
- within one year	6,428,284	4,967,135	6,428,284	4,967,135
- in second to fifth year inclusive	31,140,024	20,274,511	31,140,024	20,274,511
- later than five years	22,099,450	21,451,263	22,099,450	21,451,263
	<b>59,667,758</b>	<b>46,692,909</b>	<b>59,667,758</b>	<b>46,692,909</b>

**24. Retirement benefits**

The Union continues to contribute to The Rugby Pension Fund which operates defined benefit and defined contribution pension schemes covering all eligible employees of the Union. The assets in the schemes are held in administered trust funds. The schemes' assets primarily comprise listed shares, property trust units and fixed income securities. South African pension funds are governed by the Pension Funds Act 1956.

The last actuarial valuation of the defined benefit fund was performed on 31 December 2014, using the projected unit method.

**Principal actuarial assumptions at the reporting date:**

Discount rate	9.50%	10.30%
Inflation rate	7.20%	7.40%
Salary increase rate	8.20%	8.40%
Expenses return on scheme's assets	9.50%	10.30%
Pension increase allowance	5.76%	5.92%

Mortality pre-retirement: SA85-90 (Light) table.

Mortality: post-retirement: PA(90) ultimate table rated down 2 years plus 1% improvement p.a.

The expected return has been set equal to the discount rate as required under the revised IAS19 (AC116).

**The movement in the defined benefit obligation over the year is as follows:**

Beginning of the year	545,000	637,000	545,000	637,000
Current service cost	24,000	32,000	24,000	32,000
Member contributions	10,000	10,000	10,000	10,000
Interest cost	59,000	61,000	59,000	61,000
Expenses	(2,000)	(2,000)	(2,000)	(2,000)
Risk premiums	(3,000)	(4,000)	(3,000)	(4,000)
Actuarial (gain) / loss	65,000	(189,000)	65,000	(189,000)
<b>At the end of the year</b>	<b>698,000</b>	<b>545,000</b>	<b>698,000</b>	<b>545,000</b>

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>24. Retirement benefits (continued)</b>				
<b>The movement in the fair value of the scheme's assets over the year is as follows:</b>				
Beginning of the year	770,000	754,000	770,000	754,000
Expected return on the scheme's assets	81,000	71,000	81,000	71,000
Actuarial gain / (loss)	18,000	(79,000)	18,000	(79,000)
Expenses	(2,000)	(2,000)	(2,000)	(2,000)
Member contributions	10,000	10,000	10,000	10,000
Employer contributions	20,000	20,000	20,000	20,000
Risk premiums	(3,000)	(4,000)	(3,000)	(4,000)
<b>At the end of the year</b>	<b>894,000</b>	<b>770,000</b>	<b>894,000</b>	<b>770,000</b>
<b>Estimated contributions for 2015 is as follows:</b>				
Member contributions	10,000	11,000	10,000	11,000
Employer contributions	20,000	21,000	20,000	21,000
Risk premiums	(2,000)	(4,000)	(2,000)	(4,000)
Expenses	(2,000)	(2,000)	(2,000)	(2,000)
	<b>26,000</b>	<b>26,000</b>	<b>26,000</b>	<b>26,000</b>
<b>The assets of The Rugby Pension Fund were invested as follows:</b>				
Cash	13.51%	13.68%	13.51%	13.68%
Equity	41.37%	34.81%	41.37%	34.81%
Bonds	13.97%	21.69%	13.97%	21.69%
Property	6.99%	5.58%	6.99%	5.58%
International	24.16%	23.3%	24.16%	23.3%
Other		0.94%		0.94%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>The amounts recognised in the statement of comprehensive income are as follows:</b>				
Current service cost	24,000	32,000	24,000	32,000
Net interest on net defined benefit	(3,000)	(10,000)	(3,000)	(10,000)
	<b>21,000</b>	<b>22,000</b>	<b>21,000</b>	<b>22,000</b>

A surplus cannot, in terms of the surplus apportionment exercise which was performed, be apportioned to the Employer Surplus account. The employer is not entitled to receive an economic benefit in the form of refunds from the fund or reductions in future contributions to the fund in terms of paragraph 59 of IAS 19 "Employee benefits".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
*for the year ended 31 December 2014*

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>24. Retirement benefits (continued)</b>				
<b>Funded status</b>				
Defined benefit obligation	(698,000)	(545,000)	(698,000)	(545,000)
Assets at fair value	858,000	770,000	858,000	770,000
Unrecognised net (gain) / loss	-	(188,000)	-	(188,000)
<b>Asset/(liability) recognised on the statement of financial position</b>	<b>160,000</b>	<b>37,000</b>	<b>160,000</b>	<b>37,000</b>
<b>25. Related parties</b>				
Relationships				
Subsidiaries		Refer to note 6		
Associates		Refer to note 7		
Executive Council		Refer to Executive Council's Report		
<b>Related party balances</b>				
<b>Amounts receivable from provincial Unions</b>				
Included in trade and other receivables	8,818	5,849,340	8,818	5,849,340
<b>Amounts payable to provincial Unions</b>				
Included in trade and other payables	-	14,015,304	-	14,015,304
<b>Amount recoverable from SA Rugby Travel</b>				
Included in trade and other receivables	1,424,886	-	9,808,028	-
<b>Loans receivable from provincial Unions</b>				
Included in trade and other receivables	29,802,387	35,626,247	29,802,388	35,627,247
<b>Loan receivable from The South African Rugby Heritage Trust</b>				
Included in trade and other receivables	-	36,901,751	30,348,847	36,901,751
<b>Loan payable to Treble Entertainment (Pty) Ltd</b>				
Included in trade and other payables	18,690	1,406,519	-	-

	Group		Union	
	2014 R	2013 R	2014 R	2013 R
<b>25. Related parties (continued)</b>				
<b>Related party transactions</b>				
<b>Transactions with The South African Rugby Heritage Trust</b>				
Payroll costs recharged	-	-	1,060,578	-
Rental costs recharged	-	-	1,629,985	-
Other costs recharged	-	-	2,363,308	-
	<u>-</u>	<u>-</u>	<u>5,053,871</u>	<u>-</u>
<b>Transactions with associates</b>				
Distribution of profits/(losses)	1,142,574	(604,865)	-	-
	<u>1,142,574</u>	<u>(604,865)</u>	<u>-</u>	<u>-</u>
<b>Distribution to Unions</b>				
Distribution of broadcasting rights to provinces	145,608,465	160,212,582	145,608,465	160,212,582
Distribution of home test profits	14,877,000	10,000,000	14,877,000	10,000,000
	<u>160,485,465</u>	<u>170,212,582</u>	<u>160,485,465</u>	<u>170,212,582</u>
<b>Receipts from Unions</b>				
Home Test hosting fees	42,700,000	39,300,000	42,700,000	39,300,000
Stratus revenue	700,000	-	700,000	-
	<u>43,400,000</u>	<u>39,300,000</u>	<u>43,400,000</u>	<u>39,300,000</u>
<b>26. Executive Council Members Remuneration</b>				
<b>Non executive</b>				
Fees	4,649,888	4,320,956	4,649,888	4,320,956
Allowances	200,500	178,500	200,500	178,500
	<u>4,850,388</u>	<u>4,499,456</u>	<u>4,850,388</u>	<u>4,499,456</u>
<b>Executive</b>				
Salaries	4,254,953	3,961,408	4,254,953	3,961,408
Bonuses	2,070,211	1,923,295	2,070,211	1,923,295
Medical aid contributions	84,864	77,904	84,864	77,904
Pension fund contributions	631,062	587,722	631,062	587,722
	<u>7,041,090</u>	<u>6,550,329</u>	<u>7,041,090</u>	<u>6,550,329</u>
<b>27. Going concern</b>				

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*for the year ended 31 December 2014*

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### **28. Events after the reporting period**

The Executive Council is not aware of any matter or circumstance arising since the end of the financial year that will have a significant influence on the financial statements.







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# RUGBY DEPARTMENT



In a year where it is easy to look too far ahead to rugby's biggest event, the 2015 Rugby World Cup, the newly-formed Rugby Department, which arose from High Performance and Development, and all its specialist divisions managed to cap off a hugely successful 2014 achieving the majority of its objectives thanks to the amazing work ethic and dedication shown by all its individuals.

### NATIONAL TEAMS

At the highest level and despite a Northern Hemisphere tour in November which yielded only two wins from four, the Springboks still recorded the fifth highest winning percentage in one season since re-admission in 1992.

The undoubted highlight of the season which saw a number of very good victories, was the 27-25 win over the All Blacks at Ellis Park, where Heyneke Meyer's team became the only side last year to beat New Zealand in a Test.

Looking ahead to 2015, the Springboks' Rugby World Cup Operational Plan has already been put in place, with flights, hotels, training facilities and travel arrangements in England finalised.

Our relationship with the provincial unions keeps improving and a deal was done which will see the top Springboks' game time during Vodacom Super Rugby being carefully managed, so that they are not overplayed by the time they arrive in England in September.

This follows what happened in 2014 when the contracted Springboks were withdrawn from the Absa Currie Cup and were granted a proper break after the Castle Lager Rugby Championship.

Our other national teams did very well last season. The Junior Springboks lost the final of the Junior World Championship in New Zealand by one point to England, but earlier in the competition they beat the hosts twice in emphatic style.

The Springbok Sevens team, under new coach Neil Powell, won the gold medal at the Commonwealth Games in Scotland as part of Team South Africa and finished runners up in the HSBC Sevens World Series for 2013/14, reaching five finals and winning two titles (Port Elizabeth and Las Vegas).

The Springbok Women's Sevens team – now a core team on the World Rugby circuit – was also integrated with their male counterparts at the Stellenbosch Academy of Sport as they aim to qualify for the 2016 Olympic Games in Rio de Janeiro.

There were also three players who represented more than one of our national teams in 2014 – SA Under-20 captain Handré Pollard made his Test debut a week after the JWC Final; Warren Whiteley and Cornal Hendricks, Springbok debutants in 2014, were part of Team SA at the Commonwealth Games; and Seabelo Senatla, a star of the Springbok Sevens team toured with the Springboks in November.

The Springbok Team Management spent time with their counterparts from the SA Under-20s, Springbok Sevens and Women's Sevens team, all of which culminated in the Blitzboks handing out the Boks' jerseys on the eve of their victory over the All Blacks in Johannesburg.

This is the kind of cross-over which can only have a positive spin-off for the South African game as a whole and is something we should embrace in future should the opportunities arise.

**The Springbok Team Management spent time with their counterparts from the SA Under-20s, Springbok Sevens and Women's Sevens team, all of which culminated in the Blitzboks handing out the Boks' jerseys on the eve of their victory over the All Blacks in Johannesburg.**



## TECHNICAL

On the front of on-field training equipment, we've negotiated a deal with a new sponsor who will supply equipment in the form of scrum machines, sleds and heavy tackle bags, amongst others.

Closer to home, we worked incredibly hard to get our SA Rugby Blue Print signed off and implemented across the board, from SA Schools level up to the Springboks. Our Mobi-Unit was entrusted to oversee and manage this process.

On the technical side, we made massive strides. Our Stratus Analysis Software went live and we established a dedicated coding centre at SARU House where over 800 matches were coded in the first eight months of operation – this included over 1.25 million match events and is a significant improvement over past seasons (a total of 620 matches coded in 2012 and 2013 combined).

We also had our first successful Stratus client when GWK Griquas, on the new system, were crowned Vodacom Cup champions in 2014, while the Lions enjoyed their best-ever Vodacom Super Rugby season, winning seven of their 16 matches.

More software was developed. The Foot-print Player Management System is now

fully operational in all national teams where player assessments are completed following each tournament by all the coaches involved, while an application was developed for national selectors which was successfully trailed at the Coca-Cola U16 Grant Khomo and U18 Craven weeks.

The app allows selectors to electronically enter ratings and comments of players in pre-determined categories which is then collated following each day's play and presented in an easily filtered and report format for discussion in the selectors meetings each evening.

These ratings are also logged in the Foot-print system under the tournament, fixture, players and selectors profile for reference and to keep an historical record. The successful trail, with input from the selectors, has allowed us to implement this system as a standard from 2015 onwards.

## MEDICAL AND BOKSMART

Injuries and the wellbeing of rugby players at all levels were yet again a hot topic in rugby. Apart from SARU's Concussion Regulations and the BokSmart Safe Six Injury Prevention Programme, both of which were accepted and rolled out, BokSmart

*The SARU Mobi-Unit assisted, amongst others the Springbok Women's team in their Rugby World Cup preparation held in France, as Jacques Nienaber is here seen doing.*

*OPPOSITE: Springbok Sevens contracted flyer Seabelo Senatla showed his skill in fifteens as well, representing DHL Stormers and DHL Western Province and was a member of the Springbok squad that toured Europe in November.*

also started scripting and filming the next instalment of its Rugby Safety Programme Educational DVD.

The Medical Department also conducted a number of seminars and educational symposiums in 2014, amongst others on Head, Neck, Spine and Concussion Rugby Injuries to ER24 as well as a dedicated seminar at the Sixth Clinical Sport & Exercise Medicine Conference in Cape Town in October, coordinated by SARU's Senior Manager: Medical, Clint Readhead; Springbok Team Doctor, Dr Craig Roberts; and SARU Senior Manager: Rugby Safety, Dr Wayne Viljoen.

As with the BokSmart DVDs, there has been continuous work on a number of our publications as well, notably the "Participant Medical and Safety Measures at SARU Tournaments: Medical and Safety Minimum Standards Document of 2014" and "Technical Zone Policy", which is still awaiting on



*SARU successfully implemented the use of video analysis equipment to assist match day doctors at Test matches in South Africa to review head injury events. The plan is to roll this technology out to Vodacom Super Rugby in 2015.*

ratification by the SARU General Meeting.

The new Injury Data Capture App was successfully trialed during the Absa Currie Cup Premier Division. This will be the tool used to capture data for the SARU Injury Surveillance studies of the various SARU competitions.

We've also successfully implemented the use of video analysis equipment to assist match day doctors at Test matches in South Africa to review head injury events. The plan is to roll this technology out to Vodacom Super Rugby in 2015.

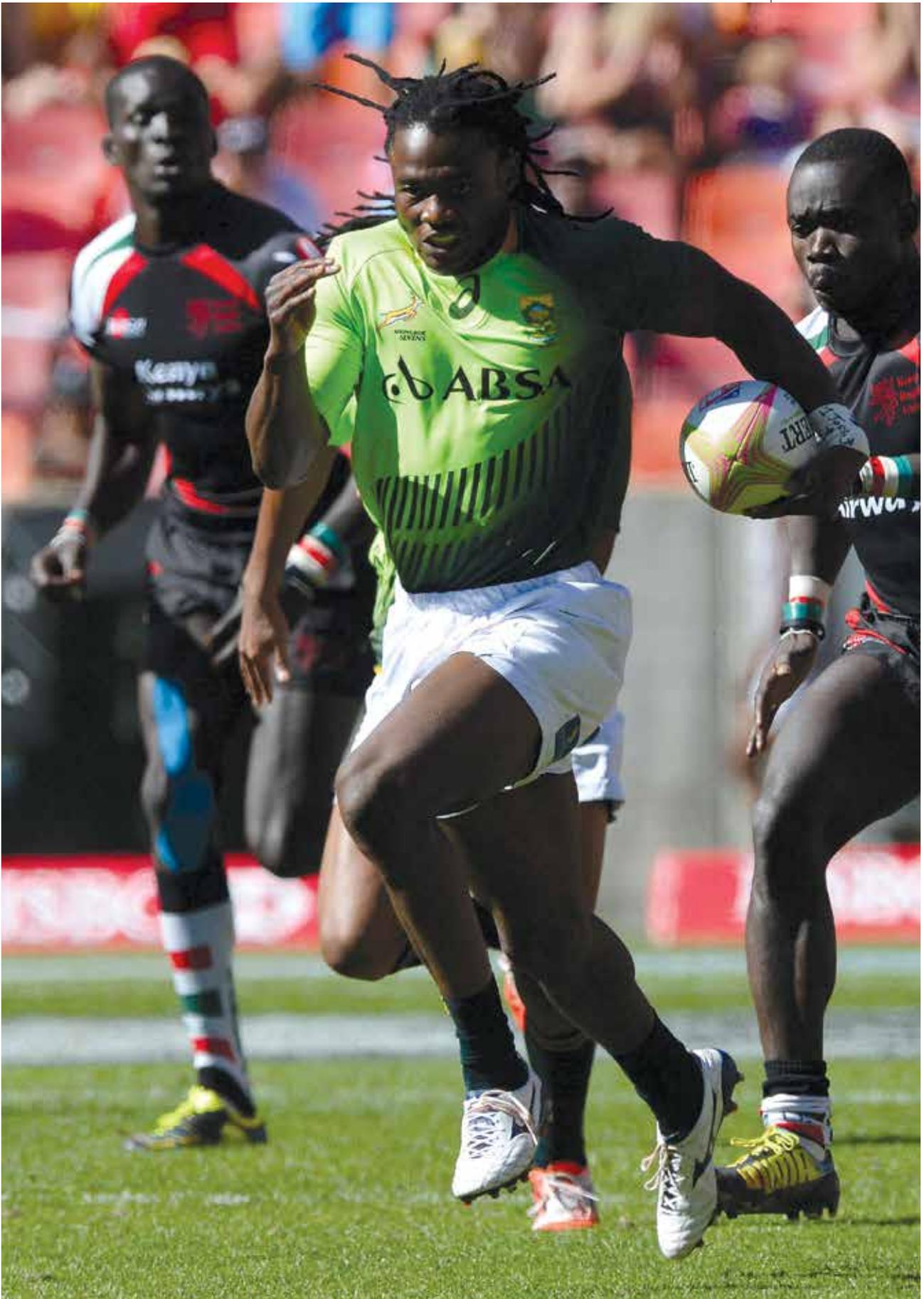
**Research also forms a massive part of this very important department and we've continued our work on the following projects:**

- *Catastrophic Injury Research*
- *General Injuries at the SARU Youth Weeks and tournaments – since 2010*
- *Knowledge, attitude and behaviour regarding injury prevention and management – since 2008*
- *Concussion Incidence and Risk at SARU Youth Weeks – since 2011*
- *BokSmart Safe Six – 2014 and will be expanded upon in 2015 with a fulltime PhD student*
- *Mental Health and well-being in former SA professional rugby players – September 2014*
- *Super Rugby Injury and Illness research – since 2010*
- *Roundtable expert panel on Youth Rugby practice and match play issues – 2014*
- *Scrum and breakdown Knowledge, attitude and behavior project – 2014*
- *"Gripping" Jersey study – 2014*
- *Injury incidence in SARU Youth Sevens Rugby – 2014*
- *World Rugby 'Sevens World Series' Injury Prevention Project – 2014*

The successes are clear for all to see, on the field and away from it. It's remarkable to think what has been achieved by our department considering that we had to go through a major restructuring process and still managed to reach so many achievements. The Springboks will always be first and foremost on the minds of South

Africans, but we know how much effort is needed at lower levels of the game to make it sustainable in the broader South African sense.

The restructuring of the Rugby Department was only the start. In 2015, the Rugby World Cup is the big one but from our point of view, it's only the tip of the iceberg in terms of what can be done to make SARU an icon of inspiration to all South Africans and a beacon of hope and aspiration on our sporting front.



*Referee Jaco Peyper was one of a number of South African referees who excelled on the international stage.*



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# REFEREES' DEPARTMENT



# INTRODUCTION

On the international stage SARU match officials continued to play a leading role as evident by an increased number of World Rugby appointments for Test matches and HSBC Sevens World Series tournaments. The department's various initiatives, to recruit and retain referees and improve match official performances, led to an overall growth of eight percent active referees, more women taking up the whistle and accurate assessments of all referee performances. These are now backed up by video evidence. The department also continues to play its part in assisting SARU to develop rugby on the African continent by hosting national courses which involved officials from neighbouring Namibia, Botswana, Kenya and Zimbabwe.

## HOW WE ACHIEVED OUR GOALS

SARU referees received 60 international World Rugby appointments in 2014 compared to 54 in 2013. The three SARU officials who did duty on the HSBC Sevens World Series circuit again did us proud with their consistently good performances, which resulted in them officiating numerous finals.

We constantly strive to improve the performances of all our match officials and one of the major tools to assist us in achieving this goal is to record all SARU competition matches. This enables us to gather accurate statistical analysis which we use to assess the performances of referees. The video assessments also allows for greater accuracy when it comes to the selection and grading process, and also indicates areas of intervention.

Armed with accurate statistical analysis,

the department can now also easily spot match trends – such as the tempo and shape of the Game. This feedback assist teams, and allow us to initiate match management improvements or raise awareness of certain aspects.

Prior to the start of the Absa Currie Cup competition, the department presented a High Performance course to referees and coaches of the Absa Currie Teams. The course was well received and the outcomes were better alignment on the application of the Laws, and a better understanding between match officials and the players. Through the Athletic Management System (AMS) we also established an open communication channel between coaches and referees on performances and the clarification of decisions.

*Pro Legoete handled the Absa Currie Cup semi-final between the DHL Western Province and the Vodacom Blue Bulls after he was moved down from the Elite panel in 2013 due to poor performances. This was a major success of the department's Enhancement and Remedial programme.*





A major success of the department's Enhancement and Remedial programme was the come-back of one of the Elite referees. He handled the Absa Currie Cup semi-final between the DHL Western Province and the Vodacom Blue Bulls after he was moved down from the Elite panel in 2013 due to poor performances.

**Our efforts to increase the number of referees delivered positive results and the success can be attributed to the following projects:**

- The implementation of a recruitment and awareness campaign: Here we used the live broadcasting of matches at the Under-18 Coca-Cola Craven Week to raise awareness and this resulted in a huge amount of related website enquiries.
- The production of two publications which were distributed to each referee society, which led to a much broader awareness and recruitment reach. The first was an updated version of the booklet for new referees "101 Hints for Rugby Referees" – initially developed by Professor Justus Potgieter and former Test referee Freek Burger. The second publication was a credit sized Z-card titled "Schools' Code of Ethics and Conduct" aimed at addressing

**The main objective of the Academy Squad is to fast-track black referees and those coming from previously disadvantaged areas. Academy Squad referees officiated at all the SARU Coca-Cola Youth Weeks.**

the worrying trend of referee abuse.

- We also used an established sporting event such as the Cape Argus cycle tour to promote referee awareness and recruitment.
- The Shadow Referee campaign, where a branded high school referee performs the water carrier duties at first-class games, continues to be a powerful awareness tool. The past year we were fortunate to have a junior referee perform this duty in the match between the Springboks and the World XV at DHL Newlands.
- The SA Referees website and social media continues to play an important part to promote our various activities. The website remains a valuable communications tool to engage with referees, coaches and supporters globally regarding matters of the Law of the Game. The Twitter account of @SARefs has shown very good growth

*The department received 907 requests to provide match officials for playing fixtures, including this one between the EP Kings and Wales, who toured South Africa in June last year.*



the past year. The more than 3 100 followers are up from 1 900 the previous year.

- In terms of the Law Clinics, two pilot projects were hosted in Cape Town and Johannesburg, which were well received and attended by learners and high school rugby coaches. The on-field practical demonstrations - involving players and expert presenters such as André Watson, Mark Lawrence and Balie Swart - was a major hit and we will significantly expand this initiative in the near future.

The Athletic Management System (AMS) plays a key role in our performer review process.

The data collated through the AMS assist the department to grade the match officials. This

is supplemented by the various conference calls, selection and grading meetings. A total of 998 assessment reports were generated for all SARU competitions and the Easter School Week tournaments. In terms of video analysis the following jobs were completed: SARU competitions 361, international competitions 145 (Vodacom Super Rugby 125, Tests 20).

Our department is furthermore very involved in the development of match officials for Second and Third Tier countries through the Maties / SA Referees Association Academy in Stellenbosch, as well as SA referees on that level that need fast tracking.

Eight referees and four referee coaches, who attended the World Rugby Talent



Optimisation Programme, were given the opportunity to participate in matches, giving them invaluable practical experience. These officials came from South and North America, The Pacific Islands and the Far East. Africa Rugby also enrolled nine referees for a month-long stay at the Academy.

The Academy Squad has been going strong since 2007, and in 2014 a total of 66 referees found themselves in the Academy Squad and participated in 11 tournaments. The main objective of the Academy Squad is to fast-track black referees and those coming from previously disadvantaged areas. Academy Squad referees officiated at all the SARU Coca-Cola Youth Weeks.

Our two National Courses, presented in January and November respectively, were well attended and included delegates from our neighbouring countries and the United States. We also presented 40 World Rugby education programmes and courses to 764 attendees coming from our various provinces.

The department received 907 requests to provide match officials for playing fixtures. This saw us making 3 987 appointments in conjunction with the respective societies responsible for side-line management. Ten of the SARU fixtures were utilised as part of a development initiative to assist international officials.

In our efforts to continuously improve the current working relationship between SA Referees and stakeholders, the department made various visits to all the provinces and local referee societies. This roadshow was particularly useful as it gave the department a chance to exchange first-hand information and to address related matters.

## LOOKING FORWARD

We will continue work hard to achieve our operational goals as determined during our re-engineered strategy. Amongst the main objectives for 2015 will be the implementation of our Vision 2020 Strategy.

### This includes:

- The creation of a pool of referees capable of officiating at International, Vodacom Super Rugby and at all levels in South Africa;
- The implementation of a Long-Term Referee Development Pathway (LTRDP);
- Further implement and manage the programme to recruit and retain officials (RAM);
- And to establish and maintain a system to create a pool of Performance Reviewers using scientific methods to measure match official performances.





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# COMMERCIAL & MARKETING

**2**014 was a significant year for the Commercial & Marketing department as it featured a number of key developments. These include finalising the restructuring process, the successful launch of SA Rugby Travel, securing dual branding retail rights for the 2015 Rugby World Cup, renewing sponsorship deals and winning a tender to continue hosting a leg of the HSBC World Sevens Series.

The restructuring of the department was a big feat as it ensured a more streamlined and operationally-focused delivery. Strategically this process involved implementing a new sponsorship strategy by segmenting the department into rights specialists and developing a more acute focus on digital communication through the appointment of a communications manager. These developments in turn have seen marked improvement in the positioning of our brands and a more focused and integrated delivery of Rights and Right Management.

The social media strategy was particularly significant as it promoted “fun” around SARU’s brands, for example the live Tweeting of photographs at Test matches and the “where in the world are you watching the Boks” campaign. Both of these initiatives received encouraging traction within minutes of being posted on social media. Another benefit of appointing a communications manager was that it enabled the department to acknowledge its commercial partners on a wider scale, and as a result expand their reach.

On the commercial front the department increased its offering to Samsung by cleaning out that category, while also renewing the contracts with Marriot and Coca-Cola

until the end of 2015. The building blocks were also put in place to position the division better for the contract renewal phase in 2015 by having dedicated rights managers manage the respective properties.

2014 also marked the first full year with SARU’s new apparel sponsor Asics, and this included the launch of the new Springbok jersey. One of the main objectives in the first season of the sponsorship was to ensure that what has been a traditional running brand was accepted in the rugby market. From a player perspective it was pleasing to see the high quality and diversity of the sports range supplied by Asics. This is expected to be enhanced in 2015 following a visit by a handful of national players to Japan where they assisted the company in their research with an eye on developing new products. With significant resources dedicated to this process the players will benefit immensely from this research in future.



*More focus on digital communication as part of social media strategy promoted “fun” around SARU’s brands, for example the live Tweeting of photographs at Test matches and the “where in the world are you watching the Boks” campaign.*



*SARU CEO Jurie Roux (middle right) and SA Rugby Travel director, Bryan Coetzee (middle left) at the launch of SA Rugby Travel, established to sell travel packages for the Rugby World Cup in 2015.*

Closer to the field winning the tender to continue hosting a local leg on the HSBC Sevens World Series for another five years was a momentous achievement. This was certainly a big coup and came off the back of producing quality tournaments consistently over the last few years.

Another significant development in 2014 was initiating the process of repositioning the competition structures such that they align with that of the Rugby department from 2016. The project will involve developing a synergy between SARU's High Performance plan and the organisation's commercial agreements in order to ensure that the objectives complement one another to boost the development and progression of players through the system.

One of the main developments in terms of marketing was the launch of a new Absa Currie Cup campaign – the 1891 Man – which marked the year in which the

competition was first played. The campaign highlighted the characteristics of the tough 1981 man, which is what fans witness weekly in the Absa Currie Cup through the bone-crunching tackles and the brute physicality of the matches. Another significant initiative was the decision to align the 2015 Rugby World Cup campaign with that of SARU's commercial partners to ensure a harmonised message, which is expected to have a bigger impact in the marketplace.

The department also succeeded in securing dual branding retail rights for the 2015 Rugby World Cup with World Rugby, which followed the first deal of its kind for SARU in 2011. Through this agreement SARU will have the right to use the Rugby World Cup logo alongside the Springbok logo on retail products.

Looking ahead, 2015 will mark a particularly significant year for the department because apart from being a Rugby World Cup year, the Springbok Sevens team will



*One of the main developments in terms of marketing was the launch of a new Absa Currie Cup campaign – the 1891 Man – which marked the year in which the competition was first played.*

have the chance to qualify for the 2016 Rio Olympic Games. It is also a vital year in terms of having to renew commercial contracts and selling SA Rugby Travel packages for the Rugby World Cup.

On the field, 2015 will mark the last year of Vodacom Super Rugby as we know it with 15 teams. As from 2016 the competition will be expanded to include 18 teams, with the EP Kings being a regular fixture in the competition, which will bring the total of SA teams to six. Teams from Japan and Argentina will account for the final two sides, and apart from assisting their development as rugby nations, their inclusion is set to change the dynamics of the competition. The spin-offs of these developments will include an expanded landscape for the competition and the creation of new markets.

This has already been partly achieved in the Castle Lager Rugby Championship where

significant year for the Commercial & Marketing department and we are confident that the new developments will ensure a more effective unit going forward. Among the main achievements in 2014 were the introduction of integrated marketing campaigns with SARU's commercial partners, adopting a more collaborative approach to brands and products, and developing a more effective approach to our 'marquee events'. We are looking forward to welcoming the EP Kings to the Vodacom Super Rugby competition in 2015 and launching a successful 2015 Rugby



*Argentina celebrated a first win (over Australia) in the Castle Lager Rugby Championship (top left), the Springboks visited apparel sponsor Asics in Japan (top right) and the Cell C Nelson Mandela Bay Sevens was held with great success in Port Elizabeth (left).*

Argentina's competitiveness and their first victory against Australia has added value to the competition and given the international rugby window more variance.

On a more challenging note with 2015 being a Rugby World Cup year the financial challenges are set to grow in a rugby market that already appears to be suffering financial strain globally. This will force the department find clever and creative ways to gain increased value for SARU and its partners.

In conclusion, 2014 was a memorable and

World Cup campaign, and we hope to take full advantage of the spectacle from a commercial and marketing perspective. In closing I would like to acknowledge the support and the open-minded approach of the provincial unions during the season, and we look forward to building on this mutually-beneficial relationship in 2015 with the Rugby World Cup in mind. I would also like to thank our commercial partners and broadcaster partner for their continued support and their association with the SARU brand.



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# CORPORATE AFFAIRS

**S**ARU's reputation as arguably South Africa's leading sports federation was further endorsed in 2014, although the continuing fixation on the single measurement of black representation in the national team meant the public conversation often remained one-dimensional.

The Eminent Persons' Group (EPG) – appointed from the great and good of sports science, administration and business – published their first annual report in April. It was a pilot project, which admitted by the EPG, had its shortcomings in terms of time restraints; data mining capacity among federations and the “first draft” scoring system. But it set out on a new path and the “multi-dimensional assessment [went beyond] the traditional focus on racial representivity in our national teams” in the words of chairperson Dr Somadoda Fikeni. The federations chosen for the pilot project were rugby, cricket, soccer, netball and athletics. Each was measured against a range of dimensions and the upshot was that SARU was the only national federation to receive a “good” rating (71%) in their Transformation Status Report. The other federations received a “poor” rating.

The report and the conversations around it set the tone for the reputational debate around South African rugby in 2014, with the issue of the extent of transformation in the Springbok team being the sole measurement publicly debated. Some commentators from civic society expressed their reservations about rugby transformation and were eagerly reported by media.

But what was overlooked was the work being done by SARU and the endorsement it re-

*SARU was the only national federation to receive a “good” rating (71%) from the Eminent Persons' Group (EPG) in their Transformation Status Report.*





ceived from institutions closer to the coalface of the game. In June SASCOC issued a press release applauding SARU on its transformation plan: “We are pleased with the submissions made by SARU and we took notice of the tremendous amount of work being done by this National Federation around the country. This is contrary to the popular perception that SARU has no transformation plans and no transformation process.” The Minister of Sports and Recreation, Mr Fikile Mbalula, also publicly endorsed the plan.

That Plan – the Strategic Transformation Plan (STP) – was leaked to media before it was approved by the General Council in December, which led to a short-lived frenzy of commentary. The authors of the newspaper reports erroneously said that a new “quota” system was being introduced to rugby and in certain sections of the media the STP was demonised. However, member rugby unions came out publicly in support of the Plan and the steam quickly ran out of the protest stories. In fact, they were replaced by voices in support. SARU’s approach was not to enter into the debate until the Plan had completed its governance journey.

One other major “leak” emanated from Aus-

tralia during the course of the year, although it had little or no reputational impact on the South African Rugby Union. SANZAR’s planned announcement of the format of the new Vodacom Super Rugby competition from 2016 was thrown into disarray by the on-the-record briefings from the ARU. The new, four-conference format featuring a sixth SA team and new additions from Argentina and Japan was a relatively complex twist to what had started out as a straightforward formula. The leak occurred in the middle of an off-the-record briefing to SA media by the CEO, allowing for SARU’s perspective on the new dispensation – that it met all SA’s needs – to be clearly conveyed.

The operational work of the department – largely out of the public eye – went on at a pace with a number of new digital platforms launched, the completion of the first year of operation of the Springbok Experience Rugby Museum, the opening of more Boks for Books libraries, an increased emphasis on the reporting of women’s rugby and support to leadership and other departments with the production of speeches, presentations and documents and publications in digital and print format.

New to Corporate Affairs line up in 2014

*SARU CEO Jurie Roux (left) and Sevens coach Neil Powell (right) pose for a selfie with the squad at the Springbok Experience, having presented one of the team’s Commonwealth Games Gold-medal winning jerseys to the Museum.*



were a digital magazine “Springbok” and a Springbok application, available on both the Android and iOS platforms. The digital magazine was soft launched in the second quarter of the year and by year end had garnered 84 000 subscribers. Its USP (unique selling point) was taking supporters behind the scenes and into the lives of the national teams and their staff with the use of video featuring strongly in the offering. It also offered a new and unique platform for sponsors to maximise the benefits of their association with SARU. The magazine was produced in association with Cape Town-based media house, Future Media Group.

The Springbok “app” had been some time in development to ensure that its core offering – accurate team information dating back to 1891 – was correctly rendered. Durban-based Immedia developed the app in conjunction with SARU to produce a graphically-rich and entertaining app that also supported a searchable database for records, a first for a SARU platform.

The Springbok Experience celebrated its first birthday in September in some style. The Springbok Sevens team attended to donate the jersey worn by captain, Kyle Brown, in winning the gold medal at the Commonwealth Games Sevens event in Glasgow a few months earlier. The day was the culmination of a highly successful first year of operation.

More than 41 000 visitors attended the Museum in its first 12 months of operation – at an average of 113 per day – rather dwarfing the last reported attendances for the former museum at Newlands, which attracted 2 000 visitors per year. A further feather in the cap of the Museum was shortlisting for an international museums award. It was bracketed with museums the IOC museum in Lausanne as well as others in Antwerp, The Hague and Amsterdam in the annual Museum + Heritage Awards in the UK. The title was eventually taken by the Netherlands’ National Archives in The Hague.

The Springbok Experience also successfully hosted a number of event and book launches and saw a growing clientele of international visitors. At year end the Museum was ranked in the top 20 attractions in Cape Town – including all its natural wonders – on TripAdvisor, the world’s biggest travel advice website. Visitors to the Springbok Experience gave it a 95% ap-



**More than 41 000 visitors attended the Museum in its first 12 months of operation – at an average of 113 per day – rather dwarfing the last reported attendances for the former museum at Newlands, which attracted 2 000 visitors per year.**

proval rating according to TripAdvisor’s measurement algorithms at the end of the year. The Experience also gained its own Twitter feed (@bokmuseum) and Facebook page.

The qualification of the Springbok Women’s team as a core participant on the IRB (now World Rugby) Sevens Series was matched by the appointment of a media officer in the department with the specific role of promoting Women’s, Youth and Community rugby. The upshot was that we issued 123 media releases and advisories on women’s rugby in 2014, compared to the 13, for example, that had been issued in 2012. The profile and reporting of women’s rugby grew significantly as a result and also allowed the team to travel to the Women’s Rugby World Cup with a dedicated media manager.

In total, 745 media releases were issued in 2014 on the broad range of SARU’s activities, supported and sometimes led by innumerable Tweets and Facebook postings. Those platforms continued their organic growth with the Springboks’ Facebook following going through the 1m mark and Twitter reaching a quarter of a million. SARU also ran team Instagram and LinkedIn accounts – among other social media channels – while new Twitter handles were established for the Women’s team (@Womenboks), Under-20s (@Juniorboks) and Sevens team (@blitzboks).

*OPPOSITE: Bryan Habana used his 67 minutes on Mandela Day to read to children in Nyanga, with the assistance of Boks for Books and Tag Rugby.*

### **CORPORATE SOCIAL RESPONSIBILITY**

SARU made an impact on the lives of fellow South Africans in a number of ways in 2014 through a number of social responsibility initiatives. The Chris Burger/Petro Jackson Fund - entering its 35th year of operation in 2015 - continues to do outstanding work among former players who have been struck down by catastrophic playing injuries. They derive the majority of funding by direct grant from SARU in addition to their own fundraising initiatives, such as the annual banquet, that is also supported by SARU. The Fund had 104 recipients at the end of its financial year in March 2014 of whom 51% were black and the rest white.

Jongh and Springbok Sevens star Seabelo Senatla accompanied president, Mr Oregan Hoskins, to the opening a Boks for Books library at Sekwati Primary School in Soweto. The event was attended by senior government officials from the Department of Basic Education as well sponsor Absa, who funded the library in support of SARU. SARU launched the CSI project in June 2013, opening libraries in Durban and East London, in the first year of operation.

A fourth library at Groenheuwel Primary in Paarl - a triple medium school - was opened towards the end of the year with the South African Rugby Legends (SARLA) throwing in



*ABOVE: Heyneke Meyer during one of the numerous press conferences he conducted during the 2014 Springbok season.*



*ABOVE RIGHT: Springbok Women's player Danita Wentzel reads to pupils at the Groenheuwel Primary School in Paarl at the opening of the fourth Boks for Books library.*

SARU also distributed obsolete clothing stock to the value of R350K to a number of club and school beneficiaries. The following organisations benefited from the programme: Hoerskool Hottentots Holland, Somerset West; Mad Charity, Western Cape; Alice Youth Club, Eastern Cape; Malibu High School, Blue Downs; Abahlobo Rugby Club, Idutywa; St Johns Rugby Club, Women Strand; B Dzulane High School, Umtata; Schotsche Kloof Primary School; Never Despair RVK, Malmesbury and the Violets Rugby Club, Cradock.

In addition, SARU also continued to support Khotso World, a Cape Town-based branding and activations agency, as part of its Enterprise Development strategy. The company supplies branding services to SARU and other corporate clients and SARU's direct assistance has been in rent support.

In February Springbok centre Juan de

their support in the shape of Dale Santon, local hero, Wayne Julies and Pieter Muller - who all appeared for the Springboks in the 1990s and 2000s - in conjunction with Mr Mark Alexander, SARU deputy president.

SARU funds the provision of a container classroom or the refurbishment of an existing building as well as the books and training for a librarian to manage the facility.

The literacy theme was carried through to SARU's Mandela Day contribution. Springbok wing Bryan Habana, read to children from Nyanga as he and SARU staff gave their 67 minutes of community service at Monwabisi Old Age Home and Nyanga Stadium, home of the Lagunya Rugby Club, in Nyanga. Activities included cleaning at the old age home and taking part in a TAG Rugby clinic where Habana tested his skills against the children before reading to them.

**The Chris Burger/Petro Jackson Fund - entering its 35th year of operation in 2015 - continues to do outstanding work among former players who have been struck down by catastrophic playing injuries. They derive the majority of funding by direct grant from SARU in addition to their own fundraising initiatives, such as the annual banquet, that is also supported by SARU.**







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# HUMAN RESOURCES

# REVIEW

It was a challenging and rewarding year for the HR department in which we saw a number of crucial objectives achieved.

Along with the relevant role players we restructured three departments, introduced a number of new staff and organisational policies and streamlined some policies around our national teams and women's rugby.

The restructuring of Commercial Marketing saw the promotion of women and black staff into senior positions, whilst the restructuring and merging of High Performance and Development resulted in a new Rugby department that was formed.

From a staff perspective some important issues were addressed. We introduced the Learning Fair, held workshops to educate staff on the Total Package concept and introduced a new Sexual Harassment Code of Good Practice. A new Asset Care policy was introduced and a new Communications policy was communicated to staff.

With regards to our national teams we presented a new National Representative Team Clothing policy, new International Test Match and Sevens (7s) Accreditation, a new Springbok Team capping policy and confirmed a new Springbok Team relatives policy.

HR also worked with the Women's Rugby teams (7s and 15s) to ensure that professionalism is introduced in Women's rugby. A Code of Conduct was developed.

We have managed to secure funding from CATHSETA for address some educational needs in our provinces.

## GOALS ACHIEVED

We faced a number of challenges during 2014, but managed to negotiate our way through it all and showed good progress at the end of it.

The restructuring of any department is always fraught with insecurities and and times painful to staff, but we managed to complete the process without any real issues.

Along with the relevant role players we restructured three departments.

The High Performance and Development departments were merged into the Rugby Department and in addition we managed to:

Established a Specialised Transformation Department with expertise drawn from both departments, with a view of accelerating transformation in South African rugby and

A new Rugby department was formed from the two departments whose role is to centralize management structure, optimization, efficiency and effectiveness, ideal interaction and synergies – all of which will be for the benefit of rugby in South Africa.

The Commercial Marketing Department

also saw some changes and the restructuring resulted in promotion of women and black staff into senior positions.

Staff benefitted from a number of initiatives to improve skills and more streamlines policies.

The introduction of the Learning Fair was a great success. The aim was about bringing the learning institute to the organization as we are working in a fast paced environment and staff is not finding time to attend training outside the office. The initiative was a success as 30% of staff attended (in the past years we have had less than 5% staff going on training).

The education of staff on the Total Package concept was well received with some positive feedback, SARU did not in the past formally explained the process of moving from Salary plus Benefits to Total Cost of Employment, what it means and what impact it will have on staff. We had 95% attendance of these sessions.

### Some new policies were implemented.

- New Sexual Harassment Code of Good Practice - *(to eliminate sexual harassment in the workplace)*
- New Asset Care policy – *(to protect the assets that SARU employees have been provided with)*
- New Communications policy – *(ensuring high standards of professionalism and alignment to SARU's corporate identity in written and spoken communication with SARU's internal and external stakeholders).*

We also addressed a number of issues surrounding our national teams.

A new International Test Match and Sevens (7s) Accreditation process was established to provide clarity between SARU, the Host Union and other stakeholders in respect of accreditation process.

The new Springbok Team capping policy (to regulate the awarding of caps to players of the Springbok Rugby Team) was introduced.

We also confirmed a new Springbok Team relative's policy. This defined the process and circumstances in which relatives, partners and/or friends are permitted to join members of the Springbok team and management when the Springboks are assembled)

HR also worked with the Women's Rugby



teams (7s and 15s) to ensure that professionalism is introduced in Women's rugby. This resulted in a development of the code of conduct for Rugby Women's team which will be introduced from the U16s to ensure that all women abide by what they have committed themselves to, in creating a model for women's professional development in rugby, and be an example for the global playing field. It was an important exercise and according to all reports, our team represented us very well during the Women's Rugby World Cup that was played in France.

**We were also honoured to secure funding from CATHSSETA for:**

- 6 Academy Learners in Border Academy
- 250 unemployed learners who underwent the Clubwise programme
- 3 SARU employed learners who are studying through UNISA (2) and the University of Free State (1)

## SUCCESSES

The most rewarding part of our work in 2014 was the fact that we managed to empower staff through the Learning Fair, informed them in a consultative process about the

Total Package and managed the restructuring process in a fair and transparent way. The introduction of new policies also provided clarity and comfort amongst staff, which in turn lead to a more secure and productive environment. The confirmation of policies around the national teams and unions streamlined efforts and resulted in better understanding and co-operation. This all combined to establish a more settled and relaxed office to staff.

*The Junior Springboks impressed all during the Junior World Championships held in New Zealand. They managed to beat the hosts twice on their way to the final, where they were edged by England.*

## 2015 FOCUS AREAS

SARU's General Managers drafted a five year plan with strategic objectives. One of HR's main objectives is to make SARU the employer of choice. We want potential employees to want to work for SARU and we want current staff to be confident, proud and loyal employees.

**We have identified five focus areas for 2015 and beyond:**

- > Strategic HR Capability
- > People advice, service and interventions
- > Client responsiveness
- > Compliance and Reporting
- > HR Infrastructure

# NOTES





**SARU**

[www.sarugby.co.za](http://www.sarugby.co.za)