



SOUTH AFRICAN RUGBY UNION
ANNUAL REPORT



2012



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PRESIDENT'S REPORT

The 2012 season was, in many ways, one of renewal for our rugby. The Springboks that ended the year were markedly different to those that had ended 2011; the Southern Kings were preparing for Vodacom Super Rugby while there were less high-profile but no less significant changes off the field.



Most obviously, it was our pleasure to appoint Heyneke Meyer in succession to Peter de Villiers as the Springbok coach. There was a time when South African rugby had a reputation for hiring and firing coaches with reckless abandon. I am pleased to say that we have put those days long behind us. Heyneke succeeded Peter, who had served a four-year term, who in turn had succeeded Jake White, who had also served out his four-year term.

With that knowledge he was able to begin a difficult baptism to his stewardship of the national team with confidence. His first task was clearly one of renewal. Eleven of the previous year's Rugby World Cup squad had either retired or moved overseas and others such as Schalk Burger and Juan Smith missed the entire season with injury. Springbok rugby had reached a watershed.

The result was that 17 new Springboks were created in the year – 12 of whom made Test debuts – and a new Springbok captain was named in Jean de Villiers. Such a 'churn' in playing personnel presents challenges and the results





in the new Castle Rugby Championship (now featuring Argentina) were disappointing with only two victories. But a clean sweep of three victories on the end-of-year tour concluded the year on a positive note and with a new team beginning to take shape.

Young players such as Eben Etzebeth, Elton Jantjies, Jaco Taute and Johan Goosen made their Test debuts while barely out of the Under-20 ranks, while another crop of such youngsters was pushing hard on their heels. On an unforgettable night at Newlands in June, the Junior Springboks ended New Zealand's four-year dominance of the IRB's Junior World Championship with a breathless and inspiring 21-16 win over the All Black Colts. Our team had to make do without their first-choice half backs because of injury and overcome a disappointing loss to Ireland in the opening round. But the form of players such as 18-year-old schoolboy flyhalf Handré Pollard, Pieter Steph du Toit, Paul Willemse and centre Jan Serfontein – who was named as IRB Player of the Year – enabled them to put together a compelling campaign under the tutelage of Dawie Theron.

Off-the-field it was a far from straightforward year as the impossible conundrum of finding space for six South African franchises in Vodacom Super Rugby proved impossible. Our attempts to persuade our SANZAR partners to accommodate a 16th team from 2013 fell on deaf ears. Our rugby's commitment to include a South Eastern Cape team in Vodacom Super Rugby had been first made in 2005 and was twice postponed. A further delay was

impossible and a mechanism was introduced by which the Kings would be joined in Vodacom Super Rugby by the top four SA Conference teams at the end of 2012. The unfortunate team to fall out, the MTN Lions, will have the chance to regain their place with a promotion series against 2013's bottom-placed SA team.

As I mentioned, there were significant developments off the field as well. After a helpful appearing before the Parliament Portfolio Committee in May, SARU was praised for leading the way on the revived debate around transformation by holding an Indaba on the subject towards the end of the year. In that area it was gratifying that our union was the recipient of the IRB's annual development award for the mobile gym project, which has had an impact on bridging the gap in conditioning in disadvantaged areas.

The seriousness with which SARU takes the issue of player safety, in main expressed through the BokSmart programme, was extended when the General Council approved new scrum Laws to modify the hit at school and club level (below that of first league) to address an area of particular vulnerability for amateur players.

That initiative was led by SARU's operational staff, which completed its first year of activity under the new operational structure introduced towards the end of 2011. A General Manager for High Performance was appointed in former Springbok looseforward Rassie Erasmus, promising a number of significant benefits in the coming years.

Sports federations face many challenges in the coming years. The global economic environment and the competing attraction of other leisure activities leave no room for complacency. But after a year of renewal, I feel confident that South African rugby is ready to meet those challenges as well as can be expected – both on and off the field.

Oregan Hoskins
President
South African Rugby Union

Some significant moments in 2012 were the success of the SA U20s winning the IRB Junior World Cup, the appointment of Heyneke Meyer as Springbok coach and Rassie Erasmus being appointed General Manager for High Performance.

CEO'S REPORT

The 2012 calendar year was one of significant operational developments and the commencement of new projects whose benefits will be felt long into the future, it is hoped. The conversion to a single operating entity really began to have an impact as we were able to put behind us the structural challenges posed by parallel 'amateur' and 'professional' arms. The changes were cemented by a move to new premises to underline the benefits of a more robust and streamlined reporting structure.

It was far from plain sailing for rugby however. The game was not immune to the broader economic challenges facing the South African and global economy and although SARU's income streams remained steady, the game operated against a backdrop in which member unions faced on-going challenges.

However, 2012 saw a number of initiatives – particularly at the grassroots level of the game – which may come to mark the year as a watershed for the sport, should they come to the hoped for full fruition. SARU introduced a range of new programmes at the school and club level aimed at reaping long-term benefits.

PLAYING INITIATIVES

Thanks to the generous support of the National Lottery Distribution Trust Fund – who contributed R35m – we were able to recruit the first intake of young players into four SARU Academies based in the heartlands of black rugby: Boland, South Western Districts, Border and





Eastern Province. SARU contracted academy managers and head coaches in each province, in some cases taking on existing staff in the provincial structure. SARU made the commitment to fund the project for at least three seasons, although Lotto funding was only secured for one year. The young players at these academies will play through the host union structures and their results in the 2013 Absa Under-21 and Under-19 Currie Cup tournaments will be followed with interest.

The second initiative at the grassroots level was equally exciting as we turned our attention to club rugby – a level of the game that had been shunted into a cul-de-sac in the migration to professionalism. We didn't have to look far for inspiration. The successful FNB Varsity Cup presented by Steinhoff International competition has reinvigorated University rugby and, at year's end, we were proud to announce the launch of the Cell C Community Cup. This competition replaced the week-long National Club Champs with an eight-week, Rugby World Cup-style tournament for 20 clubs: the 14 provincial Unions champions, five wild card selections and the representatives of Limpopo. The tournament kicked off in 2013 but, even before College Rovers of Durban met Despatch in the opening match, it was possible to discern the beginning of a revival in club rugby.

Our on-going research into the rugby-playing landscape made clear what we have always known: that Springboks are made at schools. With that knowledge we built on an existing programme of focusing our support on leading rugby schools

from the black communities. In August we launched the Coca-Cola Schools of Excellence programme. It is designed to run for four years and is a holistic intervention which includes the provision of a fully equipped mobile gym, specific rugby training equipment and playing kit, training and education programmes as well as the provision of enhanced playing opportunities. One of the schools identified for inclusion on the programme, Ithembelihle Comprehensive, was nominated by SARU and won the award of "Developing School Team of the Year" in the National Sports Awards; a significant achievement of which the school can be very proud.

Our attention to schools rugby was also felt at the Coca-Cola Craven Week. In order to offer the richest rugby experience we could to the attending coaches and players, our newly constructed High Performance department attended in full force to deliver cutting edge coaching and advice to those in attendance.

And finally in the grassroots area, SARU's active role in innovation around the Laws and their application reached down to schoolboy level. The General Council approved the introduction of modifications to the scrum engagement process for age group and club rugby (with the exception of provincial schools rugby and first league clubs). The essence of the changes was to take the "hit" out of the engagement. The modification was based on the evidence of injury statistics which showed the scrum as an area where better management could have a real impact on catastrophic injuries. The modifications will apply from 2013,

In 2012 SARU was very prominent in schools rugby, with Academies being based in the heartlands of black rugby. Women's rugby also received a big push from SARU and our referees were seen as some of the world's best.



The Test played at the FNB Stadium in October between the Springboks and All Blacks was the first time that SARU hosted a test match on its own.

SARU's willingness to innovate was also demonstrated by extension of the powers of the Television Match Official (TMO) into areas other than the scoring of tries. Match referees now had the power to "roll back the tape" through two phases if they suspected an infringement in the lead up to a try. The system was used in the Absa Currie Cup and went into worldwide trial in 2013.

SARU is proud of the fact that our referees continue to be international pace setters in terms of standard – a fact evinced in the southern hemisphere by the selection of South African officials to fill three of the four referee appointments for the play-off matches in Vodacom Super Rugby. They were: Jaco Peyper, Craig Joubert and Jonathan Kaplan.

There were also highly significant developments in women's rugby – an area of the game that has the potential for enormous growth worldwide, following the introduction of Rugby Sevens as an Olympic sport.

As a leading rugby nation for more than a century, it is an area SARU would be negligent to ignore. To that end, two significant advances were made: we established a residential training camp for the women's sevens squad in Port Elizabeth and also introduced an Under-16 girls' competition to broaden the playing base. South Africa lags significantly behind our major international rivals, such as England and New Zealand, in this area but there is no doubt that it is one in which we can make rapid strides on the Road to Rio in 2016.

CORPORATE ADVANCES

There were significant advances off the field too. In September SARU's offices moved to Platteklouf after 19 years at Newlands. A staff of 35 in 1995 had crept up to 80, bursting the seams of our old offices, which lacked the bare necessities of sufficient meeting rooms (there was only one) and staff parking. Our new premises

in an established office park ticked all the corporate boxes of functional requirements as well as offering an iconic panorama to fit an iconic brand.

In another migration, SARU signed the lease on a property at the V&A Waterfront in Cape Town to house a significantly re-imagined Springbok Experience museum. The dusty and moribund facility at the Sports Institute of South Africa tucked away in a Newlands backwater will be replaced by a major, modern visitor attraction at one of Africa's most heavily foot-trafficked tourist destinations with 23m visitors each year. It is due to open in the latter part of 2013.

The General Council also decided to change the way that Springbok Test matches are organised in South Africa by 'reversing' the existing model. Instead of member unions paying SARU for the rights to host a match and keep all the ticket receipts, SARU would pay a hosting fee to the member unions and keep the ticket income. The change was made to raise the bar and standardise the spectators' and sponsors' Springbok Test experience as well as to unlock commercial value for all 14 member unions. The change was confirmed following the hosting by SARU of the Springboks v New Zealand Test match at FNB Stadium in October. The 80 753 attendance did not live up to expectations but in terms of the match-day experience and the event branding, the occasion was a considerable step up from the established Test match norm. The new model will present its own challenges – and there are bound to be teething troubles – but it offers significant advantages.

One other change to assist in the planning and delivering of the best possible Springbok Test experience was to name the location of home Springbok Tests for three seasons – up to and including Rugby World Cup year.

The hosting of the Junior Rugby World

Cup in South Africa presented challenges posed by the weather. Four venues were ultimately used – rather than the planned two – and yet the outcome was hailed as "exceptional" by the IRB, thanks to the efforts of SARU's staff and the Cape Town public, allied to the excitement generated by the title-winning performance of the Junior Springboks.

Our premier domestic competition, the Absa Currie Cup, was restructured to a six-team Premier Division and eight-team First Division in 2012. The change led to a tightly contested competition with the eventual champions, DHL Western Province, claiming the title despite losing half of their log matches. The competition remains as robust as ever with a TV audience comparing favourably with Vodacom Super Rugby.

As Mr Hoskins has mentioned in his remarks, a significant appointment was made in the newly created role of General Manager: High Performance – a rugby-facing role that had been absent from SARU's organogram for too long. The position was created to build capacity and intellectual property in our elite rugby team environments. It was appropriate then that the person to be given the job was a former Springbok captain and successful provincial coach, Rassie Erasmus.

One event that consumed operational time and impacted negatively on SARU's reputation was the understandable agonising by member unions over a method to identify the four teams to join the Southern Kings in the Vodacom Super Rugby competition in 2013

SARU enjoyed another solid year financially with group revenue up 15% to R689 million. We were able to report a pre-tax profit of R6.2 million for the year ended 31 December 2012, despite an increase in operating expenditure of 20% due in part to one-off costs such as the hosting of the Test at FNB Stadium and the Junior World Championship. The overall position remains reasonably healthy, with equity of R69 million – despite the macroeconomic situation – with a modest rise expected in revenues in 2013, although there will be a commensurate increase in expenses.

In conclusion, I am happy to report that, in time, 2012 may well come to be regarded as the year in which a new, modernised SARU laid the foundations for rugby and corporate developments that will be 'game changers' for the South African Rugby Union in years to come.

Jurie Roux

Chief Executive Officer.



INTEGRATED REPORT



GOVERNANCE STRUCTURES



The SARU Executive (front, left to right) is: Jurie Roux (CEO), Mark Alexander, Oregan Hoskins, James Stoffberg, Mputumi Damane, Dr Ismail Jakoet (Company Secretary), (back, left to right) Monde Tabata, Pat Kuhn, Mputumi Damane, Piet Heymans, Tobie Titus, Dawie Groenewald, Boet Fick, Basil Haddad (CFO).

1. MEMBERS OF THE EXECUTIVE COUNCIL

Oregan Hoskins (*Chairman*)
 Mark Alexander
 James Stoffberg
 Mputumi Damane
 N.H (Boet) Fick
 Dawie Groenewald
 Piet Heymans
 Pat Kuhn
 Monde Tabata
 Tobie Titus (*elected on 30 March 2012, replacing Mr Gary Meyer*)
 Jurie Roux (*CEO*)
 Basil Haddad (*CFO*)
 Dr I Jakoet (*Company secretary*)

2. SARU SUB-COMMITTEES AUDIT AND RISK COMMITTEE

Monde Tabata (*Chairman*)
 Raymond Fenner (*independent*)
 Keith Parkinson (*Independent*)
 Dawie Groenewald (*withdrew from the committee in March 2012*)

Piet Heymans
 Pat Kuhn
 Ex officio
 Jurie Roux (*CEO*)
 Basil Haddad (*CFO*)

By invitation:

External Auditors

- Ernest Carelse (*PWC*)

Internal Auditors

- Glen Ho (*KPMG*)
 - Marcel Bufe (*KPMG*)
- Dr Ismail Jakoet (*secretary*)

HUMAN RESOURCES AND REMUNERATIONS COMMITTEE

Peter Hassard (*Chairman*)
 Ayanda Mjekula (*Independent*)
 Ms Arness Siame (*Independent*)
 Victor Christian (*elected on 24 May 2012*)
 Jurie Roux (*CEO*)
 Basil Haddad (*CFO*)
 Dr Ismail Jakoet (*secretary*)

FINANCE COMMITTEE

Boet Fick (*Chairman*)
 Mputumi Damane
 Mark Alexander
 Jurie Roux (*CEO*)
 Basil Haddad (*CFO*)

NATIONAL JUDICIAL COMMITTEE

Judge Lex Mpati (*Chairman*)
 Koos Basson
 Adv Jannie Lubbe
 Christo Ferreira (*secretary*)

GAMES AND POLICIES COMMITTEE

James Stoffberg (*Chairman*)
 Randall September
 Vivian Lottering
 Louis Nel
 Lindsay Mould
 Hennie van der Merwe
 Jurie Roux (*CEO*)
 Rassie Erasmus
 Andy Marinos
 Steven Roos (*secretary*)

3. SARU AD HOC COMMITTEES**ELITE PLAYER DEVELOPMENT COMMITTEE**

James Stoffberg (*Chairman*)
 Francois Davids
 Kevin De Klerk
 Jurie Roux (*CEO*)
 Rassie Erasmus
 Dr Ismail Jakoet (*secretary*)

GAME DEVELOPMENT AND TRANSFORMATION COMMITTEE

Dawie Groenewald (*Chairman*)
 Tobie Titus
 Hennie Baartman
 Thelo Wakefield
 Graham Mackenzie
 Buntu Ondala
 Cheeky Watson
 Jurie Roux (*CEO*)
 Mervin Green (*secretary*)

CONSTITUTIONAL SUBCOMMITTEE

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

NATIONAL WOMEN'S COMMITTEE

Alta Botha
 Siphokazi Njani
 Gloria Sullivan
 Zilungile Ntombela
 Devendra Easthorpe

EXECUTIVE COUNCIL MEMBERS STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 DECEMBER 2012

The annual financial statements have been prepared by management in accordance with South African Statements of Generally Accepted Accounting Practice ("SA GAAP"). They are based on appropriate accounting policies, which have been consistently applied to all years presented, unless otherwise stated and which are supported by reasonable and prudent judgements and estimates.

The Executive Council is responsible for the preparation of annual financial statements that fairly present the state of affairs and the results of the Union. The external auditors are responsible for independently auditing and reporting on these annual financial statements, in conformity with South African Standards of Generally Accepted Accounting Practice.

The Executive Council is responsible for the Union's systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets and to prevent and detect misstatement and loss. Nothing has come to the attention of the members of the Executive Council to indicate that a material breakdown in the controls within the Union has occurred during the year under review.

The Executive Council has recorded it has reasonable expectation that the Union has adequate resources and the ability to continue in operation for the foreseeable future. For these reasons, the financial statements have been prepared on a going concern basis.

The financial statements set out on pages 44-77 were approved on 4 April 2013 by the members of the Executive Council and are signed on their behalf.

OPM Hoskins
President



M Alexander
Deputy President

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 specialized 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 be 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 the 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 organization 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 recognizes 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 is 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 miscon-

duct 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.



Handrè Pollard on the attack during the SA Schools match against England at the UWC Stadium in Bellville.

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.

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 of any of the governing structures of a member 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 be 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:

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;
- Comment in the annual financial statements on the financial statements, the accounting practices and the effectiveness of the internal financial controls;
- Recommend the integrated report for approval by the executive council;

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.

Internal audit

The Committee is responsible for the overseeing of internal audit, 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.

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.

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.

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 chairmen of the other executive council committees, any of the executive council members, management, 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.

Springbok captain Jean de Villiers and Coach Heyneke Meyer during the Wreath-laying ceremony at Hector Pieterse Memorial in Soweto.



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 executive council members 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 Com-

mittee 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.

Approval of these terms of reference

These terms of reference were approved by the executive council and the Chairman of the Committee.

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

Francois Hougaard during the South African national rugby team’s hand-over of flowers and chocolates for Women’s Day at Cavendish Square in Cape Town.



TERMS OF REFERENCE OF THE HUMAN RESOURCES & REMUNERATIONS 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.
- 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”

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.
- Furthermore all members are under the obligation of the SARU Communications Protocol

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 Finance Committee has no decision making powers, but is required to make recommendations to the executive council on all matters included in its terms of reference.
- 1.3 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

- 2.1 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.
- 2.2 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.
- 2.3 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. TERMS OF REFERENCE OF THE COMMITTEE

- 4.1 To ensure that appropriate financial policies are established and implemented
- 4.2 To ensure that appropriate systems of internal control are established and implemented
- 4.3 To ensure that appropriate levels of authority are established and implemented
- 4.4 To review the draft annual operating and capital expenditure budgets as prepared by management
- 4.5 To deal with any other matter assigned to it from time to time by the executive council

TERMS OF REFERENCE FOR GAMES POLICIES & PROCEDURES COMMITTEE

1. INTRODUCTION

- The Game Policies and Procedures Committee has all the formal delegated authorities and mandates from the Executive Council as are necessary to perform its role and responsibilities.
- Administratively, the Game Policies and Procedures Committee is a delegated function of the SA Rugby Union.
- The Game Policies and Procedures Committee will have full access to any information it needs to fulfil its responsibilities, and all employees of SARU are required to co-operate with requests made by the Game Policies and Procedures Committee in the course of its duties.
- The Game Policies and Procedures Committee may obtain such internal or independent external professional advice as it considers necessary to carry out its duties.
- These Terms of Reference may from time to time be amended as required, subject to the approvals of the Executive Council.

2. ROLES AND RESPONSIBILITIES

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

- Conceptualise new Competitions;
- Plan and utilise age group competitions so as to provide a “stepping stone” from high school up to senior and professional rugby for the best young players, and thereby to create opportunities to develop the next generation of elite talent;
- Ensure the maintenance and development of interest in matches among lower level clubs, among lower age groups and for players outside the main geographic centres;
- 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;
- Conduct feasibility studies and stakeholder surveys, where appropriate;
- Liaise with the relevant Departments of SARU to arrange for sponsorships, media coverage and marketing as and when appropriate;
- Co-ordinate all stakeholders within specific Competitions and between different Competitions;
- 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;
- Plan, organise and manage actual events;
- 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.



3. COMPOSITION

- The Game Policies and Procedures Committee will be chaired by an independent non-executive director, to be appointed by the Executive Council.
- Various individuals having appropriate expertise and resources will be appointed by the Executive Council onto the Game Policies and Procedures Committee from time to time.
- 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
- The various members of the Committee will be allocated specific responsibilities from time to time, according to the changing needs of the Committee and of SARU. The specific responsibilities shall be communicated in writing to the members of the Committee, for their information and against which their performance shall be measured.

4. FUNCTIONING

- The Game Policies and Procedures Committee shall meet, adjourn or otherwise regulate its meetings as it deems fit, but it shall meet at least twice annually.
- 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 Game Policies and Procedures Committee will create such structures and hire such advisors and assistance as they deem appropriate from time to time.

Rosco Speckman of KwaZulu Natal is tackled by Andile Witbooi of the Eastern Province during the SARU Interprovincial Sevens tournament.

5. 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.
- Furthermore all members are under the obligation of the SARU Communications Protocol

6. REMUNERATION

- Independent professionals as requested to assist or consult to the Game Policies and Procedures Committee on occasions, are eligible to receive such remuneration in respect of their time and contributions to the business of the Game Policies and Procedures Committee as may be determined by formal resolution of the Remuneration Committee of SARU from time to time.
- 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.

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.

The Junior Boks sign autographs at Canal Walk during the IRB Junior Championships held in Cape Town.



TERMS OF REFERENCE OF ELITE PLAYER DEVELOPMENT COMMITTEE

1. PREAMBLE

- The Elite Player Development Committee has all the formal delegated authorities and mandates from the Executive Council as are necessary to perform its role and responsibilities.
- Administratively, the Elite Player Development Committee is a delegated function of the Executive Council of SARU.
- The Elite Player Development Committee will have full access to any information it needs to fulfill its responsibilities, and all employees of SARU are required to co-operate with requests made by the Elite Player Development Committee via the office of the CEO in the course of its duties.
- The Elite Player Development Committee may obtain such internal or independent external professional advice, as it considers necessary to carry out its duties.
- These Terms of Reference may from time to time be amended as required, subject to the approvals of the Executive Council.

2. ROLES AND RESPONSIBILITIES

To continually monitor and assess international developments, trends and rugby best practices, so as to keep South Africa at the cutting edge of World Rugby. Specifically, the Committee would be required to:

- Think about rugby, study and set trends for the technological and philosophical development of the game, develop new knowledge of the game and disseminate such new knowledge to all levels of coaching in South Africa;
- Identify deficiencies in our game and develop and implement responses to such deficiencies;
- Assess, evaluate, guide, advise & monitor in particular the national & Super Rugby Coaches on all coaching matters, and provide them with a sounding board;
- Devise appropriate coaching educational programmes at all levels, and oversee the arrangement and implementation of these programmes;
- Develop, constantly review and implement growth and development opportunities for all coaches in South Africa, including mentorship of coaches, especially for the various national and Super Rugby squads;
- Oversee, monitor and co-ordinate the process of transformation throughout SA Rugby's coaching structures;
- Identify emerging coaching talent and nurture, advise and monitor the career-development and fast-tracking of said coaching talent;
- Liaise with referees re coaching structures; where appropriate;
- Liaise with the SARU Coaching and Hi Performance Department;
- Develop, constantly review and implement a performance management system for all coaches in the employ of SARU;
- Oversee criteria for appointments, assessment and evaluation of coaches;
- Conduct coaching forums at all levels, to share information and ideas;
- Ensure the effective utilisation of elite coaches outside of competition time, by facilitating training and mentoring of coaches at the next level of coaching (provincial age group coaches, top club and top school coaches);
- Each member would develop a blue print for his/her portfolio that would be distributed at all levels of rugby, each leader will ensure that his portfolio stays at the forefront in world rugby
- Each member must look to develop SARU branded products, systems, etc. that

could be marketed outside of SARU – this should be the preferred system, product, etc. worldwide. This could generate huge revenue possibilities for SARU

- The same program must be developed for Sevens
- Perform any other activity as may be specifically requested of it by the Executive Council from time to time.

3. COMPOSITION

- The Elite Player Development Committee will be chaired by an appropriate member of the SARU, to be appointed by the Executive Council.
- Various individuals having appropriate expertise and resources will be appointed as leaders for each portfolio by the Executive Council onto the Elite Player Development Committee from time to time on the recommendation of the chairman and the GM: High Performance
- The Elite Player Development Committee will be coordinated the General Manager High Performance SARU,
- Members of the Springbok Management Team would not be considered
- Specialist coaches/consultants to the Springbok Team would be considered for selection
- The various members of the Committee will be allocated specific responsibilities from time to time, according to the changing needs of the Committee and of SARU. The specific responsibilities shall be communicated in writing to the members of the Committee, for their information and against which their performance shall be measured.

4. FUNCTIONING

- The Elite Player Development Committee shall meet, adjourn or otherwise regulate its meetings as it deems fit, but it shall meet at least quarterly.
- 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 Elite Player Development Committee will create such structures and hire such advisors and assistance, as they deem appropriate from time to time.

5. CONFIDENTIALITY AND GOVERNANCE

- All members of the Elite Player Development 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 Elite Player Development 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 CEO of SARU
- Unless specifically authorised by the CEO of SARU, no member of the Elite Player Development Committee may make statements to the media.
- Furthermore all members are under the obligation of the SARU Communications Protocol

6. REMUNERATION

- All members of the Elite Player Development Committee, as well as such other independent professionals as may be requested to assist or consult to the Elite Player Development Committee on occasion, are eligible to receive such remuneration in respect of their time and contributions to the business of the Elite Player Development Committee as may be determined by formal resolution of the Remuneration Committee of SARU from time to time. Members excluded

from being remunerated include Presidents of Unions, 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 Elite Player Development Committee, on such basis as the Remuneration Committee of SARU may determine from time to time.

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 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.

TERMS OF REFERENCE FOR NATIONAL WOMENS COMMITTEE

1. PREAMBLE

The Women's Rugby Committee has all the formal delegated authorities and mandates from the Executive Council as are necessary to perform its role and responsibilities.

Administratively, the Women's Committee is a delegated function of the Executive Council of SARU.

The Women's Rugby Committee will have access to any information its needs to fulfill its responsibilities, and all employees of SARU are required to co-operate with requests made through the office of the CEO by the Women's Rugby Committee in the course its duties.

The Women's Rugby Committee may obtain such internal or independent external professional advice, as it considers necessary to carry out its duties with the endorsement of the Executive Council for the external professional advice.

These Terms of Reference may from time to time be amended as required subject to the approvals of the Executive Council.

2. ROLES AND RESPONSIBILITIES

To recommend policies, strategies and programmes to develop girls/Women's rugby to ensure that South Africa has a strong, healthy participation base and the National teams are performing well on the international stage. The Committee would be required to;

- Identify and recommend programmes and initiatives to enhance the recruitment of players and personnel to the game.
- Recommend policies and procedures to improve governance structures at all the levels of the game.
- Inform and propagate on issues affecting Women in Sport with regards to recognition, diversity and equity.
- Advise on the marketing of the game and its programmes. Contribute towards image building.
- Contribute towards Child Protection and the value systems in Women's rugby.
- Advise and monitor the development of female coaches, administrators and technical officials. Liaise with Provincial Women's structures to give guidance and support.
- Identify emerging trends in female sport and advise in order to keep abreast of development.

- Monitor and assess the performance of the National teams and make recommendations on personnel.
- Present the aspirations and the rights of Women in Rugby to SARU Exco.
- Perform any other activity as may be specifically requested of it by the Executive Council from time to time.

3. COMPOSITION

- The Women's Rugby Committee will be chaired by an appropriate member of SARU, to be appointed by the Executive Council.
- Eminent Women from the structures will be appointed by the Executive Council onto the Women's Committee for a period of four (4) years in line with World Cup/Olympic cycles.

4. FUNCTIONING

- The Women's Rugby Committee shall meet four (4) times a year.
- A meeting secretary shall be appointed to keep full and proper minutes of all meetings of the Committee.
- The Women's Rugby Committee shall facilitate the establishment of Women's Committees in all provinces.

5. CONFIDENTIALITY AND GOVERNANCE

- All the members of the Women's Rugby 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 Women's Rugby Committee automatically read 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 may make statements to the media.
- Furthermore all members are under the obligation of the SARU Communications Protocol

6. REMUNERATION

- All members of the Women's Rugby Committee are eligible to receive such remuneration in respect of their time and contributions to the business of the Women's Rugby Committee as may be determined by formal resolution of the Remuneration Committee of SARU from time to time. Members excluded from being reimbursed include Presidents of Unions, Executive Council Members and Members of SARU's staff who serve on this committee.
- The members 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 travelling to and from meetings of the Women's Rugby Committee on such basis as the Remuneration Committee of SARU may determine from time to time.

7. COMMITTEE EFFECTIVENESS

The Committee shall be subject to evaluation through self-assessment and evaluation by the Provincial Women's structures to determine its effectiveness. The outcome of the evaluations shall be presented to the Executive Council for its consideration.

8. REVIEW

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

TERMS OF REFERENCE OF THE DEVELOPMENT AND TRANSFORMATION COMMITTEE

1. FUNCTION OF THE COMMITTEE

The primary function of the Committee is to oversee the development and transformation of the game in SA Rugby with regards to the access, growth, skills development, demographic representation, social responsibilities, community involvement and participation at all levels within schools and clubs. This committee needs to make recommendations to the Executive Council in respect of structural changes and new systems, utilization of human resources and programmes to speed up development and transformation in South African Rugby based on the principle of broad-based empowerment.

2. ROLE OF THE COMMITTEE

The role of the committee will be to:

- 2.1 Propose and recommend a development and transformation strategy for SA Rugby.
- 2.2 Recommend and propose development and transformation goals that will ensure the long term future of the game.
- 2.3 Monitor and report progress in the achievement of recommendations made.
- 2.4 Approve and recommend the design and implement a Performance Management system to guide fund allocation for Development and transformation related initiatives.
- 2.5 Assist provinces in implementing the development and transformation strategy and developing their own plans and strategies where necessary.
- 2.6 Approve and monitor systems to collect, manage and analyze data collected from Provinces.
- 2.7 Provide feedback to all stakeholders with respect to Development and Transformation progress.

3. CONFIDENTIALITY AND GOVERNANCE

- All members of the Development and Transformation 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 Development and Transformation 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 authorization of the Chairman of the Executive Council.
- Unless specifically authorized by the Chairman of the Executive Council, no member of the Development and Transformation Committee may make statements to the media.
- Furthermore all members are under the obligation of the SARU Communications Protocol

EXECUTIVE COUNCIL REPORT

GENERAL MEETING

In compliance with clause 12.1 of the SARU Constitution the General Meeting assembled for an AGM in March and two Ordinary General Meetings in August and December. At the AGM in March, Patrick Kuhn and Tobie Titus were elected as the additional union representatives on the executive council until the Annual General Meeting in 2016. Mr Titus replaced Mr Gary Mayer and Mr Kuhn was re-elected for another term.

As per clause 14.2 of the SARU Constitution, the General Meeting approved SARU's annual budget for 2013 at meeting held on 6 December 2012.

EXECUTIVE COUNCIL

The Executive Council complied with clause 17.1 of the Constitution by having eleven meetings of which seven of these were scheduled meetings and 4 were held via teleconference.

The attendance by members of the Executive Council was as follows for the period 1 January 2012 until 31 December 2012:

Oregan Hoskins	8
Mark Alexander	11
James Stoffberg	11
Mputumi Damane	9
Dawie Groenewald	11
Piet Heymans	11
Boet Fick	11
Pat Kuhn	11
Monde Tabata	11
Tobie Titus	6 (<i>elected to Executive Council on 30 March 2012</i>)
Jurie Roux	11
Basil Haddad	10
Dr I Jakoet	11

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 four meetings*
Attendance at meetings:
 - Chairman - *4 meetings*
 - Mr Parkinson - *2 meetings*
 - Mr Kuhn - *3 meetings*
 - Mr Fenner - *3 meetings*
- **Human Resources and Remunerations Committee** – *had three meetings*
Attendance at meetings:
 - Chairman - *3 meetings*
 - Ms Siame - *3 meetings*
 - Mr Christian - *2 meetings (appointed after first meeting)*
 - Mr Mjekula - *2 meetings*
- **Finance Committee** – *had two meetings with a 100% attendance at each one*
- **National Judicial Committee** – *had 2 meetings with 100% attendance at each one*
- **Games and Policies Committee** - *had 2 meetings with 100% attendance at each one*

OPPOSITE PAGE:

A player from African Bombers toes the ball ahead in a match during the SARU Easter festival in Nyanga.







AUDIT & RISK COMMITTEE



For the year 31 December 2012

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 and in the manner required by the Companies Act of South Africa
 - considers and, when appropriate, makes recommendations on internal financial controls
 - deals with concerns or complaints 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
- 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.

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 four 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
12 March 2012	Financial Statements
23 May 2012	Constitutional Amendments
19 July 2012	Internal Audit & Information Technology
24 October 2012	Audit plan and engagement letters for External and Internal Auditors

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. On the 23 May, the President, attended the full session of the Committee.

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 in terms of the act 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 and in the manner required by the Companies Act of South Africa
 - considers and, when appropriate, makes recommendations on internal financial controls
- deals with concerns or complaints 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 cooperation between the internal and

external auditors, and serves as a link between the executive council and these functions.

The Audit and Risk Committee in consultation with executive management recommended the appointment of KPMG as its outsourced internal audit service provider.

The Audit and Risk Committee, was satisfied that the members had applied their minds and recommend that the Audit Plan be approved by the Executive Council.

EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

PricewaterhouseCoopers Inc. served as SARU's designated auditors for the 2012 financial year. The Audit and Risk Committee has satisfied itself that the external auditors are independent of SARU, which included consideration of previous appointments of the designated auditors, the extent of other work undertaken by the auditors and compliance with criteria relating to independence or conflicts of interest as prescribed by the independent Regulatory Board for Auditors. 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 2013 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 has assigned a responsible executive and therefore the risks previously identified have diminished in this area.. The Committee is satisfied that Management has taken decisive action and addressed the majority of the concerns previously reported.

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, 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 incentive and punitive regiment to ensure that the organisation is focused on resolving weaknesses that are identified.

Furthermore, the risk assessment was used as a basis to draft a risk-based internal audit plan.

OTHER

The Committee recommended to the Executive Council that the SARU Constitution be brought in line with the amended Companies Act of 2008 which had replaced the Companies Act. No. 61 of 1973. Consequently it had been necessary to review and amend all the clauses in the current SARU constitution that have reference to the "ACT" The amendments were proposed to the Executive Council for approval and acceptance by the Annual General Meeting.





OPERATIONS & FINANCE



OPERATING RESULTS

SARU reported a group profit before taxation of R6.2 million for the year ended 31 December 2012.

Group revenue rose to R689 million, up 15% from the 2011 level of R597 million, due mainly to an increase in income from broadcasting rights, sponsorships and Home Tests, which is typically lower than normal in a Rugby World Cup year.

However, group operating expenditure increased by 20%, largely due to costs associated with the hosting of the Test match at FNB Stadium and the IRB Junior World Cup (6%), national teams (4%), development of the game (4%) and staffing costs (3%) following the operational restructuring in late 2011.

FINANCIAL POSITION

The Group's financial position remains reasonably healthy, with total equity of R69 million. However, cash reserves at R10 million, are significantly lower than those of the previous year, due partly to an increase in loans and advances to and amounts receivable from provincial unions, and partly to non-recurring capital expenditure incurred mainly on the relocation to new premises.

The ratio of current assets to current liabilities was 1.4 to 1.0 (2011: 1.8 to 1.0) at year-end.

PROSPECTS FOR 2013

While revenue from broadcasting rights and sponsorships is secure and will rise moderately in 2013, expenditure is expected to increase by a similar level, resulting in another modest profit before taxation in 2013.

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.

FINANCE DEPARTMENT

The Finance department continued in its quest to improve financial systems and controls, in order to provide efficient and effective financial services to its customers, both internal and external.

LEGAL DEPARTMENT

The Legal department (non-commercial) attends to all ongoing judicial affairs including player and agent regulations, player movements and disciplinary matters.

PREMISES

Having outgrown the Sports Science Institute of S.A. premises in Newlands in the south of Cape Town, which it occupied for seventeen years, SARU successfully relocated its operations to brand new leased premises, named SARU House, in Tygerberg Park in the northern suburb of Platteklouf, in the latter half of 2012.

The new premises were designed and fitted according to SARU's specific needs, which included additional meeting rooms and a lunch room facility for staff, who also have the benefit of ample under-cover parking and state-of-the art video conferencing facilities and visual aids for presentation purposes.

While revenue from broadcasting rights and sponsorships is secure and will rise moderately in 2013, expenditure is expected to increase by a similar level, resulting in another modest profit before taxation in 2013.

The Junior Springboks have their final training session before they take on New Zealand in the IRB Junior Championships at DHL Newlands.





SOUTH AFRICA RUGBY UNION

VOLUNTARY ASSOCIATION OF PERSONS

CONSOLIDATED FINANCIAL STATEMENTS 31 December 2012

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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STATEMENT OF EXECUTIVE COUNCIL'S RESPONSIBILITY

for the year ended 31 December 2012

The Executive Council is responsible for ensuring that adequate accounting records are maintained and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements fairly present the state of affairs of the Union as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

The annual financial statements are prepared in accordance 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 is responsible for the Union's system of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets and to prevent and detect misstatement and loss. Nothing has come to the attention of the Executive Council to indicate that a material breakdown in the controls within the Union has occurred during the year under review.

The Executive Council has reviewed the Union's cash flow forecast for the year to 31 December 2013 and, in the light of this review and the current financial position, it is satisfied that the Union has or has access to adequate resources to continue in operational existence for the 12 months following the year end.

The annual financial statements set out on pages 5 to 33, which have been prepared on the going concern basis, were approved by the Executive Council on _____ and were signed on its behalf by:

OPM Hoskins
President

JW Roux
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH AFRICAN RUGBY UNION

We have audited the consolidated annual financial statements of the South African Rugby Union set out on pages 7 to 33, which comprise the statement of financial position as at 31 December 2012, 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.

Opinion

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of the South African Rugby Union as at 31 December 2012, 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 annual financial statements for the year ended 31 December 2012, we have read the Report of the Executive Council for the purpose of identifying whether there are material inconsistencies between this report and the audited consolidated annual financial statements. This report is the responsibility of the preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited consolidated annual 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: _____

REPORT OF THE EXECUTIVE COUNCIL

for the year ended 31 December 2012

The Executive Council presents its annual report, which forms part of the audited financial statements of South African Rugby Union ('the Union') for the year ended 31 December 2012.

1. Nature of business

To administer, develop and promote the game of rugby in South Africa.

2. Financial results

The financial results of the Union and the group are set out in the attached financial statements. The group financial statements comprise those of the Union and Springbok Supporters Club (Pty) Ltd, associate companies, Eastern Province Rugby (Pty) Ltd, SANZAR Pty Ltd, its subsidiary company, SANZAR Europe S.a.r.l and a joint venture, IRB HSBC World Sevens Series: SA Event.

3. Governing structure

The members of the Executive Council at 31 December 2012, were:

M Alexander (Deputy President)

M Damane

N Fick

D Groenewald

B Haddad (CFO)

P Heymans

O Hoskins (President)

J Roux (CEO)

P Kuhn

T Titus (Elected 30 March 2012)

J Stoffberg (Vice President)

M Tabata

G Meyer (Not re-elected 30 March 2012)

4. Subsidiary company, associate companies and joint venture

The Union has the following interests:

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

A 50% shareholding in Eastern Province Rugby (Pty) Ltd which conducts the business of professional rugby and related activities within the jurisdiction of the Eastern Province Rugby Union. The remaining shares are held by the Eastern Province Rugby Union. No control existed during the year under review over this entity, but there was significant influence and therefore this entity has been accounted for as an associate. Due to the company having an accumulated loss, the investment is not equity accounted for by the Group. The Union's share of losses of the associate as reported in their 2012 annual financial statements was R 3,078,204 (2011 profit: R1,324,264).

A 33.3% shareholding in SANZAR Pty Ltd 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 Union's. The Union's share of profits of the associates, as reported in their 2012 annual financial statements was R604,864. (2011: Rnil).

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. Due to the company having an accumulated loss, the investment is not equity accounted for by the Group. The Union's share of accumulated loss as reported in its 2012 annual financial statements was R708,282 (2011: R1,166,696).

4. Subsidiary company, associate companies and joint venture (continued)

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 (Pty) Ltd 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 2012 annual financial statements was R6,644,513 (2011:R2,924,414).

Further details relating to these entities are given in notes 4, 5 and 22 of the annual financial statements.

5. 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 general meeting, which has the ultimate authority in respect of, and responsibility for, its affairs.

6. First-time adoption of International Financial Reporting Standards

These financial statements are the Union's first annual financial statements to be prepared in accordance with IFRS. The annual financial statements of the Union until 31 December 2011 had been prepared in accordance with Generally Accepted Accounting Principles in South Africa ("SA GAAP"). SA GAAP differs in certain respects from IFRS. When preparing the financial statements, management have not amended any of the accounting or valuation methods applied in the SA GAAP financial statements as they did not differ from IFRS. As a result the comparative figures at 31 December 2011 and 1 January 2011 were not restated.

The conversion of the financial results of the Union from SA GAAP to IFRS did not result in any adjustments to the Union's previously reported financial position, financial performance or cash flows. As such no reconciliations are presented.

7. Material events after year end

No matter which is material to the financial affairs of the Union has occurred between the year end date and the date of approval of the financial statements.

8. Auditors

PricewaterhouseCoopers Inc. acted as auditors during the year.

SOUTH AFRICAN RUGBY UNION

Voluntary Association of persons

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Notes	Group		Union	
		2012	2011	2012	2011
		R	R	R	R
Assets					
<i>Non-current assets</i>					
Property, Plant and Equipment	2	13,579,679	3,902,166	13,572,611	3,894,899
Intangible asset	3	1,741,667	1,841,667	1,741,667	1,841,667
Investment in subsidiary	4	-	-	51	51
Investment in associates	5	604,864	-	-	-
Deferred income tax asset	6	13,412,877	20,232,108	13,374,374	20,079,138
Receivables and Prepayments	7	11,635,401	10,657,730	11,635,401	10,657,730
Total non-current assets		40,974,488	36,633,671	40,324,104	36,473,485
<i>Current assets</i>					
Inventory	8	3,106,662	3,549,407	3,102,705	3,544,154
Receivables and prepayments	7	127,693,671	81,738,799	127,333,639	81,636,840
Cash and cash equivalents	9	10,319,293	39,155,570	10,254,264	38,169,196
Income tax asset		6,143,854	-	6,110,509	-
Total current assets		147,263,481	124,443,776	146,801,117	123,350,190
Total assets		188,237,968	161,077,447	187,125,221	159,823,675
Equity and liabilities					
<i>Capital and reserves</i>					
Retained income		68,865,704	66,518,318	68,044,287	66,445,183
		68,865,704	66,518,318	68,044,287	66,445,183
Equity attributable to the Union		68,723,249	66,515,123	68,044,287	66,445,183
Non-controlling interests		142,455	3,195	-	-
Total equity		68,865,704	66,518,318	68,044,287	66,445,183
<i>Non-current liabilities</i>					
Deferred revenue	11	17,333,333	26,000,000	17,333,333	26,000,000
Total non-current liabilities		17,333,333	26,000,000	17,333,333	26,000,000
<i>Current liabilities</i>					
Trade and other payables	10	70,970,702	51,401,344	70,679,372	50,212,575
Deferred revenue	11	31,068,229	14,215,509	31,068,229	14,215,503
Income tax liability		-	2,942,276	-	2,950,414
Total current liabilities		102,038,931	68,559,129	101,747,601	67,378,492
Total liabilities		119,372,264	94,559,129	119,080,934	93,378,492
Total equity and liabilities		188,237,968	161,077,447	187,125,221	159,823,675

The notes on page 65 to 76 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Notes	Group		Union	
		2012	2011	2012	2011
		R	R	R	R
Revenue	13	688,845,102	597,459,033	682,571,004	592,862,060
Gross income		688,845,102	597,459,033	682,571,004	592,862,060
Other income	12	7,909,214	4,566,630	8,929,214	5,076,630
Operating expenditure		(697,604,795)	(582,743,656)	(692,529,120)	(579,112,699)
Operating profit	13	(850,480)	19,282,006	(1,028,903)	18,825,991
Net finance income	14	6,418,090	5,157,235	6,385,760	5,156,418
Profit before taxation and equity accounted earnings		5,567,610	24,439,241	5,356,857	23,982,409
Equity accounted earnings	5	604,864	-	-	-
Profit before taxation		6,172,474	24,439,241	5,356,857	23,982,409
Income tax expense	15	(3,825,089)	(5,885,275)	(3,757,753)	(5,772,065)
PROFIT FOR THE YEAR		2,347,385	18,553,966	1,599,104	18,210,344
Other comprehensive income					
Other comprehensive income for the year, net of tax		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,347,385	18,553,966	1,599,104	18,210,344
Profit attributable to:					
Equity holders of the Union		2,208,126	18,385,592	1,599,104	18,210,344
Non-controlling interests		139,259	168,374	-	-
		2,347,385	18,553,966	1,599,104	18,210,344
Total comprehensive income attributable to:					
Equity holders of the Union		2,208,126	18,385,592	1,599,104	18,210,344
Non-controlling interests		139,259	168,374	-	-
		2,347,385	18,553,966	1,599,104	18,210,344

The notes on page 65 to 76 are an integral part of these financial statements.

SOUTH AFRICAN RUGBY UNION

Voluntary Association of persons

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

Group	Retained earnings R	Attributable to the Union R	Non-controlling interests R	Total
Balance at 1 January 2011	47,964,353	48,129,531	(165,178)	47,964,353
Profit for the year	18,553,965	18,385,592	168,374	18,553,966
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	18,553,965	18,385,592	168,374	18,553,966
Balance at 31 December 2011	66,518,318	66,515,123	3,196	66,518,319
Profit for the year	2,347,385	2,208,126	139,259	2,347,385
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	2,347,385	2,208,126	139,259	2,347,385
Balance at 31 December 2012	68,865,703	68,723,249	142,455	68,865,704
Union	Retained earnings R	Attributable to the Union R	Non-controlling interests R	Total
Balance at 1 January 2011	48,234,839	48,234,839	-	48,234,839
Profit or loss for the year	18,210,344	18,210,344	-	18,210,344
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	18,210,344	18,210,344	-	18,210,344
Balance at 31 December 2011	66,445,183	66,445,183	-	66,445,183
Profit for the year	1,599,104	1,599,104	-	1,599,104
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	1,599,104	1,599,104	-	1,599,104
Balance at 31 December 2012	68,044,287	68,044,287	-	68,044,287

The notes on page 65 to 76 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2012

	Notes	Group		Union	
		2012	2011	2012	2011
			R	R	R
Cash flow from operating activities					
Cash utilised in operations	18	(17,659,391)	(62,674,024)	(16,695,601)	(63,086,108)
Interest received	14	6,492,902	5,491,535	6,460,573	5,490,718
Interest paid	14	(74,812)	(334,300)	(74,812)	(334,300)
Taxation paid	19	(6,091,988)	(4,020,988)	(6,113,912)	(4,005,835)
Net cash flow outflow from operating activities		<u>(17,333,289)</u>	<u>(61,537,777)</u>	<u>(16,423,753)</u>	<u>(61,935,525)</u>
Cash flow from investing activities					
Proceeds on disposal of property, plant and equipment		1,166,087	6,264	1,170,997	6,264
Purchase of property, plant and equipment		(12,669,075)	(1,550,393)	(12,662,176)	(1,550,393)
Net cash used in investing activities		<u>(11,502,988)</u>	<u>(1,544,129)</u>	<u>(11,491,179)</u>	<u>(1,544,129)</u>
Net decrease in cash and cash equivalents		(28,836,277)	(63,081,906)	(27,914,932)	(63,479,654)
Cash and cash equivalents at beginning of year		39,155,570	102,237,476	38,169,196	101,648,850
Cash and cash equivalents at end of year	9	<u>10,319,293</u>	<u>39,155,570</u>	<u>10,254,264</u>	<u>38,169,196</u>

The notes on page 65 to 76 are an integral part of these financial statements.

ACCOUNTING POLICIES

for the year ended 31 December 2012

1. Principle Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the accounting policies below.

First-time adoption of International Financial Reporting Standards

First-time Adoption of International Financial Reporting Standards ('IFRS 1'), has been applied in preparing these financial statements. These financial statements are the Union's first financial statements to be prepared in accordance with IFRS. The financial statements of the Union until 31 December 2011 had been prepared in accordance with Generally Accepted Accounting Principles in South Africa ('SA GAAP'). SA GAAP differs in certain respects from IFRS. When preparing the financial statements, management have not amended any of the accounting or valuation methods applied in the SA GAAP financial statements as they did not differ from IFRS. As a result the comparative figures in respect of the financial statements at 31 December 2011 and 1 January 2011 were not restated.

Transition to IFRS

IFRS 1 requires full retrospective application of IFRS. However, the standard allows for exceptions and exemptions from full retrospective application of IFRS. The mandatory exceptions from full retrospective application of IFRS are not applicable, other than the estimates exception in respect of which no adjustments were made. The Union has not elected any of the exemptions from full retrospective application of IFRS.

Reconciliations between IFRS and SA GAAP

The conversion of the financial results of the Union from SA GAAP to IFRS did not result in any adjustments to the Union's previously reported financial position, financial performance or cash flows. As such no reconciliations are presented.

Consolidation

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

ACCOUNTING POLICIES

for the year ended 31 December 2012

(b) Transactions and non-controlling interests

The group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the group.

Disposals to non-controlling interests result in gains and losses for the group and are recorded in the income statement. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) 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 and are initially recognised at cost. The group's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against 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 obligations or made payments on behalf of the associate.

Unrealised gains or transactions between the group and its associate is eliminated to the extent of the group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate has been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Rands, which is the group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains - net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are, included in the fair value reserve in equity.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Property, Plant and Equipment

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The group leases certain property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

All items of equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Office furniture and equipment	3 - 8 years
Computer software and equipment	3 years
Motor Vehicles	3 - 5 years
Leasehold Improvements	10 years (period of lease)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'other (losses)/gains - net' in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Financial assets (continued)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Statement of Financial Position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains - net' in the period in which they arise.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

Impairment of financial assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. 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 as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. 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 receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenditure. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. 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.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Current and deferred income tax (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits

(a) 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 defined 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 employee pays fixed contributions into the 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.

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 approximating 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.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Employee benefits (continued)

(b) Other post-employment obligations

The group companies provide post-retirement healthcare benefits to their 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 the statement of changes in equity in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) 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 year end date are discounted to their present value.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provisions are not recognised for future operating losses.

Where 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.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of goods

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods, the company 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 company, 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.

ACCOUNTING POLICIES

for the year ended 31 December 2012

Sponsorship income (continued)

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.

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.

Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

ACCOUNTING POLICIES*for the year ended 31 December 2012***2. New Standards and Interpretations****2.1 Standards and interpretations effective and adopted in the current year**

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

Standard/ Interpretation:	Effective date: Years beginning on or after
IFRS 7 Amendments to IFRS 7 (AC 144) Disclosures – Transfers of financial assets	1 July 2011
IAS 12 Income Taxes: Amendment: Deferred Tax: Recovery of Underlying Assets	1 January 2012

2.2 Standards and interpretations not yet effective

The Union has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Union's accounting periods beginning on or after 01 January 2013 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
IFRS 9 Financial Instruments	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IAS 27 Separate Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 1 Presentation of Financial Statements	1 July 2012
IAS 19 Employee Benefits Revised	1 January 2013

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

3. Financial risk management**Financial risk factors**

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price 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.

*(a) Market risk**(i) 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 2012, 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 R251,649 (2011: R124,183) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pound denominated trade receivables.

ACCOUNTING POLICIES

for the year ended 31 December 2012

At 31 December 2012, 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 R46,229 (2011: Rnil) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables.

(b) 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 risk factors (continued)

Union Counterparty	Rating	31 December 2012		31 December 2011	
		Credit limit	Balance	Credit limit	Balance
ABSA	A-	-	9,995,910	(3,000,000)	12,703,637
Investec Bank Limited	BBB	-	211,995	-	25,398,177
		-	10,207,905	(3,000,000)	38,101,814
Group Counterparty	Rating				
ABSA	A-	-	10,060,939	(3,000,000)	13,690,010
Investec Bank Limited	BBB	-	211,995	-	25,398,177
		-	10,272,934	(3,000,000)	39,088,187

(c) 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 501,375 (2011: 956,703) change in the interest.

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.

Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment in investment in associates

The Group follows the guidance of IAS 39 to determine when a loan and receivable is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of the loans to associates are less than the original consideration, the financial health of and near-term business outlook for the investee, including factors such as financing cash flow.

ACCOUNTING POLICIES

for the year ended 31 December 2012

(b) 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.

c) Trade Receivables

The company assess 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 company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from financial assets.

d) Estimates of residual values and useful lives of Property, Plant and Equipment

The company reassess 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 company 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 company.

e) Allowance for damaged and slow moving stock

Allowance for stock to write stock down to the lower of cost and net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

2. Property, Plant and Equipment

Group	Office Furniture & Equipment R	Computer Software & Equipment R	Motor Vehicles R	Leasehold Improvements R	Total R
2012					
Opening Balance					
- Cost	3,656,310	11,592,145	791,340	-	16,039,795
- Accumulated depreciation	(2,248,942)	(9,531,477)	(357,210)	-	(12,137,629)
Net book value at beginning of year	1,407,368	2,060,668	434,130	-	3,902,166
Additions	4,538,955	881,536	266,947	6,981,637	12,669,075
Disposals	(461,550)	(118,689)	(295,809)	-	(876,048)
- Cost	(1,949,069)	(3,296,576)	(791,340)	-	(6,036,985)
- Accumulated depreciation	1,487,519	3,177,887	495,531	-	5,160,937
Current year depreciation	(687,618)	(1,209,149)	(160,567)	(58,180)	(2,115,514)
Closing Balance					
- Cost	6,246,196	9,177,105	266,947	6,981,637	22,671,885
- Accumulated depreciation	(1,449,041)	(7,562,739)	(22,246)	(58,180)	(9,092,206)
end of year	4,797,155	1,614,366	244,701	6,923,457	13,579,679
Group					
2011					
Opening Balance					
- Cost	5,386,391	16,449,966	791,340	22,627,697	
- Accumulated depreciation	(4,352,064)	(13,742,823)	(218,887)	(18,313,774)	
Net book value at beginning of year	1,034,327	2,707,143	572,453	4,313,923	
Additions	644,344	906,049	-	1,550,393	
Disposals	3,650	(38,373)	-	(34,723)	
- Cost	(2,374,425)	(5,763,870)	-	(8,138,295)	
- Accumulated depreciation	2,378,075	5,725,497	-	8,103,572	
Current year depreciation	(274,953)	(1,514,151)	(138,323)	(1,927,427)	
Closing Balance					
- Cost	3,656,310	11,592,145	791,340	16,039,795	
- Accumulated depreciation	(2,248,942)	(9,531,477)	(357,210)	(12,137,629)	
Net book value at end of year	1,407,368	2,060,668	434,130	3,902,166	

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for the year ended 31 December 2012

2. Property, Plant and Equipment

Union	Office Furniture & Equipment R	Computer Equipment R	Motor Vehicles R	Leaschold Improvements R	Total R
2012					
Opening Balance					
- Cost	2,761,056	9,587,571	691,608	-	13,040,235
- Accumulated depreciation	(1,356,951)	(7,530,908)	(257,477)	-	(9,145,336)
Net book value at beginning of year	1,404,105	2,056,663	434,131	-	3,894,899
Additions	4,538,955	874,637	266,947	6,981,637	12,662,176
Disposals	(462,294)	(122,854)	(295,810)	-	(880,958)
- Cost	(1,088,864)	(1,378,519)	(691,608)	-	(3,158,991)
- Accumulated depreciation	626,570	1,255,665	395,798	-	2,278,033
Current year depreciation	(685,118)	(1,199,641)	(160,567)	(58,180)	(2,103,506)
Closing Balance					
- Cost	6,211,147	9,083,689	266,947	6,981,637	22,543,420
- Accumulated depreciation	(1,415,499)	(7,474,884)	(22,246)	(58,180)	(8,970,809)
Net book value at end of year	4,795,648	1,608,805	244,701	6,923,457	13,572,611
Union	Office Furniture & Equipment R	Computer Equipment R	Motor Vehicles R	Total R	
2011					
Opening Balance					
- Cost	4,491,137	14,445,394	691,608	19,628,139	
- Accumulated depreciation	(3,472,669)	(11,744,754)	(119,155)	(15,336,578)	
Net book value at beginning of year	1,018,468	2,700,640	572,453	4,291,561	
Additions	644,344	906,047	-	1,550,391	
Disposals	3,650	(38,373)	-	(34,723)	
- Cost	(2,374,425)	(5,763,870)	-	(8,138,295)	
- Accumulated depreciation	2,378,075	5,725,497	-	8,103,572	
Current year depreciation	(262,357)	(1,511,652)	(138,322)	(1,912,331)	
Closing Balance					
- Cost	2,761,056	9,587,571	691,608	13,040,235	
- Accumulated depreciation	(1,356,951)	(7,530,908)	(257,477)	(9,145,336)	
Net book value at end of year	1,404,105	2,056,663	434,131	3,894,899	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

3. Intangible Assets

Group	Trademark	Total
	R	R
2012		
Opening Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortisation	(158,333)	(158,333)
Carrying amount at the beginning of year	1,841,667	1,841,667
Amortised during the year	(100,000)	(100,000)
Closing Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortization	(258,333)	(258,333)
Carrying amount at the end of the year	1,741,667	1,741,667
Group		
2011		
Opening Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortisation	(58,333)	(58,333)
Carrying amount at the beginning of year	1,941,667	1,941,667
Amortised during the year	(100,000)	(100,000)
Closing Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortization	(158,333)	(158,333)
Carrying amount at the end of the year	1,841,667	1,841,667

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3. Intangible Assets (continued)

Union

	Trademark	Total
	R	R
2012		
Opening Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortisation	(158,333)	(158,333)
Carrying amount at the beginning of year	1,841,667	1,841,667
Amortised during the year	(100,000)	(100,000)
Closing Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortization	(258,333)	(258,333)
Carrying amount at the end of the year	1,741,667	1,741,667

Union

2011		
Opening Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortisation	(58,333)	(58,333)
Carrying amount at the beginning of year	1,941,667	1,941,667
Amortised during the year	(100,000)	(100,000)
Closing Balance		
- Gross carrying amount	2,000,000	2,000,000
- Accumulated amortization	(158,333)	(158,333)
Carrying amount at the end of the year	1,841,667	1,841,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

4. Investment in subsidiary	Group		Union	
	2012 R	2011 R	2012 R	2011 R
Springbok Supporters Club (Pty) Ltd	-	-	51	51
	-	-	51	51
5. Investment in associates				
Eastern Province Rugby (Pty) Ltd	-	-	-	-
SANZAR Pty Ltd	604,864	-	-	-
SANZAR Europe S.a.r.l	-	-	-	-
	604,864	-	-	-

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 2012, are as follows: The share % is indicated below.

	Assets	Liabilities	Revenue	Loss/(profit)	Accumulated Loss/(profit)
Eastern Province Rugby (Pty) Ltd (50%)	29,343,707	(43,402,634)	40,517,132	6,156,409	14,058,927
SANZAR (Pty) Ltd (33.3%)	6,482,586	(4,619,254)	20,365,540	(1,053,696)	(1,814,592)
SANZAR Europe S.a.r.l (33.3%)	168,645,951	(150,840,174)	59,805,082	(1,607,167)	2,124,846
	204,472,244	(198,862,062)	120,687,754	3,495,546	14,369,181

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

6. Deferred income tax asset	Group		Union	
	2012 R	2011 R	2012 R	2011 R
Balance at beginning of year	20,232,108	21,830,903	20,079,138	21,564,723
Springbok Supporters Club prior year under/(over) provision	(114,467)	-	-	-
Income statement charge	(6,704,764)	(1,598,795)	(6,704,764)	(1,485,585)
Balance at end of year	13,412,877	20,232,108	13,374,374	20,079,138
Deferred tax assets and liabilities are attributable to the following items:				
Deferred income tax liabilities				
Accounts receivable	(624)	-	(624)	-
Prepayments	(72,479)	(871,771)	(72,479)	(871,771)
	(73,103)	(871,771)	(73,103)	(871,771)
Deferred income tax assets				
Provisions	1,863,733	1,213,828	1,845,533	1,213,828
Deferred revenue	11,622,247	19,422,011	11,601,944	19,422,011
Accounts receivable	-	315,070	-	315,070
Other deductible temporary differences	-	152,970	-	-
	13,485,980	21,103,879	13,447,477	20,950,909
Net deferred tax asset	13,412,877	20,232,108	13,374,374	20,079,138

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7. Receivables and prepayments	Group		Union	
	2012 R	2011 R	2012 R	2011 R
South African Revenue Service - VAT	-	8,052,599	-	8,052,599
Trade receivables	43,490,286	18,621,199	43,130,254	17,937,840
Less: Impairment provision raised	(100,000)	(1,500,329)	(100,000)	(1,500,329)
Amounts receivable from provincial Unions	10,014,162	559,141	10,014,162	559,141
Loans to provincial Unions	24,609,808	27,975,816	24,609,808	27,975,816
Loan to Springbok Supporters Club	-	-	-	581,400
IRB Sevens PE - JV loan account	7,943,604	7,102,857	7,943,604	7,102,857
Prepayments	33,950,975	18,847,498	33,950,975	18,847,498
Other Receivables	6,907,398	-	6,907,398	-
Accrued income	12,512,839	12,737,748	12,512,839	12,737,748
	<u>139,329,072</u>	<u>92,396,529</u>	<u>138,969,040</u>	<u>92,294,570</u>
Less : Non current portion of loans to provincial Unions	(11,635,401)	(10,657,730)	(11,635,401)	(10,657,730)
	<u>127,693,671</u>	<u>81,738,799</u>	<u>127,333,639</u>	<u>81,636,840</u>

All non-current receivables are due within two to five years. The non-current receivables are unsecured and interest is charged, based on the prime interest rate less 2%. Prepayments includes R27,800,000 (2011: R17,220,000) relating to payments to provincial Unions for broadcasting rights.

The effective interest rates on non-current receivables were as follows:

Loans to provincial Unions	7%	7-13.5%	7%	7-13.5%
Fully performing debtors	40,927,726	7,073,115	40,567,694	6,389,756

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2012 trade receivables of R2,462,559 (2011 : R10,047,755) were past due but not impaired. The ageing of these trade receivables is as follow:

Up to 3 months	589,581	10,047,755	589,581	10,047,755
3 to 6 months	1,872,978	-	1,872,978	-
More than 6 month	-	-	-	-
	<u>2,462,559</u>	<u>10,047,755</u>	<u>2,462,559</u>	<u>10,047,755</u>

As at 31 December 2012, trade receivables of R100,000 (2011: R1,500,329) were impaired and provided for. The individually impaired receivables mainly relate to recoverable expenditure and sponsorship due which is now considered to be doubtful of recovery. The ageing of these receivables is as follows:

3 to 6 months	-	86,276	-	86,276
Over 6 months	100,000	1,414,053	100,000	1,414,053
	<u>100,000</u>	<u>1,500,329</u>	<u>100,000</u>	<u>1,500,329</u>

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

Rands	135,568,024	90,828,567	135,207,992	90,726,608
US Dollars	583,662	-	583,662	-
British pound	3,177,386	1,567,963	3,177,386	1,567,963
	<u>139,329,072</u>	<u>92,396,530</u>	<u>138,969,040</u>	<u>92,294,571</u>

Movements on the group provision for impairment of trade receivables are as follows:

At 1 January	1,500,329	1,520,000	1,500,329	1,520,000
Provision for receivables impairment	100,000	-	100,000	-
Amounts written off	(1,500,329)	(19,671)	(1,500,329)	(19,671)
At 31 December	<u>100,000</u>	<u>1,500,329</u>	<u>100,000</u>	<u>1,500,329</u>

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

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

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for the year ended 31 December 2012

	Group		Union	
	2012 R	2011 R	2012 R	2011 R
8. Inventory				
Merchandise	<u>3,106,662</u>	<u>3,549,407</u>	<u>3,102,705</u>	<u>3,544,154</u>
9. Cash and cash equivalents				
Bank and short term bank deposits	<u>10,272,934</u>	<u>39,088,187</u>	<u>10,207,905</u>	<u>38,101,814</u>
Cash	<u>46,359</u>	<u>67,383</u>	<u>46,359</u>	<u>67,382</u>
	<u>10,319,293</u>	<u>39,155,570</u>	<u>10,254,264</u>	<u>38,169,196</u>
10. Trade and other payables				
Accrued expenses	32,409,712	14,529,708	32,041,199	13,969,438
Trade payables	28,593,837	18,021,468	28,593,837	18,021,468
Amounts payable to provincial Unions	6,031,703	11,902,655	6,031,703	11,902,655
Amounts payable to fellow subsidiary	95,968	628,458	-	-
South African Revenue Service - VAT	1,999,876	-	2,173,027	-
World Cup 2011 Bid Company (Pty) Ltd	-	10,160	-	10,160
Statutory payments	20,388	5,217,285	20,388	5,217,285
Sundry payables	1,819,219	1,091,610	1,819,219	1,091,569
	<u>70,970,702</u>	<u>51,401,344</u>	<u>70,679,372</u>	<u>50,212,575</u>
11. Deferred Revenue				
Deferred revenue comprises of the following:				
Sponsorship Income	2,612,604	2,187,500	2,612,604	2,187,500
Broadcasting Income	26,000,003	34,666,670	26,000,003	34,666,670
Grants	19,652,201	2,404,519	19,652,201	2,404,519
IRB Grants	136,754	956,821	136,754	956,821
Total	<u>48,401,562</u>	<u>40,215,509</u>	<u>48,401,562</u>	<u>40,215,509</u>
Non current portion	<u>17,333,333</u>	<u>26,000,000</u>	<u>17,333,333</u>	<u>26,000,000</u>
Current portion	<u>31,068,229</u>	<u>14,215,509</u>	<u>31,068,229</u>	<u>14,215,509</u>
12. Other income				
Sublease of property	-	699,273	-	699,273
Share of profits - IRB 7'S	6,644,513	2,924,414	6,644,513	2,924,414
Royalties	-	-	-	510,000
Other income	1,264,701	942,943	2,284,701	942,943
	<u>7,909,214</u>	<u>4,566,630</u>	<u>8,929,214</u>	<u>5,076,630</u>
13. Operating profit / (loss)				
The following items have been credited/charged in arriving at operating profit/(loss):				
Foreign exchange gains	-	(1,150,319)	-	(1,150,319)
Foreign exchange losses	473,549	-	473,549	-
(Profit) loss on sale of equipment	(290,039)	28,460	(290,039)	28,460
Auditors remuneration	1,368,786	1,724,219	1,368,786	1,724,219
Current year	1,152,736	1,050,000	1,152,736	1,050,000
Other services	216,050	8,180	216,050	8,180
Internal Audit Services	469,750	666,039	469,750	666,039
Consulting fees	674,189	384,947	674,189	384,947
Depreciation (note 2)	2,115,513	1,927,426	2,103,506	1,912,331
Amortisation (note 3)	100,000	100,000	100,000	100,000
Legal fees	2,389,444	4,619,650	2,389,444	4,619,650
Operating lease rentals	7,473,666	3,678,585	7,473,666	3,678,585
Staff costs (note 16)	59,360,861	43,241,633	58,557,244	42,738,978

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13. Operating profit / (loss) (continued)	Group		Union	
	2012 R	2011 R	2012 R	2011 R
Operating profit as disclosed by nature is as follows:				
REVENUE				
Broadcasting rights	307,140,378	273,530,563	307,140,378	273,530,563
Sponsorship	272,315,371	247,044,441	272,315,371	247,044,441
Grants from IRB Trust	23,601,418	28,565,510	23,601,418	28,565,510
Gate revenue - Junior World Cup	1,840,436	-	1,840,436	-
Home Tests	57,989,340	17,360,000	57,989,340	17,360,000
Merchandising royalties	18,747,977	25,153,400	18,747,977	25,153,400
Other	145,715	602,946	145,715	602,946
Springbok Supporters Club	6,274,098	4,596,973	-	-
Government grants	548,870	605,199	548,870	605,199
Lottery grants	241,498	-	241,498	-
	688,845,102	597,459,033	682,571,004	592,862,060
OPERATING EXPENSES				
Commercial & Marketing	231,593,599	198,065,573	231,593,599	198,065,573
High Performance	149,269,660	107,344,713	149,269,660	107,344,713
Development	68,478,559	43,792,874	68,478,559	43,792,874
Human Resources	5,066,212	3,318,706	5,066,212	3,318,706
Corporate Affairs	12,279,956	11,160,356	12,279,956	11,160,356
Referees	34,199,219	34,050,396	34,199,219	34,050,396
Operations & Finance	31,461,472	27,843,419	31,461,472	27,843,419
Office of the CEO	8,844,510	10,885,881	8,844,510	10,885,881
Governance	10,712,136	12,945,769	10,712,136	12,945,769
Broadcasting Rights and other allocations to Provinces	140,623,798	129,705,012	140,623,798	129,705,012
Springbok Supporters Club	5,075,675	3,630,959	-	-
	697,604,795	582,743,657	692,529,120	579,112,698
14. Net finance income				
Interest received				
Bank balances and deposits	5,352,295	4,265,140	5,319,965	4,264,323
Loans to provincial Unions	1,140,608	1,226,395	1,140,608	1,226,395
Interest paid				
Bank overdraft/other	(74,812)	(40,769)	(74,812)	(40,769)
Interest paid to SARS	-	(293,531)	-	(293,531)
	6,418,090	5,157,235	6,385,760	5,156,418
15. Taxation				
Current tax	715,889	4,286,480	713,994	4,286,480
Deferred tax	6,828,860	1,598,795	6,704,764	1,485,585
Prior year over/under provision	(3,719,660)	-	(3,661,005)	-
	3,825,089	5,885,275	3,757,753	5,772,065
15. Taxation (continued)				
	2012 R	2011 R	2012 R	2011 R
The tax on the subsidiaries' profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:				
Profit before tax	5,567,610	24,439,240	5,356,857	22,982,409
Tax calculated at a rate of 28%	1,558,931	6,842,987	1,499,920	6,715,075
Expenses not deductible for tax purposes	-	87,506	-	87,506
Donations not deductible	554,216	658,672	554,216	658,672
Legal fees	7,981	46,330	7,981	46,330
Springbok Supporters Club Assessed loss unutilised	-	701,293	-	-
Prior year under/(over) provision for current tax	(3,719,660)	-	(3,661,005)	701,293
Prior year under/(over) provision for deferred tax	4,521,637	(2,304,739)	4,521,637	(2,417,949)
Other	901,984	(146,774)	835,004	(18,862)
Tax charge	3,825,089	5,885,275	3,757,753	5,772,065

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16. Staff costs

Salaries	52,128,777	37,261,762	51,325,160	36,759,107
Pension contributions	5,612,309	4,735,580	5,612,309	4,735,580
Medical aid contributions	1,401,862	1,211,477	1,401,862	1,211,477
Leave pay	217,913	32,814	217,913	32,814
	59,360,861	43,241,633	58,557,244	42,738,978

17. Operating lease commitments

The group and the Union have the following operating lease commitments at 31 December 2012

Less than 12 months	6,084,406	2,304,921	6,084,406	2,304,921
Between 1 and 5 years	25,711,821	18,548,138	25,711,821	18,548,138
Above 5 years	38,063,382	32,705,683	38,063,382	32,705,683

The Union's business location has changed from the Sports Science Institute of SA building in Newlands to SARU House, Tygerberg Park, Platteklouf.

18. Cash utilised in operations

Reconciliation of operating profit/(loss) to cash generated from operations

Operating profit	5,567,610	24,439,241	5,356,857	23,982,409
Adjustments for:				
Depreciation (note 2)	2,115,514	1,927,427	2,103,506	1,912,331
Amortisation (note 3)	100,000	100,000	100,000	100,000
Net finance income	(6,418,090)	(5,157,235)	(6,385,760)	(5,156,418)
Loss / (Profit) on sale of equipment	(290,039)	(28,460)	(290,039)	(28,460)
Changes in working capital:	(18,734,386)	(83,954,997)	(17,580,164)	(83,895,970)
(Increase) / Decrease in receivables and prepayments	(46,932,543)	(36,052,447)	(46,674,470)	(35,898,500)
(Increase) / Decrease in inventory	442,741	(3,501,750)	441,451	(3,544,152)
Increase/(decrease) in payables	19,569,358	(3,026,963)	20,466,796	(3,079,472)
Increase/(decrease) in deferred revenue	8,186,059	(41,373,837)	8,186,059	(41,373,846)
	(17,659,391)	(62,674,024)	(16,695,601)	(63,086,108)

19. Taxation paid

Taxation liability at the beginning of the year	(2,942,276)	(2,731,336)	(2,950,414)	(2,724,321)
Current taxation charge	3,003,771	(4,286,480)	2,947,011	(4,286,480)
Prior period charge	(9,629)	54,552	-	54,552
Taxation (asset) / liability at the end of the year (net of S89quat interest received)	(6,143,854)	2,942,276	(6,110,509)	2,950,414
	(6,091,988)	(4,020,988)	(6,113,912)	(4,005,835)

20. Retirement benefits

The Union continues to contribute towards 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 2012, using the projected unit method.

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	2012 R	Union	2011 R
20. Retirement benefits(continued)			
Principle actuarial assumptions at the balance sheet date:			
- Discount rate	9.25%		8.25%
- Inflation rate	7.00%		5.50%
- Salary increase rate	8.00%		6.50%
- Expected return on scheme's assets	9.25%		9.25%
- Pension increase allowance	5.60%		4.40%
- Mortality: Pre-retirement		SA85-90 (Light) table PA(90) ultimate table rated down 2 years plus 1% improvement p.a	-
- Mortality: Post-retirement			-
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:	R		R
Beginning of year	1,322,000		1,120,000
Current service cost	56,000		35,000
Member Contributions	13,000		18,000
Interest cost	115,000		99,000
Risk premiums	(3,000)		(5,000)
Actuarial (gain)/loss	(408,000)		202,000
Benefits paid	(458,000)		(147,000)
At end of year	<u>637,000</u>		<u>1,322,000</u>
The movement in the fair value of scheme's assets over the year is as follows:			
Beginning of year	(147,000)		1,617,000
Expected return on scheme's assets	127,000		156,000
Actuarial gain/(loss)	(302,000)		(323,000)
Member Contributions	13,000		18,000
Employer Contributions	25,000		36,000
Risk premiums	(3,000)		(5,000)
Benefits paid	(458,000)		(147,000)
At end of year	<u>(745,000)</u>		<u>1,352,000</u>
Estimated contributions for 2013 is as follows:			
Member Contributions	10,000		-
Employer Contributions	21,000		-
The assets of the Rugby Pension Fund were invested as follows:			
Cash	13.28%		15.76%
Equity	33.50%		41.43%
Bonds	16.91%		14.65%
Property	4.68%		1.99%
International	24.59%		26.17%
Other	7.04%		0.00%
	<u>100%</u>		<u>100%</u>
The amounts recognised in the income statement are as follows:			
Current service cost	56,000		35,000
Interest cost	115,000		99,000
Expected return on scheme's assets	(127,000)		(156,000)
Unrecognised due to limit	-		(393,000)
Net actuarial loss/ (gain)	11,000		-
Paragraph 58A loss/gain	-		277,000
	<u>55,000</u>		<u>(138,000)</u>
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".			
Funded Status			
Defined benefit obligation	(637,000)		(1,322,000)
Assets at fair value	(458,000)		1,352,000
Funded status	(1,095,000)		30,000
Unrecognised net (gain)/loss	207,000		324,000
(Liability)/Assets	(888,000)		354,000
(Liability)/Assets recognised on the balance sheet	<u>(888,000)</u>		<u>354,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

21. Material events after year end date

No matter which is material to the financial affairs of the group has occurred between the balance sheet date and the date of approval of the financial statements.

22. Related parties

	Group		Union	
	2012 R	2011 R	2012 R	2011 R
Loans receivable from provincial Unions				
- Non-current	11,635,401	10,657,730	11,635,401	10,657,730
- Current	12,974,407	17,318,086	12,974,407	17,318,086
	<u>24,609,808</u>	<u>27,975,816</u>	<u>24,609,808</u>	<u>27,975,816</u>
Amounts receivable from provincial Unions				
Included in trade receivables and prepayments	<u>10,014,162</u>	<u>559,141</u>	<u>10,014,162</u>	<u>559,141</u>
Amounts payable to provincial Unions				
Included in trade and other payables	<u>6,031,703</u>	<u>11,902,655</u>	<u>6,031,703</u>	<u>11,902,655</u>
Amounts receivable from Springbok Supporters Club(Pty)Ltd				
Included in trade receivables and prepayments	<u>-</u>	<u>-</u>	<u>-</u>	<u>581,400</u>
Amounts recoverable from HSBC IRB Sevens Series Joint Venture				
Included in trade receivables and prepayments	<u>7,943,604</u>	<u>7,102,857</u>	<u>7,943,604</u>	<u>7,102,857</u>
Related Party Transactions				
Transactions with subsidiary				
Distribution of sponsorship income	-	-	-	1,500,000
Royalties accrued	<u>-</u>	<u>-</u>	<u>(1,020,000)</u>	<u>(510,000)</u>
Transactions with associates				
Distribution of profits	<u>604,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transactions with Unions				
Home test guaranteees	(27,100,000)	(17,360,000)	(27,100,000)	(17,360,000)
Distribution of broadcasting rights to provinces	<u>140,623,798</u>	<u>129,705,013</u>	<u>140,623,798</u>	<u>129,705,013</u>
Executive Council Members Remuneration				
<i>Non executive</i>				
Fees	3,935,171	3,709,949	3,935,171	3,709,949
Allowances	295,197	249,212	295,197	249,212
Retirement Annuity contributions	115,956	105,408	115,956	105,408
	<u>4,346,324</u>	<u>4,064,569</u>	<u>4,346,324</u>	<u>4,064,569</u>
<i>Executive's</i>				
Salaries	3,378,834	2,784,840	3,378,834	2,784,840
Bonuses	1,591,098	769,218	1,591,098	769,218
Medical Aid contributions	40,884	12,288	40,884	12,288
Pension fund contributions	498,772	399,720	498,772	399,720
	<u>5,509,588</u>	<u>3,966,066</u>	<u>5,509,588</u>	<u>3,966,066</u>

23. Financial instruments
Fair values

At 31 December 2012 the carrying amounts of cash and short-term deposits, accounts receivable, accounts payable and accrued expenses approximated their fair values, due to the short term maturities of these assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

23. Financial instruments (continued)

Financial Instruments by Category

Group

The accounting policies for financial instruments have been applied

	Receivables and cash	Trade and other financial borrowings	Total
31 December 2012			
Assets as per Statement of Financial Position			
Trade and other receivables	127,693,671	-	127,693,671
Cash and cash equivalents	10,319,293	-	10,319,293
Total	138,012,964	-	138,012,964

Liabilities as per Statement of Financial Position			
Trade and other payables	-	70,970,702	141,941,404
Total	-	70,970,702	70,970,702

31 December 2011

Assets as per Statement of Financial Position			
Trade and other receivables	81,738,799	-	81,738,799
Cash and cash equivalents	39,155,570	-	39,155,570
Total	120,894,369	-	120,894,369

Liabilities as per Statement of Financial Position			
Trade and other payables	-	54,428,307	108,856,614
Total	-	54,428,307	108,856,614

Union

The accounting policies for financial instruments have been applied

31 December 2012

Assets as per Statement of Financial Position			
Trade and other receivables	127,333,639	-	127,333,639
Cash and cash equivalents	10,254,264	-	10,254,264
Total	137,587,903	-	137,587,903

Liabilities as per Statement of Financial Position			
Trade and other payables	-	70,679,372	141,650,074
Total	-	70,679,372	141,650,074

31 December 2011

Assets as per Statement of Financial Position			
Trade and other receivables	81,636,840	-	81,636,840
Cash and cash equivalents	38,169,196	-	38,169,196
Total	119,806,036	-	119,806,036

Liabilities as per Statement of Financial Position			
Trade and other payables	-	50,212,575	104,640,882
Total	-	50,212,575	54,428,307

24. Contingencies

The Union has a contingent liability in respect of a legal claim arising in the ordinary course of business. The claim has been lodged by an advertising agent, Kagiso Vantage, for advertising costs at Test matches played during the year at Newlands Stadium and Kings Park Stadium. It is not anticipated that any material liabilities will arise from this claim, other than those already provided for.





HIGH PERFORMANCE



OVERVIEW

2012 WAS SIGNIFICANT FOR THE DEPARTMENT OF HIGH PERFORMANCE AS A RESULT OF THE FOLLOWING:

- the appointment of Heyneke Meyer as Springbok Coach, Rassie Erasmus as General Manager: High Performance and Jean de Villiers as Springbok Captain
- the Springboks returned unbeaten from their excursion to Ireland and the United Kingdom after below than average returns from the inaugural Rugby Championship
- the Women's Sevens surprised friend and foe by reaching the finals of both the prestigious IRB Dubai Sevens as well as the China Women's Sevens
- the failure of the Springbok Sevens to achieve a tournament victory on the 2011-2012 International Sevens Circuit
- the decline in numbers of catastrophic acute spinal cord injuries

SPRINGBOKS

The year 2012 was notable for the appointment of Heyneke Meyer as coach of the Springboks, the selection of Jean de Villiers as Springbok captain, the inauguration of the quadrangular Castle Rugby Championship in place of the Tri Nations Series, the return of traditional tours and the departure from the international scene of two of our most capped players in John Smit and Victor Matfield.

Jean de Villiers wore the captain's armband during the 2012 international season and with a host of injuries, young players such as Eben Etzebeth (opposite page) got their first taste of Test rugby.

It was expected that 2012 would be a transitional year as South African rugby came to grips with the departure of some of our most experienced players to ply their trade abroad. The new regime had to deal with a significant number of injuries to key players during 2012. Players such as Juan Smith and Schalk Burger were absent for the entire year while the Boks also lost the services of Andries Bekker, Bismarck du Plessis, Pierre Spies, Francois Steyn, Johan

The Meyer reign kicked off in June with wins over England in Durban and Johannesburg and concluding with a hard-fought draw in the third test in Port Elizabeth. This was followed by two victories, a draw and three defeats in the inaugural Castle Rugby Championships. However, the Boks restored public faith in them by returning unbeaten from their end of year sojourn to Ireland and the United Kingdom with victories over Ireland, Scotland and England.

Some significant milestones were also realised with Pierre Spies obtaining his 50th test cap against England in Port Elizabeth while Francois Steyn achieved the milestone against Argentina during the Castle Rugby Championship.

The Springboks ensured that they remained one of the country's favourite sports teams by continuing to be accessible to the public and their supporters.

The team stayed in the host city before each test match and held public training sessions. The team also marked 2012 with a number of initiatives: a wreath was laid at the Hector Pietersen Memorial on Youth Day; chocolates and roses were distributed to unsuspecting ladies in Cape Town on Women's day; coaching and kicking clinics were also held.

In addition the team was active overseas supporting the Dunedin Red Cross Cancer hospital in New Zealand; attending a charity breakfast in Mendoza, Argentina and a banquet in their honour held by the SA High Commissioner Dr Zola Skweyiya in London.



Goosen and Coenie Oosthuizen during the course of the season. However, 2012 also saw the arrival on the international scene of players such as Goosen, Eben Etzebeth, Marcel Coetzee, Elton Jantjies, Jaco Taute, Coenie Oosthuizen, Jacques Potgieter, Patric Cilliers, JJ Engelbrecht, Tiaan Liebenberg, Duane Vermeulen and Juandré Kruger.

2012 SPRINGBOK TEST MATCHES

DATE	STADIUM	CITY	OPPOSITION	RESULT	SCORE
9 Jun	Mr Price Kings Park	Durban	England	Win	22-17
16 Jun	Coca Cola Park	Johannesburg	England	Win	36 - 27
23 Jun	Nelson Mandela Stadium	Port Elizabeth	England	Draw	14 -14
18 Aug	DHL Newlands	Cape Town	Argentina	Win	27 - 6
25 Aug	Estadio Malvinas	Mendoza	Argentina	Draw	16 - 16
8 Sept	Patersons Stadium	Perth	Australia	Lost	19- 26
15 Sept	Forsyth Barr Stadium	Dunedin	New Zealand	Lost	11 -21
29 Sept	Loftus Versveld	Pretoria	Australia	Won	31 - 8
6 Oct	FNB Stadium	Soweto	New Zealand	Lost	16 - 32
10 Nov	AVIVA Stadium	Dublin	Ireland	Won	16 - 12
17 Nov	Murrayfield	Edinburgh	Scotland	Won	21 - 10
24 Nov	Twickenham	London	England	Won	16 - 15



SEVENS



Cecil Afrika joined sporting greats like Gary Player, Schalk Burger and Bryan Habana when he was inducted as an Ambassador for the South African Laureus Foundation.

The 2011/2012 Sevens World Series season was the most competitive to date, with five different nations winning one of the nine of the titles on offer. The Springbok Sevens team unfortunately were not among them. Their best performances were to narrowly lose in the final of the first ever Nelson Mandela Bay Sevens tournament and finishing third in Hong Kong and Australia.

A large part of the blame could be laid at the door of injuries, which decimated the squad in 2012.

IRB player of the Year for 2011, Cecil Afrika, missed the majority of the season with a broken jaw and then subsequently a broken cheekbone. Despite all his misfortune on the field, Cecil was inducted as an Ambassador for the South African Laureus Foundation, joining other South African sporting greats such as Gary Player, Schalk Burger and Bryan Habana. Frankie Horne equalled Fabian Juries as the most capped Springbok Sevens player of all-time (44 tournaments). Remarkably, Frankie achieved this milestone in the shortest possible time, not missing a single tournament in five con-

secutive years.

The SA Sevens Academy, based with the Springbok Sevens team, at the Stellenbosch Academy of Sport (SAS), had a successful year regarding tournament participation. The team, consisting largely of contracted SA Sevens Academy players, participated in Sevens tournaments in Zimbabwe, Kenya, Dubai and George, winning all four. Unfortunately the transition from these players into the national team was slower than expected, with only two players from the SA Sevens Academy called up to the Springbok Sevens team through the course of the year.

The move to a new base at SAS and a major restructuring within the Sevens department in response to the sport's inclusion in the Olympic inclusion, meant it was a year of change.

A number of appointments were designed to build capacity and retain Sevens expertise as a response to Sevens' inclusion and are seen as a major steps towards qualification for Rio and the participation of a South African Sevens rugby team in the Olympics for the first time in 2016.

WOMEN'S RUGBY

2012 was a good year for women's rugby in general. The player population grew and the standard of rugby displayed by girls and women continued to improve.

A strategic high performance plan for women's rugby was formulated, separating Sevens rugby from Fifteens, with each to receive special focus and attention from dedicated personnel.

The fundamental imperatives of the plan are to deliver national women's teams that can compete and win on the global stage consistently, to qualify for participation at the Olympics and win a medal to raise the profile of women's rugby to that of a national sport that is played in all communities.

A residential programme was initiated on a trial basis that catered for seven top players to form the core of the Sevens squad. They were regularly monitored and assessed by sports medicine personnel. Each player was afforded easy access to the gym and had regular sessions with the head coach. The programme provided accommodation, meals and monthly stipends.

From this programme there were a number of positive spin-offs with regards to the conditioning and fitness levels of the players. There were also lessons that were picked up from the programme that would help in implementing such a programme in future for female top athletes.

The Sevens Team reached the final of the China Sevens International Tournament and



the IRB Women's Sevens Series leg in Dubai. The performance of the team in Dubai hit the highest watermark and is a memorable achievement. It was the first time that the Womens Team reached the final in an official IRB Event.

The Springbok women played two 15-a-side Tests against a star-studded Nomads Invitation XV and won both games.

Western Province and Blue Bulls dominated the domestic competitions with Western Province taking the Inter Provincial Championship in fifteens and Blue Bulls annexing the Sevens title.

Springbok Women's Sevens vice captain Natasha Hofmeester with Bokkie.

MEDICAL

The year was an exciting one with many challenges and positive developments. The Department provided the medical infrastructure and personnel at all youth weeks and SARU tournaments. The Department had developed and stipulated evidence-based minimum medical guidelines for these tournaments and they were standardised, implemented

and policed at all tournaments.

A unique challenge in 2012 was the hosting of the IRB Junior Rugby World Cup tournament. The department provided the medical support and infrastructure to this tournament, hosted at four different venues. The standard of medical care and service provision was rated by touring medical staff as exceptional.

The department was involved in publishing research articles in International peer-reviewed medical and scientific journals regarding the Department's work. They were: Illness during the 2010 Super 14 Rugby Union Tournament – A prospective study involving 22676 player days (Schwellnus M, Derman W, Lambert M, Readhead C et al. 2012)

British Journal of Sports Medicine and Elite athletes travelling to international destinations >5 time zone differences from their home country have a 2-3 fold increased risk of illness (Schwellnus M, Derman W, Lambert M, Readhead C et al. 2012), British Journal of Sports Medicine.

The Department also initiated a unique, new annual research project at the Youth Weeks to understand the risk behaviours of young rugby players attending these weeks. The data from the survey will be used to compare the rugby union with the general school population in terms of these risk behaviours. In addition, two representatives from the Medical Department attended and completed, the first ever IRB Medical Educator course, in

Dublin, Ireland, November 2012. Three Medical presentations were made by Department personnel at the annual IRB Medical Commission Conference of 2012.

The department collaborated with the South African Institute for Drug-Free Sport to increase the amount of testing in Youth rugby in their mission to eradicate drug and banned substance abuse amongst youth rugby players. This effectively resulted in expanded drug-testing at U16 Grant Khomo and SA Academy weeks for the first time in history, increased testing at the U18 Coca-Cola Craven Week, and focussed testing at the National U19 and U21 Absa Currie Cup tournaments. Furthermore, increased drug and substance abuse education was provided across all of these

platforms. This programme was extended to the U13 Coca-Cola Craven week for the first time, and at the U18 Craven week, a 45-minute interactive presentation was made with each team at the tournament. The Department also has received representation on the IRB's Anti-Doping Judicial Panel as of 2013.

The Medical Department collaborated with the IRB to drive a pilot research project on the pitch-side management of concussion at high-level rugby matches. The Pitch-Side Concussion Assessment protocol (PSCA) was used for this study. This protocol was trialled for the first time internationally at the Junior Rugby World Championships in South Africa, and then during the Absa Currie Cup Premier Division.



ABOVE: Dr Ismail Jakoet and Bernard Lapasset hand out rugby balls during the SA Institute for Drug Free Sport annual 'I Play Fair Say No To Doping' Initiative at Nelson Mandela Bay Stadium.

ABOVE RIGHT: Dr Wayne Viljoen of BokSmart at the U18 Coca-Cola Craven Week.



BOKSMART

2012 was a ground-breaking year on many fronts for BokSmart; improved injury statistics; a new DVD and course material, new safety regulations, Law amendments and several scientific publications, .

The number of referees and coaches certified on the programme since its inception reached 47 561 with 17 856 of those having been certified in 2012. The latest version of the programme – BokSmart 3 – was scripted and filmed during 2012 and aims to be the best one to date, with a slightly different approach and a focused drive on increasing implementation. BokSmart 3 will be launched in July 2013.

During 2012 BokSmart achieved the major coup of being officially endorsed by the Western Cape Department of Basic Education. Their letter of support was circulated to all schools in the Western Cape.

BokSmart and the Medical Department went on a road show to all 14 Provincial Unions to present four years of catastrophic injury data. It was also the opportunity to contextualise the processes and procedures that have been implemented over the past few years, and also alert unions of the regulations and Law modifications that were in development at the time. The presence and emphasis of Rugby Safety Audits around

the country were increased in 2012, and Unions have responded well to the challenge of implementing these. BokSmart in collaboration with PlayerCap has developed a basic software package for improving the administration and recording of rugby medical safety controls and general rugby administration that needs to be in place on match day.

New developments on the programme in 2012 were driven heavily on the basis of current scientific research, especially from SARU's catastrophic injury data for the pe-

riod 2008-2011. The data led to a number of research papers being published in international peer-reviewed medical and scientific journals. Presentations were also made at the 4th International Conference on Concussion in Sport in Zurich, Switzerland, 2012.

BokSmart together with the Medical and Referees Departments, where applicable, was also integrally involved in the development of new School Age-banding regulations and new Modified Scrum Laws for the Amateur game in South Africa.

Heyneke Meyer, Rassie Erasmus and Louis Koen discuss the technical aspects of rugby.



TECHNICAL

A technical support department was established at SARU for the first time. Its vision – aligned with SARU's – would be to be at the forefront of Performance Analysis and providing a centre of analysis to promote, develop and manage analysis for all National Teams.

Technical Analysts were appointed within the department. One assisted the Junior Springboks in their preparations for the Junior World Championships in Cape Town and became an integral part of Dawie Theron's successful management team in providing the coaches with motivational videos, individual/team as well as opposition reviews of all their matches during the Championship.

Another was seconded to the Springboks, following the appointment of Heyneke Meyer,

Women's Rugby had a great season in 2012 with the team beating a star-studded Nomads team at home.

– to serve on the management team as the technical analyst. His task will be to fully understand the needs of the coach and to develop and maintain systems which enable the collection, summary and distribution of accurate statistical and video information.

The Technical Support Department also explored the leading rugby analysis systems available on the market and concluded that it would be beneficial to SARU to develop its own analysis system based on the specific needs and incorporating various fields of analysis within the system. A company called Mobii was identified to develop the system and SARU is currently in the process of negotiating a long-term agreement with them which will see Mobii becoming “full time” developers to SARU with regards to work required to be performed on the video analysis and coding system. The analysis system will be known as

Stratus. It will be a cloud-based system which can store and manage data centrally, connect users with the ability to share and access content, expand with new functionality by feeding off the same data set, accessible even to grassroots level organisations. SARU would become the sole license holder of Stratus and have the right to own, brand and sub-license the system – giving them global exclusivity in rugby and creating revenue opportunities.

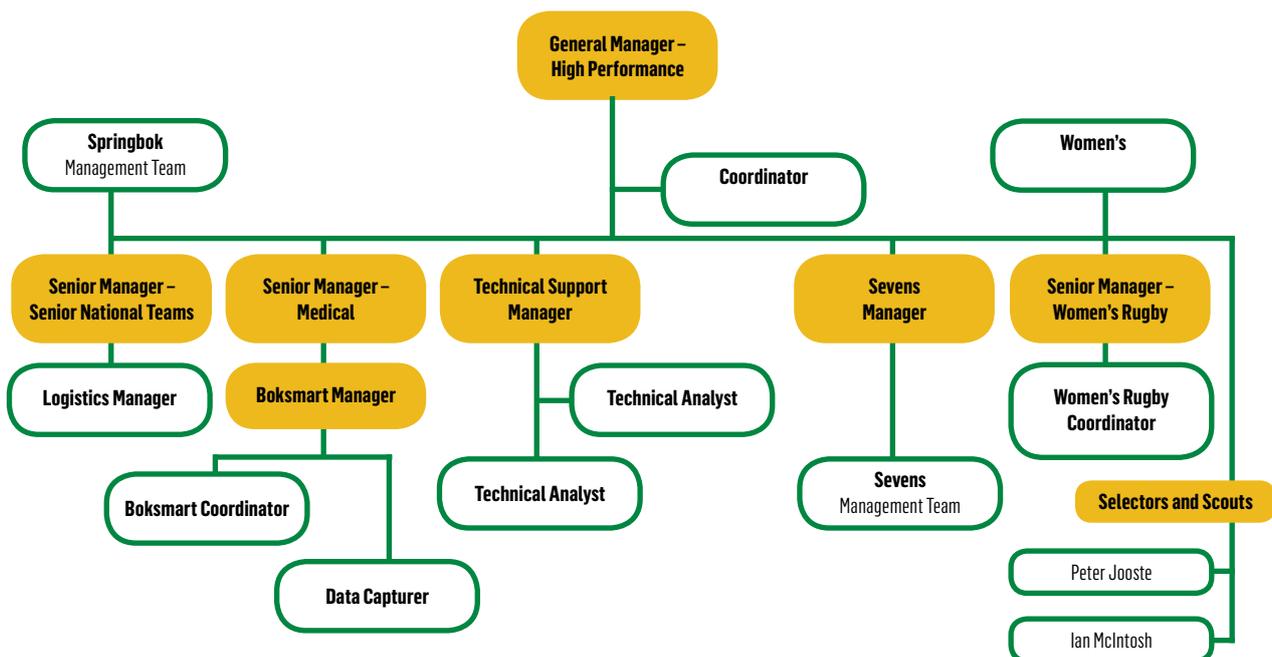
This project would incorporate a SARU coding centre – SARU would control the quality of the coded matches, the quantity of matches that would be coded, provide a cost

The Technical Support Department also explored the leading rugby analysis systems available on the market and concluded that it would be beneficial to SARU to develop its own analysis system based on the specific needs and incorporating various fields of analysis within the system

effective solution to the ‘smaller’ Provincial Unions, create the opportunity for a universal analysis system throughout South Africa, etc.

The Technical Support Department look ahead to the 2013 season working closely with Rassie Erasmus as the General Manager of the High Performance Department with the core focus being to release an operational version of Stratus, to get the coding centre up and running and not only support the National Teams but also the various franchises. Our vision going forward would also be to establish the department as a self-sufficient cost centre.

HIGH PERFORMANCE ORGANISATIONAL STRUCTURE









DEVELOPMENT



MANY of the initiatives embarked upon by the Development Department in 2012 were groundbreaking and hold great promise for the years ahead. Off the field, strategies became more focused and partnerships with all stakeholders, including Government, more closely aligned. On the field, our junior sides continued to taste great success, which also augurs well for the future health of the game.

AMATEUR NATIONAL TEAMS

THE undoubted highlight of 2012 from a competition point of view was the **SA UNDER-20s** (Junior Springboks) becoming the first hosts to claim the coveted IRB Junior World Championship title, thereby ending New Zealand's hitherto unchallenged dominance in this age-group competition.

Coach Dawie Theron's team beat the Baby Blacks 22–16 in the final in front of a near-capacity crowd at Newlands in Cape Town, after securing victories against Argentina (25–3), England (28–15) and Italy (52–3) – an achievement made all the more memorable after the Junior Springboks had lost their opening game to Ireland (23–19) at the Danie Craven Stadium in Stellenbosch.

The presence of professional support staff provided the play-

Coach Dawie Theron celebrates with his Junior Boks after they won the IRB Junior Championship.



ers with the very highest standards from a preparation point of view, while the success of the campaign must also be attributed to a thorough sifting process that began in Kimberley, with 88 players from across the country. A presentation done on 16 January 2012 was attended by 21 of the 28 players that eventually played in the JWC, with a further three – Johan Goosen, Kevin Luiters and Poerie van Rooyen – also in attendance. The trio was near-certainties for selection and injury might have ruled them out of the tournament, but the above nevertheless confirms the view that the selection criteria for 2012 had paid off.

It wasn't only the Junior Springboks who tasted success in 2012.

The **SA STUDENTS** team, under head coach Chean Roux of Maties, returned to

competition for the first time in two years and made a strong impression by running out 34-24 winners against the Namibian national team in a match played in Windhoek. Roux's squad benefited from a professional build-up to the tour match: it included a friendly against the Eastern Province Kings in Port Elizabeth, which the Kings won 36-19 after leading only 14-12 at halftime – an encouraging effort given that the Students had assembled only three days prior to playing. Every player in the squad benefited from game time in the Kings match, as Roux looked ahead to the Windhoek international.

With the FNB Varsity Cup presented by Steinhoff International continuing to go from strength to strength, the return to regular competition of the Student national team augurs well for the future of student rugby and is sure to give tertiary players another meaningful representative stage on which to display their skills.

The talent on display at the Coca-Cola Under-18 Craven Week and Under-18 Academy Week was also given a platform to shine when a 28-man **SA SCHOOLS UNDER-18** squad under head coach Chris October went undefeated through a home series against England, Wales and France in August.

The series opened with a 17-7 victory over France in Wellington, followed by a nail-biting affair against Wales in George, won 24-16 by the home side. The SA Schools team made it three out of three when they beat England 36-29 in Bellville. Such was the success of the series that all three visiting teams pledged to return in 2013.

Sergeal Petersen was part of the SA Schools Under-18 team that beat England, Wales and France.



AMATEUR COMPETITIONS & TOURNAMENTS

The year 2012 saw an overall improvement in the way SARU hosts and manages the various Coca-Cola Youth Weeks. There is, however, still plenty of room for improvement following some tough lessons learned at the various tournaments.

Most venues proved to be popular choices by the local unions.

However, the Coca-Cola Under-18 Craven Week and Coca-Cola Under-16 Grant Khomo Week, hosted at Port Elizabeth's Nelson Mandela Bay Stadium and the University of Johannesburg respectively, presented challenges.

way to victory in the final match of the 49th edition of the **COCA-COLA UNDER-18 CRAVEN WEEK**, running out 47-0 winners over the Golden Lions in what was the second-largest victory margin after Free State's 52-3 victory over Western Province in the 2007 'final'. The Blue Bulls also accounted for WP (47-27) and the Pumas (36-10) en route to the showpiece match.

Hosts Eastern Province were the only other undefeated team at their event, producing exhilarating rugby to account for the Valke (41-17), Boland (22-13) and KZN (27-24).



The world-class facilities were enjoyed by, amongst others, the participating teams, visiting provincial union heads and sponsors, but the downside was that the event failed to create an appreciable atmosphere, with decent crowds being drowned in huge stadia. Serious consideration should be given to hosting Youth Weeks at venues which can guarantee an atmosphere of excitement for both spectators and television viewers.

Notwithstanding the above, the tournaments were a success in terms of communications, operations and logistics, while visits to host provinces also commenced earlier than had been the case in the past. These early-bird inspections resulted in, for example, an informed decision to move the Coca-Cola Grant Khomo and LSEN Weeks from Konka to UJ.

On the field, the Blue Bulls bulldozed their

WP were the most successful union overall, with the Cape union's Under-13, Under-16 and Under-18 Academy teams all competing in the unofficial finals of the respective Weeks.

The Youth Weeks also took on a more professional flavour with the presence of a newly-established SARU mobile high-performance unit, boasting the expertise of Rassie Erasmus, Louis Koen, Paul Treu and former French international Pieter de Villiers.

Other initiatives centered around more coaching clinics, Tag Rugby, referee awareness, BokSmart rugby safety and substance abuse, amongst others. Players were also exposed to Sports Science Institute of South Africa workshops.

At senior level, the annual **SARU NATIONAL CLUB CHAMPIONSHIPS**, in its 38th and final year of existence, attracted large crowds

The Coca-Cola Craven Week was hosted at Port Elizabeth's Nelson Mandela Bay Stadium where the Blue Bulls team won the competition 47-0 in the final match against the Golden Lions.

The 38th and final SARU National Club Championships was won by Johnson College Rovers. The competition will be replaced by the Cell C Community Cup in 2013.



I&J celebrate their victory after beating Club Mykonos in the SARU Fish Factory Industry tournament.

at the Rustenburg Impala Rugby Club. Local authorities claimed that close on 10,000 spectators attended the four-day tournament which saw KwaZulu-Natal's Jonsson College Rovers claim their second title in three years after defeating Pretoria Police 23-10 in the final.

The KwaZulu-Natal champions, who in the process recorded their 79th victory in 83 matches dating back four seasons, earned the right to host the opening match of the inaugural SARU Community Cup, a tournament for 20 top non-university teams, which would replace the Club Championships from 2013.

SARU's announcement that the knock-out rounds of the new Cell C Community Cup would return to an Easter format was also well received by club people who still recalled the unique atmosphere of the event in its early days.

At **AMATEUR PROVINCIAL** level, the

Golden Lions were declared the overall winners following their last-gasp 30-29 victory over WP in the final played at Ellis Park. The three regional Amateur Provincial Competitions were hosted by KZN, SWD and the Leopards. Griquas were declared the winners of Central title in Newcastle after heavy rain forced the cancellation of the final day's fixtures, the Lions won the Northern title in Potchefstroom (38-29 over the Leopards) while WP were top dogs in Oudtshoorn, beating hosts SWD 58-20.

At **SUB-UNION** representative level, Pumas Lowveld surprised friend and foe alike when they claimed the Northern title following a 36-32 victory over hosts the Griffons in Welkom. WP was declared the overall winners of the Southern tournament after the event in Margate ended early due to adverse weather conditions.

And in the 25th annual SARU SA Fish Factory Industry tournament in the West Coast town of Velddrif, it was I&J who romped home, beating local favourites Club Mykonos 33-25 in the final.

The final was the culmination of two days of competition between 15 fishing industry teams, some of them travelling from as far afield as Gansbaai and Port Nolloth.

The organisers also announced an SA Fishing Industry squad to play a curtain-raiser to the Regent Boland Cavaliers vs DHL Stormers pre-season match in Wellington on 9 February 2013.

GRASSROOTS DEVELOPMENT

SARU, in conjunction with the 14 provincial unions, embarked upon a revised model and structure for development during 2012.

The new structure will fund, standardise, monitor, and manage all development activities and programmes at national, provincial and community level. The model will ensure that all projects are sustainable and inter-linked, in order to create a development continuum that will promote the growth and development of the game. This approach supports the SARU Transformation Charter.

In 2012, SARU conducted a groundbreaking national research survey to determine and establish, through scientific research, the true status quo of rugby in South Africa.

The Sport Science Institute of South Africa was contracted in April to steer this **NATIONAL AUDIT** and the final results, with its corresponding analysis, was due to be available by March 2013.

As with other sports codes, interim results showed a decline in participation in rugby in South African schools, clubs and universities. It is precisely because of this apparent trend that SARU had to review the way in which rugby development was approached and managed, the result of which was a new development model and structure that promotes quality and sustainable development around targeted communities throughout South Africa. This revised model and structure was developed, shared and adopted by SARU's Development Department, together with the 14 provincial unions.

Ensuring the revival of clubs has been one of the most demanding challenges SARU has faced in recent times, and with the Varsity Cup successfully elevating student rugby to a new level, it became necessary to develop comparable aspirational platforms for non-university or so-called 'open clubs'.

The reasons were twofold: firstly, to give those top clubs the opportunity to take part in a national tournament, and secondly, to ensure they could promote the game at community level. This process came full circle in August 2012 when the historic but outdated National Club Championships was scrapped in favour of the **CELL C COMMUNITY CUP**.

The inaugural tournament kicked off in February 2013 and it will be interesting to see how the Community Cup assists in the

overall transformation of club rugby in the months and years to come.

Off the field, we have also invested much time in the development of a **CLUB ADMINISTRATION** course called ClubWise. The first 20 developers were trained in October 2012 and we look to reach more than 150 qualified ClubWise facilitators in 2013 throughout the 14 unions. A ClubWise steering committee was established to ensure the quality and successful implementation of this project, which holds great potential.

Relationships between all stakeholders to promote joint and unified developmental efforts were also strengthened in 2012 – most notably with Government but also with associations including the SA Schools Rugby Association (SASRA), University Sports South Africa (USSA), Tag Rugby and SARLA.

Government initiatives arranged by the National Department of Sport & Recreation included a National Youth Olympics held in Pretoria in December 2012. Rugby participated with provincial under-16 and under-18 sevens teams.

The good news is that more Government assistance and support with regard to capacity-building, talent identification, national

In terms of investment, SARU spent more than R25-million in the development of rugby in schools, clubs and universities during 2012

weeks and inter-school logistical support is expected to become a reality soon.

In terms of investment, SARU spent more than R25-million in the development of rugby in schools, clubs and universities during 2012. Unions and associations were also given the opportunity to benefit from SARU's Development Strategic funding.

Looking to the future, although it was difficult and slow at first it has become evident that progress has been made with regard to the implementation of the new model and structure.

On the **COACHING** front, we were instrumental in the development of the SASCOC Long-Term Coach Development (LTCDD) document presented to the National Coaches' Con-

ference in November 2012. The development and implementation of the SARU LTCD plan will pose a further challenge to our objectives for 2013, as the successful implementation of these programmes will depend entirely on the complete buy-in of all stakeholders.

SARU enthusiastically welcomed and agreed upon a programme of this magnitude since it fulfills our key objectives and ties in with our strategic objectives.

Given the nature of rugby in South Africa, SARU proposed to review the current LTPD model, and, using an evidence-based ap-

proach, design their own unique Long-Term Participant plan. Fifteen research documents were completed by July 2012 and discussed at a national indaba.

ence picked up during illustrious playing careers. These former stars included Stefan Terblanchè, Pieter Muller, Adrian Jacobs, Quinton Davids and Dale Santon, and there is no doubt that communities across the country will benefit from their involvement.

The good news is that SARU will expand this programme into other parts of the country in 2013.

We also established ourselves as a major role-player in the capacity developer programme of SASCOC and SRSA, which would culminate in SAQA and CATHSSETA accredita-



The Cell C Community Cup kicked off in February 2013 and it will be interesting to see how the competition assists in the overall transformation of club rugby in the months and years to come.

SARU also established a partnership with SARLA to accredit former provincial and Springbok players who have indicated their willingness and desire to plough back, through coaching, their considerable experi-

tion of our training and education programmes.

SARU also introduced the newly-designed IRB Level-3 courses – the highest level of coaching in South Africa – to its Absa Currie Cup and Vodacom Super Rugby coaches.

Assessments are ongoing with former players such as Pieter Rossouw, Jerome Paarwater, Robbie Kempson, Johan Ackermann, Michael Horak and Anton Leonard.

PLAYER DEVELOPMENT

In 2012, SARU seriously embarked upon a **PLAYER DEVELOPMENT** programme looking after talented youngsters emerging from the national Youth Weeks and schools rugby festivals, with the aim of spreading the talent net wider. We want to see continuity in the system, in order to ensure that top talent will ultimately emerge at the top and then continue on into the professional ranks.

The establishment of four regional SARU Academies, based in George, Wellington, Port Elizabeth and East London, was a massive step in the right direction and this initiative will strengthen the four regions in terms of elite black player development. This is where our focus must now lie, as the Academies will ultimately enhance our transformation targets, thanks to our partnership with the Lotto.

One of the initiatives that we rate highly in terms of feeder systems was the 2012 **UNDER-16 HIGH PERFORMANCE** training camp that took place at Paarl Gymnasium from 30 September to 7 October. The camp took on a different technical approach from previous years by changing its focus from being player-specific to investigating the functional role of the individual within a team environment.

SARU's high-performance unit was present and players were exposed to subjects that included nutrition, life skills, and mental skills, drugs in sport and player agents.

The Coca-Cola Schools Excellence Programme remains one of SARU's most tangible and far-reaching initiatives, given that those schools have been delivering black and coloured Springboks for many years. We are continuing to reach out to those schools and continuing to provide them with high-performance support. This has been done in the past but we are now bolstering our efforts.

Twenty schools from WP, SWD, EP and Boland were selected, while a further 10 schools from other rugby provinces will be selected in 2013, followed by a further 10 in 2014. The programme includes the provision of gym equipment, rugby training equipment, rugby playing kit, training and education programmes and the introduction of regional and national rugby festivals.



Free State's U16 side take the field during the Coca-Cola U16 Grant Khomo Craven Week.

CONCLUSION

Every new year presents new and varied challenges. Looking ahead to 2013, we would like to strengthen what we are currently doing but also come up with new initiatives to achieve more successes in terms of developing the game – while maintaining the high standards set by our various teams on the field of play.

Our key priorities for 2013 are therefore to increase participation, build capacity among coaches and referees, retain our IRB Junior World Championship title, host and manage improved competitions and, last but certainly not least, kick off the SARU Community Cup and thereby launch ourselves into a brave new era for amateur rugby and its players.





REFEREES' DEPARTMENT



EXECUTIVE SUMMARY

The Referees Department is responsible to manage and administer the following SARU structures, including the fourteen (14) societies affiliated to a local Union:

SARU STRUCTURES

SARU Panel	26
SARRA Contenders Squad	23
Primary School Referees Squad	9
Primary School AR Squad	3
Women Panel	10
Specialised Assistant Referees	13
Specialised TMO Panel	6
Specialised Time Keeper	4
Selectors	11
Performance Reviewers	8
Referee Coach's	9
TOTAL	122

SOCIETY STRUCTURES

Active Referees	1590
Active AR/TJ Only	69
Active Candidates	316
Active Performance Reviewers	60
Active Referee Coach's	54
TOTAL	2089

*The report will be broken up in various headings/sections.
All data reflects as end of December 2012.*

TRAINING & EDUCATION UNIT

FORMAL TRAINING

This section co-ordinated the following education programs & courses within the various provinces:

National Courses	2012	2011
Level 1 Officiating courses	41	25
Level 1 Officiating attendees	825	463
Level 1 Officiating Certificate of Attendance	825	463
Level 2 Officiating courses	5	8
Level 2 Officiating attendees	151	137
Level 2 Officiating accredited	0	59
Level 1 AR courses	5	7
Level 1 AR attendees	141	204
Level 1 CMO courses	3	2
Level 1 CMO attendees	31	21
Level 1 CMO Certificate of Attendance	31	21
Level 2 CMO courses	1	1
Level 2 CMO attendees	9	10
Level 2 CMO Certificate of Attendance	9	10
Educators courses	1	4
Educators attendees	14	21
Educators accredited	12	19
Level 1 Sevens Officiating courses	1	1
Level 1 Sevens Officiating attendees	19	17
Level 1 Sevens Officiating Certificate of Attendance	14	17
Level 2 Sevens Officiating courses	3	1
Level 2 Sevens Officiating attendees	47	13
Level 2 Sevens Officiating accredited	0	13
Total Number of Courses	60	49
Total Number of Attendees	1237	886

A total of 1237 attendees attended the education programs & courses, excluding BokSmart, which required the necessary logistical support, accreditation & certificate administration and financial assistance.

This has shown an increase of 39% from 2011

BOKSMART

The following BokSmart courses were presented:

BokSmart Courses Presented	750
Referees Certified (includes schools referees who are not affiliated to a society)	3444

PERFORMANCE MEASUREMENT UNIT

For every SARU fixture a performance reviewer is appointed. This data is generated on the Athlete Management System which also grades the individuals for either promotion or demotion. Besides this, various Conference calls, selection and grading meetings are held. The following assessments were done:

		Assessment Reports	Video Analysis (AMS)	Ball in Play Analysis
1515/1020	ABSA Currie Cup	149	48	57
1515/1040	ABSA U19	59	4	0
1515/1050	ABSA U21	58	21	36
1515/1480	Amateur (APC)	3	3	0
1515/2290	Vodacom Super Rugby	54	125	125
1515/2750	IRB7's	0	0	0
1515/2790	IRB Matches	17	45	60
1515/3290	Other Competitions	6	27	5
1515/3990	Various Weeks & Tournaments	145	255	0
1515/4720	FNB Varsity Cup & Shield	114	28	23
1515/4740	Vodacom Cup	71	27	21
1515/4800	Women's Rugby	23	1	0
	Compulsory Friendly	8	12	0
	Friendly	0	2	0
	TOTAL	707	598	327

An 18% increase was obtained with the assessments reports of referees in 2012. This was largely contributed to the restructuring of the referees department and an upgraded AMS system.



Jason Jafta during an ABSA Currie Cup match at Loftus Versveld.

PERFORMANCE ENHANCEMENT UNIT

ACADEMY SQUADS

The main aim of the Academy Squads is to scout and fast track black referees in the main and well as referees from previously disadvantaged areas.

There are a total of sixty four (64) referees on the 2012 Academy squad. They are being developed in terms of games being organised at various tournaments where applicable coaching, law education and performances measured in order to nominate for SARU Referee Panels.

From the Academy squad in 2012, ten (10) were promoted to the SARRA Candidate Contender Squad.

SOME STATS

15 Rugby			7's Rugby		
Tournaments/ Clinics Participated In	Referees Developed at the Tournaments/ Clinics	Games officiated by them	Tournaments Participated In	Referees Developed at the Tournaments	Games officiated by them
23	161	452	1	8	96

The enrolment till date at the Maties/SA Rugby Referees Association Academy in Stellenbosch is as follows:

- Full Time (February to October 2012) = 7
- Part Time (Week to a Month) = 19

SPECIALISED COURSES

2012		
Internal Courses	Courses Conducted	Attendees
National Camp	1	57
National AR & TMO Course	1	35
National Coaching Course	1	14
Contender Camp	1	36
Societies Trainer & Coaching Course	1	24
Primary School Course	1	30
Local Societies Courses*	345	7453
Local Societies Law Examinations	14	816
SARRA Law Examinations	3	87

* One local member attends ± 5 various local courses

SPECIALISED TESTING

2012		
	Test Type	Tested
National Camp Fitness	Yo-Yo Fitness	57
	Sports-vision	25
Contender Camp	Yo-Yo Fitness	33
Primary School Course	Yo-Yo Fitness	30

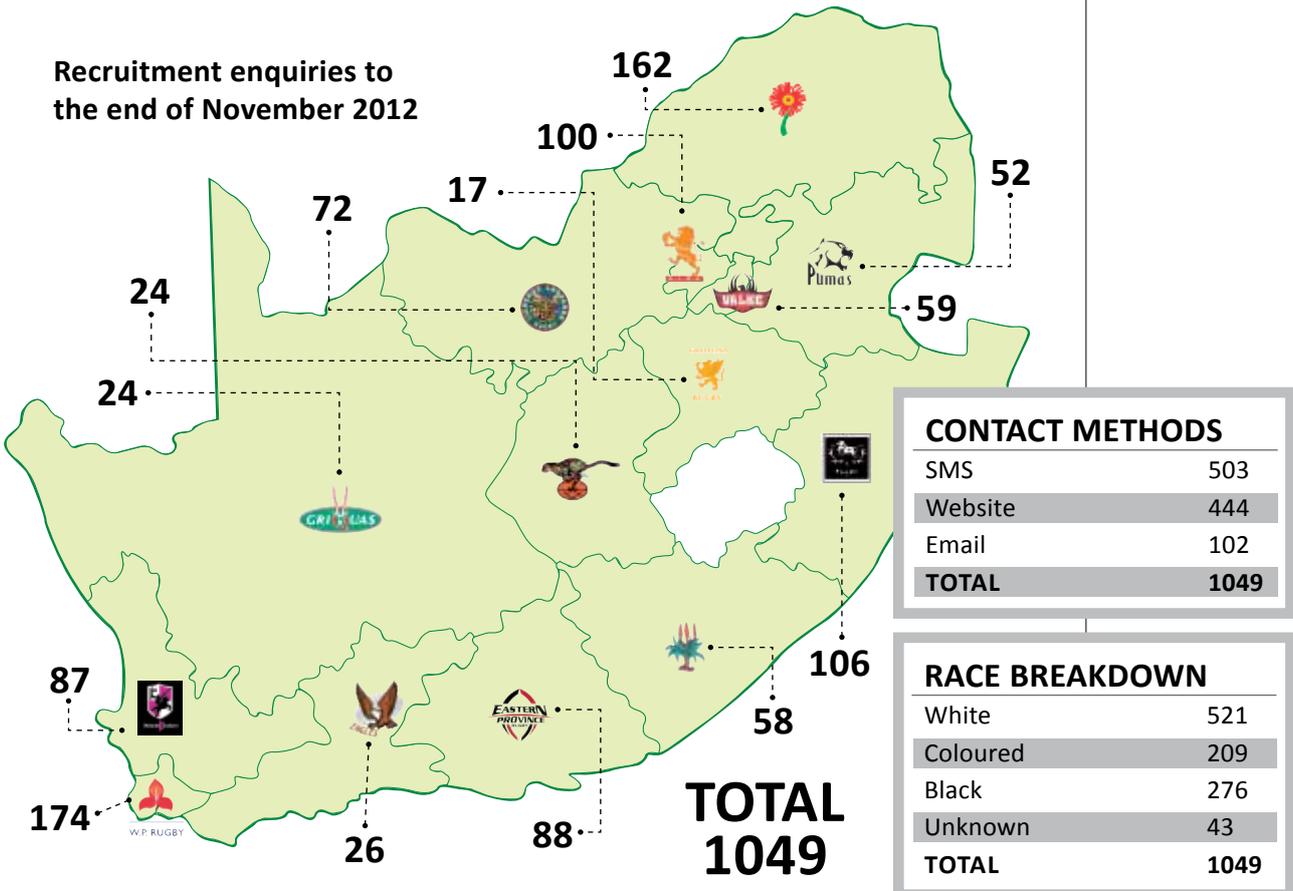
OPERATIONS & ADMIN UNIT

RECRUITMENT & AWARENESS CAMPAIGNS

CAMPAIGN REVIEW

Increased number of enquiries

One of the key measurements of the campaign is the number of enquiries received by Imbongi and passed on to the respective provincial referee manager (RM). At 1049 enquiries processed up to 30 November, this is almost a 50% increase over the previous year.



CONTACT METHODS	
SMS	503
Website	444
Email	102
TOTAL	1049

RACE BREAKDOWN	
White	521
Coloured	209
Black	276
Unknown	43
TOTAL	1049

GENDER BREAKDOWN	
Male	964
Female	85
TOTAL	1049

VARSAITY CUP

Imbongi set up a presence at two televised matches per week using banners and the inflatable recruitment ball. Positive feedback was received from the giveaways – branded water bottles – and helped break through the clutter of the main sponsors branding.

SHADOW THE REFEREE CAMPAIGN

Initially launched at the Super Rugby tournament, the Shadow the Referee campaign was further implemented across 49 Absa Currie Cup matches from 31 August through to 27 October. This increase the awareness of the referee, and create a number of ‘ambassadors’ around the country as the winners return to their schools having spent some

quality time with one of SA’s top referees. Coverage from television commentators was also encouraging.

UNIVERSITY SATELLITE REFEREE SOCIETIES

The UCT Referee Society was launched on 1 September with Jonathan Kaplan in attendance. This venue is now a regular meeting point of the WP Ref’s Society and the university has pledged to award a bursary to a student wishing to take up refereeing while studying. They have also agreed to subsidise the membership fees and cost of clothing of any student signing up with WP Referees.

HIGH SCHOOLS' REFEREE SOCIETIES

All provincial high school rugby structures were visited and the establishment of referee societies overwhelmingly accepted. The curriculum and course material is under development and examples of promotional materials have been sent to the Referees Managers for comment and orders.

PUBLICITY AND MEDIA MONITORING

An achievement achieved was to have several articles published in the sports media and is one of those areas where greater emphasis must be placed in 2013. Meetings have been held with SA Rugby and Sports Illustrated to explore future cooperation.

NEW WEBSITE

The new sareferees.co.za website was launched too much acclaim by users. Positive unsolicited feedback was received throughout the year and the site now receives around 10 000 visits per month.

BRANDING AND ADVERTISEMENTS

Recruitment campaigns in the form of branding, gazebos, adverts in programmes, give-aways (T-shirts and water bottles) and inflatable balls were done at the following:

- Coca-Cola Craven Week
- Junior World Championships
- National Club Champs
- @lantic U18 Sevens
- Fish Factory Tournament
- NMB Sevens
- Absa Boktown (Venues: Montecasino, Silverstar Casino, Suncoast Casino, and Barnyard Theatre)

LOCAL AND INTERNATIONAL APPOINTMENTS

The following local and international appointments were made from 1 January to 1 December 2012:

		REFEREE	AR'S	TMO	SIDE LINE
1515/1020	ABSA Currie Cup	94	188	57	319
1515/1040	ABSA U19	70	140	1	279
1515/1050	ABSA U21	70	140	27	253
1515/1480	Amateur (APC)	2	4	0	8
1515/2290	Vodacom Super Rugby	64	89	41	164
1515/2750	IRB7's	8	0	0	0
1515/2790	IRB Matches	23	26	6	21
1515/3290	Other Competitions	15	18	2	18
1515/3990	Various Weeks & Tournaments	145	*** See Breakdown		
1515/4720	FNB Varsity Cup & Shield	69	138	33	276
1515/4740	Vodacom Cup	56	112	22	224
1515/4800	Women's Rugby	34	68	0	136
	Compulsory Friendly	10	20	1	30
	Friendly	27	54	1	81
	Total	687	997	191	1809

AR 4 & 5,
time keeper and
statistician

***** VARIOUS WEEKS & TOURNAMENTS:**

	SCHOOL WEEKS (7)	SARU YOUTH WEEKS (8)	SARU AMATEUR WEEKS (5)	
Contenders	28	13	7	48
Res Contenders	10	6	3	19
Candidates	9	2	2	13
Academy Squad	10	8	12	30
National Group	0	5	4	9
Primary School	0	16	0	16
Women's Panel	0	10	0	10
TOTAL	57	60	28	145

	SCHOOL WEEKS	SARU YOUTH WEEKS	SARU AMATEUR WEEKS	
Selectors	9	5	4	18
Performance Reviewers	12	3	1	16
Coaches	15	11	5	31
TOTAL	36	19	10	65

Jaco van der Walt from the Golden Lions receives his man of the match award from Andre Watson, SARU's head of referees, at the Coca-Cola U/18 Craven Week in 2012.

PRIMARY AND HIGH SCHOOLS

The Primary School Referees Society attended their national Camp in East London in February. Thirty seven (37) Primary School referees from various Provinces attended this camp. The fourteen (14) top performers were sent to the Easter Festival at KES and St. John's in Johannesburg who underwent a selection and grading process.

After the completion of the national camp and grading process, a squad of Nine (9) referees and three (3) assistant referees was established, who officiated at the Primary School craven week in Bloemfontein. The provincial representation is as follows:

Province	Referee	Assistant Referee
Border	1	1
Golden Lions	1	1
Eastern Province	1	
Blue Bulls	2	
Valke	1	
Free Sate	2	
Griffons	1	
SWD		1
Total	9	3



The Primary School Referee Society has elected a National Committee (executive) which was represented by the respective primary school chairperson's. With the success of establishing a Primary School Referee Society, initiated two years ago, plans have already been put into place to establish a High School Referee Society.





COMMERCIAL & MARKETING



The 2012 year was a challenging year as this was our first full year of trading following the restructure of SARU. Not only was there the introduction of a number of new staff into the SARU environment but also we had a commercially demanding schedule with a number of new events. Significant projects were:

- Hosting of the Junior World Championship in June
- Castle Incoming Series
- First full season of the new Vodacom Super Rugby tournament
- New Castle Rugby Championship with Argentina included
- SARU hosting and managing of its own Test against the All Blacks

JUNIOR WORLD CHAMPIONSHIP

This was a major competition that SARU had won the rights to host at the same time as the much-anticipated England Tour of South Africa. Whilst the tournament was deemed to be a success, no doubt thanks to the success of the Junior Springboks, the commercial impact was far less impressive as the commercial model that surrounds this event from an IRB perspective makes it commercially challenging.

Despite the peculiar circumstances of having to use multiple, changing venues because of torrential rain, the final analysis was the significant achievement of winning the competition by our team and captivating the hearts and minds of all that watched on TV and attended the game at Newlands.

The broadcast coverage was the best and most significant of any JWC to date as well as the attendances for the final with a record 32000 people watching the final at DHL Newlands. Special thanks must be extended to both the Universities of the Western Cape and Stellenbosch for their support and assistance as host venues as well as the City of Cape Town, for the use of their stadium at short notice and WP Rugby for the use of DHL Newlands for the finals series.

KEY OUTCOMES OF THE EVENT WERE

(worldwide numbers):

- *Total coverage was 697 hours, increase of 13%*
- *Record of 21 different broadcasters covered the games*
- *Reached 164 different countries*
- *Total of 302million homes were reached, increase of 60% on 2011*
- *Estimated potential audience via live coverage was 700m, increase of 150m.*



TABLE ON SA COVERAGE ONLY – COMPARISON YEAR ON YEAR (AT THE SAME TIME AS THE ENGLAND TOUR)

Product	2011	2012	% Increase/ Decrease
Hrs. of coverage	26	57	117.5%
Avail Audience	3,197	3,023	-5.4%
Highest Average Audience	146,536	556,268	279.6%
Peak Audience	258,373	761,688	194.8%
Average Audience	61,405	93,384	52.1%



ENGLAND SERIES

The “second” Lions Tour was a great success in South Africa with our team winning the series 2-0 (with the Third Test drawn) and a successful start to the tenure of our new Springbok coach. The series also saw two mid-week matches being played that provided a much-needed economic and rugby-playing boost to the two regions that hosted the matches.

The continued support from Castle Lager of the series ensured that this was a success both on and off the field.

Castle Lager ensured that the “second” Lions Tour was a great success both on and off the field.

KEY OUTCOMES FROM THE SERIES WERE:

Product	SS1	SS4	Etv	Total
Cumulative Hrs.	6.49	4.37	3.33	14.1
Highest Average Audience	1,065mil	96,000	1,263mil	2,424 mil
Cumulative Audience	3,195	289,000	2,526	6,010 mil

THE VODACOM SUPER RUGBY COMPETITION:

This was the much-anticipated first full season of the new Vodacom Super Rugby Structure. The series saw a significant increase in broadcast numbers and viewership as well as a buoyant sponsorship environment. The competition was well served by South African franchises with both The Sharks and DHL Stormers in the finals series that provided an opportunity for enhanced sponsor exposure while the finals series progressed.

THE KEY OUTCOMES OF THE 2012 COMPETITION WERE AS FOLLOWS:

- **125 Primary Live Broadcasts on Supersport**
- **Cumulative Audience of Primary Live Broadcasts = 45,207,291 viewers, an increase of 20.0% YoY.**
- **Games featuring SA teams and that are played in South Africa are the key audience drivers! The Vodacom Bulls v DHL Stormers game on the 2nd of**

June reached the highest average audience across all games played to date – 990,062 viewers with 19.3% market share in the Digital market.

- **370 Repeat broadcasts across all SuperSport Channels up to the 5th of August! Games featuring the Vodacom Bulls were repeated 72 times, followed by The Sharks with 70 repeats and the Toyota Cheetahs with 65 repeat broadcasts.**
- **Repeat coverage on SuperSport 1 accounts for 86.9% of all repeat coverage to date.**
- **Cumulative Audience across all repeats = 3,738,965 viewers (an average of 10,187 viewers per game)**
- **555 HL broadcasts to date across all SuperSport channels with a cumulative audience of 12,758,606 viewers (an average of 22,988 viewers per broadcast)**
- **Cumulative Audience across all SuperSport Television coverage = 61,704,862 viewers.**

It is important to note that these figures exclude the “out of home viewing” numbers to which we can add another 20% of the total audience. In comparison to our SANZAR partner who collectively accounted for R20mil viewers in their markets we can see that SA continues to deliver substantial value to the competition.

The Vodacom Super Rugby match between the Vodacom Bulls and DHL Stormers was the best viewed rugby match of 2012, with 990,062 viewers.





After initial worries that Argentina would not be ready for The Castle Lager Rugby Championship, they proved to be very solid in their first season.

THE CASTLE RUGBY CHAMPIONSHIP

This was a significant step by SANZAR and SARU with the inclusion of Argentina into The Castle Lager Rugby Championship. It has been viewed as a strategic “risk”, in that we have long felt that the competition needed something to revive the current model and a risk from the perspective that we were not sure on the “rugby readiness” of Argentina. It was however a huge success and the performance of the Pumas in their first season were solid.

KEY FINDINGS FROM THIS COMPETITION WERE AS FOLLOWS:

Product	SS1	Repeats	SABC	Total
Hrs. of Coverage	25.28 (↑115%)	53.59 (↑3.5%)	5.52 (↑40%)	84.39
Avail Audience	2,962 mil	3,006 mil	10,734 mil	16,702 mil
Peak Audience	1,272 mil	107,000	1,962 mil	3,341 mil
Average Audience	600,000	17,039	1,591 mil	19,230 mil

COMMERCIAL MATTERS:

2012 saw us make steady progress towards the 2013 launch of the new Springbok/Bok Life-style clothing range that will hit retail towards the second quarter of 2013. We had the renewal and commencement of a number of commercial agreements namely:

- SAA for the next 5 years - *all of SARU*
- ABSA CC for 2013 – 2017
- BSN Medical - *Springboks*
- Marriott – *Referees*
- Cell C – *Community Cup*
- Cell C – *Nelson Mandela Bay Sevens*
- Virgin Active – *Springboks and SARU*

Whilst our revenues remain relatively flat, given the current contractual environment, we have seen a slight increase YOY due to additional sponsorships being secured. The majority of our agreements matures in 2015, along with the Broadcast Agreements so the maintenance and delivery of rights remains our primary objective.



COMPETITIONS

Our Competitions continued to deliver positive results for our various commercial partners as well as the broadcaster; however the one consistent and concerning factor is the reduced number of spectators at the actual match days. Whilst one can attribute this to the current economic climate that we are in at present, a more concerted effort from a marketing and leveraging perspective, on the properties where we can control the spectator experience will be the focus of our attention.

Jean de Villiers tries to evade two Sharks defenders during the Vodacom Super Rugby semi-final between the DHL Stormers and The Sharks, played at DHL Newlands in Cape Town.

HIGH LEVEL SUMMARY OF COMPETITIONS:

ABSA CURRIE CUP

Product	2011	2012	% Increase / Decrease
Hrs. of coverage	85	63	-26%
Avail Audience	3,759	4,663	24.1%
Average Audience	818,000	1,196	46.1%
Peak Audience	388,000	525,000	35.4%
No of games	46	32	

VODACOM CUP

Product	2011	2012	% Increase / Decrease
Hrs. of coverage	37	33	-10.1%
Avail Audience	3,110	3,747	20.5%
Average Audience	291,337	379,278	30.2%
Peak Audience	102,102	165,995	62.6%
No of games	20	18	-2%

COCA-COLA CRAVEN WEEK

Product	2011	2012	% Increase / Decrease
Hrs. of coverage	31.2	32	2.3%
Avail Audience	1,898	2,334	23%
Average Audience	160,113	131,570	-17.8%
Peak Audience	40,411	37,557	-7.1%
No of games	n/a	n/a	

CELL C NELSON MANDELA BAY SEVENS

Product	2011	2012	% Increase / Decrease
Hrs. of coverage	17.1	17.5	3.6%
Avail Audience	2,493	3,916	52%
Average Audience	381,582	359,840	-5.6%
Peak Audience	146,217	180,431	23.4%
No of games	45	45	



CORPORATE AFFAIRS



The impact of SARU's operational restructuring in the final quarter of 2011 was followed through in the Corporate Affairs department in 2012 as new appointments were made to match the needs of new responsibilities. By the end of the year some major advances had been made – particularly in the area of heritage – that are likely to have an important place in rugby's landscape for several years to come.

In the department's 'core' areas of responsibility, such as media management and publicising the organisation's many activities, it was another very busy year. SARU's expanding commitments and initiatives created new opportunities to promote the mother body's focus on delivering on the fundamental requirements of the constitution of promoting and fostering the playing of the game at all levels.

However, two reputational issues coloured the year and had an impact on the organisation's reputation, following two years of steady improvement, according to surveys among stakeholders. The protracted debate over the method by which four teams would be identified to join the Southern Kings in Vodacom Super Rugby, and the return of the debate about transformation in the Springbok team, stalked the organisation throughout the year, although there was no single 'crisis point' in either.



HERITAGE

Of more long-lasting impact will be SARU's re-discovery of the game's heritage as it existed among all communities. The responsibility for its maintenance and celebration was placed firmly in the hands of Corporate Affairs towards the end of 2011 and a number of significant steps were taken to reclaim and publicise that heritage in 2012. The first was to identify new premises into which the old rugby museum could be relocated. The primary requirement was that the new museum should be in a heavily foot-trafficked area and so the 200m² facility in a back street of the suburb of Newlands was replaced by an 800m² facility at the V&A Waterfront in Cape Town. A lease was signed on the two-storey Portswood House, which sits proudly on the Portswood Ridge overlooking the main Waterfront precinct – a destination that attracts 23 million visitors each year.

That was the easy part; designing a museum attraction that would meet the dual requirements of honouring the game's history while being a compelling, modern attraction was less straightforward. After several months of research, a leading UK company, Mather & Co, was taken on to lead the museum design. Among the company's credits are the recently opened National Football Museum in the UK, Wimbledon museum, the SAB World of Beer in Johannesburg, museums at the Chelsea and Arsenal football clubs as well as at cricket teams, Warwickshire and Yorkshire. When Mather

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& Co was contracted to design what is being called *The Springbok Experience*, it was also hard at work on the International Olympic Committee's museum in Lausanne.

The new museum will include a retail store, interactive game-playing 'Springbok Trials' area as well as a museum. The Experience has focused on a mission to: "collect, conserve, research, interpret and exhibit the treasures of rugby's diverse South African history, ensuring ownership of the game by all." It is due to open in the final quarter of 2013.

SARU appointed its first Museum and Heritage Manager to manage the new emphasis being placed on the game's heritage.



A key function of the role was to properly curate the SARU collection, which had been allowed to fall into some disrepair over the period of the previous decade. A team of four temporary staff were contracted to catalogue some 8 000 items in the SARU collection. The process unlocked some hidden treasures as well as disclosing some important gaps in the collection.

Going hand-in-hand with the process was the relocation of the old South African Rugby Board archives. They had been stored on the farm of Professor Piet van der Schyff in De Aar for 20 years, since the game's unity in 1992 in fact. The documents – some 80m worth of shelf space – were moved to

the University of Stellenbosch, where the process of cataloguing them began in earnest and remains an on-going process.

The final leg of the heritage project was to begin the long-term process of 'digitising' the records and archives of South African rugby. A service provider was contracted to install a software system that would allow the achievement of two objectives: the storage of all operational documents in a digital database and the scanning and collation in the same database of all historical printed documents. The initiative began in Corporate Affairs but has been rolled out to all seven departments as well as the company secretary's office.

An artist's impression of The Springbok Experience rugby museum that is set to open at the V&A Waterfront in Cape Town in 2013.



For the first time fans could vote for their SARU Player of the Year, with the incentive of earning a place at the Awards.

CORPORATE

A second new appointment was that of Senior Manager for Government and Stakeholder Relations. The position had not been filled immediately upon restructuring but activated in 2012 to service the increasing interactions between sports federations and organisations such as the Department of Sport and Recreation as well as SASCOC. The position was also given lead responsibility for SARU's

corporate social responsibility initiatives.

The department's traditional activities in media management and publicising events and activities continued apace. More than 650 media releases and advisories were issued throughout the season. They varied from previews and reviews of all SARU's professional tournaments, information relating to all five national teams that ap-

peared in 2012 (Springboks, Junior Springboks, Springbok Sevens, Springbok Women and SA Under-18s), event launches and announcements, referees and BokSmart developments, activities in rugby development, the affairs of SANZAR and the IRB (where they related to South African rugby) and reaction to unfolding news events. The department also managed the production of a record number of media guides to support national teams.

The growing importance of social media was reflected in the growth of SARU's channels. The Springbok Facebook page breached the 500 000 mark and the year ended with the @bokrugby Twitter handle over the 100 000 mark. The department used these channels to directly publicise its activities to the game's followers in addition to the traditional media release. A few years ago a media release would be sent out in the hope that some 12 or 18 hours later its content would be published in the print media. Today, the public receives the same material before it is issued to the media through the SARU website (www.sarugby.co.za), Facebook page (www.facebook.com/springboks) and Twitter (@bokrugby). In addition, a Springbok application remains in production.

The department continued to produce the weekly Bokzine – an email newsletter to subscribers – and continually looked for further ways to engage supporters in more directly in rugby's activities. One of those was to invite supporters to vote in the SARU Player of the Year Awards for the first time. Fans voted in a number of categories with the incentive of earning a place at the Awards evening for one of them.

In matters of reputation the game enjoyed a serene year compared to the travails that beset other South African sports, although the issue of Vodacom Super Rugby qualification in 2013 was a running issue. This was far from the scandal of corruption or governance endured elsewhere but the damage that the delay in agreeing a strategy was the cause of much stakeholder anger and confusion. When a formula was finally announced in August – the option that had first been tabled in January – it provoked considerable dissent among Lions supporters, the team who came to miss out on 2013 inclu-

sion. The impossibility of fitting six franchises into five berths would inevitably have led to unhappiness from whichever team was to miss out. However, the protracted nature of the debate – which had occurred to allow all avenues to be explored – was seen as reflecting poorly on SARU's leadership.

A change of coach also brought the issue of transformation in South African rugby back to the fore. Although Heyneke Meyer's teams reflected almost identical demographics to those of Peter de Villiers, there was concern among stakeholder groups that the transformation of the team was being retarded. Much of this debate was in the eye of the beholder – why was player X preferred to player Y? – as the squads met general approval. It is an issue that is unlikely to fall from the agenda in the immediate future.

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HUMAN RESOURCES



The strategic focus areas of Human Resources for 2012 for SARU were:

- Bedding down the organisation through attraction and hiring of new staff for those unfilled roles which resulted from the restructuring in 2011;
- Implementing the SARU vision and values
- Training and Development
- Transformation

The Human Resources Department within SARU endeavors to support and act as an enabler for all departments to deliver on their objectives through recruitment of competent staff, training, remuneration, advice and implementation of policies, processes and programmes.

At the beginning of the year our focus was geared towards supporting the Rugby business to resource for employees to fill those critical roles which became vacant as a result the 2011 restructuring.

We also rolled out the Values workshops which were attended by all SARU employees with the purpose of getting all of us to live the SARU values. The facilitation of this intervention was done using the Insights Discovery Tool. The results saw staff starting to change their language within the workplace and becoming aware of how they can use their strengths in their jobs through living their values.

The Training and Development strategy was revisited and new process developed for assisting employees in further developing their studies. This was in line with the Personal Development and Performance Management strategy that was initiated in 2011.

Lastly, Transformation continued to be a key focus in 2012. Some work was done to ensure positive results through working together with the business. This area still remain a main focus in 2013, as we would like to continue being a responsible South African employer.



Oregan Hoskins signs the Declaration at the conclusion of SARU's Transformation Indaba.

RESOURCING

In order to bed down the new organisation post the 2011 restructuring, our first objective was to fill critical roles which were unfilled during the restructuring process. 19% of candidates recruited in 2012 were from the designated group. Of those, 9% were placed in the middle and senior positions which created a well balanced mix of the management team. These appointments included external appointees and internal promotions within SARU.

AFFILIATION

In 2011, SARU staff embarked on a journey of rediscovering its new vision, mission and values. Following the process of crafting the SARU values which are; Excellence, Passion, Integrity, Trust and Loyalty, 2012 was the time to roll out the values workshops to en-

of individual's values, this prepared a good ground for employees to align themselves with SARU values. The workshops connected employees at both the individual and organisational level. This process has allowed the entire organisation to start the journey of appreciating each other's style in the workplace with the understanding of how different each employee is.

TRAINING AND DEVELOPMENT

At SARU we strive to get people to grow and reach their full potential through learning. In 2012 we implemented a new educational strategy to closely monitor and support employees through their studies. This strategy involves panel interviews which aim to scrutinize further education applications by

Excellence, Passion, Integrity, Trust and Loyalty, 2012 was the time to roll out the values workshops to ensure that we bring the SARU values to life

sure that we bring the SARU values to life.

Before attending the workshops, each employee had to do personality/values assessment using a tool called the Insights Preference Evaluator. This produced, for each employee a personal profile. The profile identified key areas which increased an employee's self-awareness with regards to their individual values. With the awareness

reviewing the individual's Personal Development Plan (PDP), Performance Management Plan (PMP) and implementing mentorship programmes to assist and support those individuals who want to further their studies.

Other generic and technical development programmes have been implemented throughout the year to up-skill employees in their jobs.

TRANSFORMATION

EMPLOYMENT EQUITY

Even though the area of Employment Equity continues to be a challenge, we are slowly achieving our annual targets which will culminate to the overall targets set for 2015. Our Middle and Senior management statistics are well balanced, and with other interventions such as Succession Planning, which also look at employees who will soon retire, we are hoping that we will improve in this area.

ENTERPRISE DEVELOPMENT

In striving to be a responsible citizen to fellow South Africans, SARU embarked on a process of identifying a black owned enterprise which would be supported by SARU in order to sustain itself. Makweds Sports Marketing Close Corporation, has been given necessary tools to grow their business, included in the SARU service provider database, and provided with support to ensure that they become a self-sustainable business which will contribute to the South African economy.

2014 FOCUS AREAS

In 2014 we will focus on the following areas:

- Transformation – ensuring the diversity and inclusion in the organisation through:
 - o Improving on our Employment Equity targets
 - o Implementing Diversity management programmes
 - o Consolidating an inclusive culture through employee engagements and Staff surveys
 - o Improving our succession planning processes
- Compliance – ensuring that all our processes are compliant with the South African legislation
 - o Reviewing our policies which we implemented from 2009
 - o Rolling out a new Payroll/HR system which will ensure compliant HR Management information
 - o Skills development of our internal staff in order to respond to health and safety issues of the organisation

Schalk Burger celebrates with Xolani Vilakazi during the Laureus Soweto Schools Rugby Project visit at Tsweleng Primary School.



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www.sarugby.co.za