SOUTH AFRICAN RUGBY UNION
ANNUAL REPORT 2019
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All pictures courtesy of Gallo Images (www.galloimages.co.za)
Design: Ryan Manning
## SA Rugby Sponsors in 2019

### Springbok Sponsors
- MTN
- Asics

### Springbok Sevens Sponsors
- Castle Free
- Out Surance

### SA Rugby Referees Sponsors
- FNB
- Tsgo Sun
- Land Rover
- Castle Lager
- Dove Men+Care

### Associate Sponsors
- Energade
- Samsung
- Bidvest Car Rental
- Microsoft
- Dell EMC
- Accenture

### Official Suppliers
- FlySafair
- Stellenbosch Academy of Sport
- Gilbert
- Springbok Atlas
- BSN Medical

### Tournament Sponsors
- The Rugby Championship
- Super Rugby
- DirectAxis
- Gold Cup
- SuperSport Rugby Challenge
- Emirates
Pieter-Steph du Toit was named the SA Rugby Player of the Year for 2019 – the third time in the last four season’s he’s won this award.
SOUTH AFRICAN RUGBY IS reeling from two significant body blows right now. We know that last year marked the end of a four-year Rugby World Cup cycle that started from an extremely low base in 2016. Recovery was a long and painful process, and just as our organisation was anticipating a hard-earned brighter future, the COVID-19 pandemic has hit us – as it has hit sport around the world – very hard.

But before I report on our year, I want to emphasise that – to coin a phrase – while we are bloodied, we are still unbowed. We are not defeated. This is a crisis, but we will not let it go to waste. As a nation, we are known for our ability to prevail in the face of difficult odds, and SA Rugby is no stranger to overcoming massive obstacles.

SARU has achieved the enviable status of being the bellwether of South African sport – and as a leader, the nation is influenced by the performance of our Springbok teams.

But we have had to come some distance in a short space of time to reach that position. 2016 was a dark period for us. SARU did not meet the government’s transformation require-
ments, we lost investor confidence, we lost players and captains, we did not raise sufficient sponsorship funding, the President at the time resigned, and the Springboks delivered poor performance.

We started a turnaround strategy and embarked on a major drive to convince corporate South Africa that we were on a trajectory to winning ways, and to encourage them to invest in South African rugby, which they did.

Our strategy was intense and included a major restructuring of competitions, reducing Vodacom Super Rugby teams, the introduction of two teams into the Guinness PRO14 competition, taking rugby to our communities, modifying the governance structure, and importantly, launching a new and more sustainable contracting model in collaboration with MyPlayers and SAREO.

In 2018 the Springbok coaching team was restructured, headed by Rassie Erasmus, and restrictions on overseas player were relaxed.

It was then too that we made the Springboks’ success our number one objective. The fact is that all our other rugby programmes benefit from the Springboks’ success, and our winning World Cup team was beginning to take shape.

2019 was a good year. The Springboks’ Rugby World Cup tournament was unforgettable for South African rugby and the nation – and the team returned to the top of the world rugby rankings. This triumph was brilliantly strategised and executed by Rassie Erasmus, his staff, and the players captained by Siya Kolisi.

From the moment he was appointed, Rassie and his team had started preparing for the 2019 Rugby World Cup, and they stuck like limpets to the plan of building squad depth for the World Cup. Within the strategy, key focus areas included motivation of players, intensive monitoring of their condition, and creating an open and transparent environment where players and management were treated with respect.

We know that in response, the players delivered exceptional performances, especially in the Castle Lager Rugby Championship and the World Cup tournament. We were – and of course, still are – proud of the conduct of the Springbok squad both on and off the field.

They are consistent worthy ambassadors for our country, highlighted the reality of #StrongerTogether for rugby and South Africa.

We are also very proud of the numerous accolades and awards that SARU players, coaching teams, management and staff achieved in 2019. These include:

- **Rassie Erasmus** – World Rugby Coach of the Year
- **Pieter-Steph du Toit** – World Rugby Player of the Year
- **Springboks** – World Rugby Team of the Year
- **Siya Kolisi** – World Peace and Sport Champion 2019 at Peace and Sport Awards
- **Herschel Jantjies** – nominated as one of the three World Rugby Breakthrough Play-
South African Women’s team – qualified for the 2021 Rugby World Cup in New Zealand

Imbokodo, the Springbok Women’s Sevens team – appeared in the HSBC Cape Town Sevens

Vanessa Doble, SA Rugby company secretary – SA Rugby’s first female representative at World Rugby and one of three delegates as World Rugby extended the permitted number to three

Ilhaam Groenewald, SA Rugby’s first female Executive Council member – received a Ministerial Award for her outstanding contribution to women’s sport and leadership role in rugby

Laurian Johannes – the first female head coach of a national team (SA Women Under-20)

A group of 40 Under-18 girls – attended a high-performance camp in Paarl

High performing domestic teams: the Toyota FS Cheetahs (Currie Cup champions), Western Province Women and Golden Lions Women (Women’s Inter-Provincial A and B-Section champions), Vodacom Blue Bulls (U21 and U19 Provincial champions), Down Touch Griffons (U20 Provincial champions), and Newrak Rustenburg Impala (Gold Cup champions)

Junior Springboks – achieved a top-three finish at the Under-20 World Championships

My sincere congratulations to all of them. Their achievements are noteworthy.

STAKEHOLDER RELATIONSHIPS

Reviewing stakeholder relationships over this period, significant improvements have been achieved in SARU’s relationship with key political stakeholders since 2017. The national Department of Sport, Arts and Culture is the custodian of rugby as a culture and industry. As such, it is important to us and is a crucial ally in matters relating to regulations that impact our game. We have also improved relations with the Portfolio Committee.

TRANSFORMATION

Transformation will always be vitally important in our strategy. Our original Strategic Transformation Plan completed its course in 2019 and has been replaced by a new Strategic Transformation Development Plan, which will run until 2030.

DRAFT SPORTS AND BROADCASTING BILLS

Two draft bills that continue to be a concern for SARU are the Draft National Sport and Recreation Amendment Bill by the Department of Sport and Recreation, and the Draft Sports Broadcasting Services Amendment Regulations by ICASA. These pose regulatory challenges, as well as a threat to our model and strategy, and we are vigorously lobbying against them.
COMMERCIAL RIGHTS EQUITY COMPANIES

We are also still engaging with several commercial rights equity companies that are interested in acquiring a minority stake in the commercial rights of our competitions. These investors can potentially extract value by bundling the commercial rights of various competitions and selling them as a single package. Competitions will be realigned globally over the next four years, making our sport compete in international tournaments in other markets. We will see significant changes in the way we manage, deliver and control our game. Private equity will dominate the commercial rights space.

INDUSTRY MITIGATION

Before we address the SARU 2019 financials, I must acknowledge a significant achievement by our stakeholders. We are all aware of the harsh realities we face in our new financial year. We know that if we don’t play rugby, we don’t make money. And so, with these unprecedented times calling for unprecedented actions, I want to highlight the greatest of these actions, which was the collaborative creation of the Industry Financial Impact Plan. This required the wide-ranging agreement of all stakeholders – SARU membership, players, employees and their trade union. I would like to thank each and every one of you and your organisations for engaging in this process.

This was a challenging and difficult task with only painful outcomes in cuts to programmes, budgets and salaries. But the alternative would have been far more painful. If we had gone it alone, formulating our plans, it would have led to bankruptcies, court action, redundancies and a sport that would be in no shape to resume playing. What we have collectively achieved has given us the best chance to come out of this on our feet – not on our knees. I thank you once again.

SARU FINANCES

The COVID-19 pandemic and the consequences of it will, in all likelihood overshadow many excellent achievements in the normal run of our business for some time to come, as it will our financial performance. However, for the purposes of today’s discussions and the need for council’s approval, I would like to highlight the financial standing of SARU as at 31 December 2019 as another successful event of the year.

We noted in the media, the major challenges that other sporting federations and sporting bodies were encountering, even before the onset of COVID-19.

Since 2016 we have implemented rigorous financial discipline, which, although it was not always well received by everyone, by 31 December 2019 we could confirm that the stringent measures delivered the satisfactory and necessary results to improve our overall solvency.

Our 2019 annual financial statements that we are posting today reflect a union profit of R8.5 million, a favourable union equity position of R26 million, and an improved cash position. Cash flow projections before COVID had indicated continued progress.
Financial challenges we faced in 2019 included:

■ The need to fund operations with a bank overdraft for significant parts of the year
■ Finding solutions to the unprecedented loss of a broadcasting partner
■ The unrealised R25 million Lottery grant that we had budgeted for
■ The R62 million required to honour player and management performance commitments for winning the Rugby World Cup
■ The further requirement for loan impairments

I do not doubt that our reported position as at 31 December 2019 has and will enable us to ensure the continued financial support of the bank and key stakeholders in these difficult times.

Today we present to you an unqualified set of annual financial statements signed off by PWC on the basis that SARU is a going concern. We are working hard to deal with the COVID-19 challenges from a financial perspective, with the primary aim of maintaining discipline and sound management that will, I trust, stand us in good stead in these exceptionally financially challenging circumstances.

THANK YOU

In conclusion, I am honoured to acknowledge that credit for SARU’s very real achievements must be shared with our numerous partners, sponsors, unions, staff members, and the membership. Special mention must be made of Jurie Roux and his staff, as well as my executive. It takes a world of commitment and working in collaboration to deliver on the organisation’s mandate.

Thank you to everyone who added value to South African rugby’s legacy over the past year, and indeed to those who are stepping up to contribute further in this very tough era we are facing. I take pride in our rugby fraternity and in what I believe we will accomplish in the coming year.

Mark Alexander
President
South African Rugby Union
The shadow of the COVID-19 pandemic hovers threateningly over rugby as this report is written. The future of the global game and rugby in South Africa is clouded with uncertainty and there is no doubt that next year’s Annual Report will reflect a year of challenges, hard decisions, amended competitions and severe financial impacts wherever you look in rugby.

The pandemic has focused minds and asked fundamental questions about what is important to our stakeholders and what is essential to the game’s very survival. It has also encouraged an unprecedented collaboration between key stakeholders on what might be called the supply chain side of the sport – players, member unions, employers, trade union and the mother body.

The health and business consequences of the virus continue to unfold but rugby was able to react unanimously and swiftly to the crisis with the design and implementation of an Industry Financial Impact Plan. The plan was formulated and agreed by bodies representing SA Rugby, MyPlayers (the players’ representative organisation), Sport Employees’ Unite (employees’ trade union) and the South African Rugby Employers’ Organisation (SAREO – representing the provincial unions) and agreed budget cuts across the board to reduce the “global” rugby budget by as much R1.2bn. More of which later.
So, it seems almost frivolous to reflect on the past season, when the world was a very different place, and the phrase “corona-virus” was yet to be unleashed on us.

But it would also be wrong on the heroes and heroines of 2019, our partners, our members and of course, the players and the coaches, not to celebrate what in many ways was one of the greatest and most significant seasons in the history of the sport in South Africa, since international rugby first appeared on our shores in 1891.

It is arguable that for the first time in 128 years here was a South African team that truly represented the whole country and was supported by virtually everyone in it. And, magnificently, they became World Champions.

Our previous Rugby World Cup winning captains, Francois Pienaar (1995) and John Smit (2019) were both gracious enough to admit that the 2019 victory, eclipsed that of their teams in its significance for the country.

A campaign brilliantly engineered by Director of Rugby, Rassie Erasmus, had at its head the Springboks’ first black captain, Siya Kolisi, who led a team representing all corners of our diverse nation in absolute harmony to a day – November 2nd 2019 – that will live long in the history of South Africa – not just in the history of rugby.

The scenes on the team’s return to OR Tambo International Airport were simply astonishing and the five-day trophy tour that followed extended the Rugby World Cup euphoria for days on end. The fact that the team also collected the Castle Lager Rugby Championship for the first time in a decade was almost forgotten in the excitement while there was also joy for the South African Women’s team, which qualified for the 2021 Rugby World Cup in New Zealand by emphatically winning the African qualifying series. This really was South African rugby’s *annus mirabilis*.

The achievements of our national teams in crossing the transformation frontier were a reward for the whole of rugby in South Africa. It proved the success of our Strategic Transformation Plan (STP) and the way in which our national coaches and administrators had embraced the moral and business imperative of finding a new path for the game.

We believe we are one of South African sport’s leaders in this process and were one of only eight of 19 federations that achieved their transformation targets for 2017/18 in the report back from the Eminent Persons’ Group on Transformation in Sport (EPG).

Our original Strategic Transformation Plan completed its course in 2019 and has been updated and replaced by a new Strategic Transformation Development Plan 2030 (STDP 2030), which will run until that year, and was workshopped, designed and signed off by all 14 member unions.

The appeal of the rugby brand was again highlighted in the acquisition of Samsung and Microsoft as new partners. Samsung South Africa joined the Springbok family as the official electronics partner. Microsoft allied with SA Rugby for the first time in the niche area of “official cloud partner”, highlighting in a small but significant way the migration to a digital future for many businesses.

There was also the major renewal of the sport’s broadcasting deal in new five-year partnership with our long-standing partner, SuperSport, who reacquired the media rights to domestic and SANZAAR rugby.

In 2021 they will broadcast a revised Super Rugby competition featuring 14 teams after the decision was taken not to extend the Japan-based Sunwolves’ inclusion in the tournament. The decision was driven by an extensive analysis of competition integrity, affordability and the competitiveness of the playing environment. It means the return to a single round competition in a single log for all teams, doing away with the conference system and selective playing schedule which had not found universal favour among consumers.

Fixtures and formats were also high on the international agenda and much of the first part of the year was taken up in engagement at a regional and World Rugby level on the proposed concept of a new global competition called the World Rugby Nations Championship.

The idea was for an annual championship, involving all Tier One nations, with a final to conclude the year and decided on ranking points for a southern and northern
hemisphere representative. The existing hemispherical competitions as well as the July and November internationals would have counted towards the decider.

The Castle Lager Rugby Championship was mooted to expand to six teams – with the inclusion of Fiji and Japan – and promotion and relegation would have been introduced to open a pathway for more Tier 2 nations. While the south was supportive, the plan ultimately foundered on northern reticence around the likely travel schedule and particularly the threat of relegation.

In another success, SA Rugby was awarded the hosting rights to the 2022 Rugby World Cup Sevens, which will take place in Cape Town in September of that year. It will be the first time in a decade that South Africa has hosted a major international event and the first time since 1995 that we will have hosted a World Cup event.

This was all good news at a time when the financial sustainability of SA Rugby and its members remained an overarching concern. Cost containment at head office level remained an on-going priority – and which led to the closure of The Springbok Experience rugby museum among other actions – while economies were sought elsewhere.

One of them was in the collective playing wage bill which was addressed in the conclusion of a ground-breaking player contracting model, brokered in partnership between the employers (the South African Rugby Employers’ Organisation – SAREO), the players (MyPlayers) and SA Rugby.

In headline terms it ended the central contracting for the first time since 1996 of a small number of Springboks in favour of a more broad-based system that spread the available national salary budget over more players and member unions. It included an agreement on a salary cap and maximum squad sizes at all levels of the professional game.

The expected outcomes of the system are a smaller professional playing pool, financial support spread more evenly among the unions and greater input from the national Director of Rugby on the management and preparation of players.

The changing shape of rugby was also highlighted by equity investment in the Blue Bulls and Southern Kings, in whom a local consortium gained a 74 percent interest, with the balance retained by the Eastern Province Rugby Union.

But in the words of the Director of Rugby, “let the main thing remain the main thing” so we end with on-field matters and congratulations to our high performing domestic teams: the Toyota Cheetahs (Currie Cup champions); the Jaguares XV (Currie Cup First Division); DHL Western Province (Women’s Inter-Provincial Champions), the Vodacom Bulls (Under-21 and Under-19 champions); the Griffons (Under-20 champions) and Rustenburg Impala (Gold Cup winners).

Congratulations are also due to the Blitzboks for a fourth place finish in the HSBC World Rugby Sevens Series – slipping from the top for the first time in three seasons but ensuring Olympic qualification – and the Junior Springboks who achieved a top three finish at the Under-20 World Championships for the third successive year.

Their achievements were underwritten by the game’s commercial partners, by our good friends at SuperSport who provide the funding to keep the game alive as well.
On 11 March what became an “all-party” COVID-19 management committee met for the first time, 24 hours before the Guinness PRO14 season was suspended indefinitely due to the virus’s impact on Italy. A day later World Rugby cancelled the women’s HSBC World Rugby Sevens Challenger Series tournament, that we had been preparing to host in Stellenbosch two weeks’ later.

Rugby derives its income almost exclusively from the playing of elite, professional matches – and particularly of Test matches. They are the media rights most sought after by broadcasters and the matches and teams most cherished by sponsors; without rugby, there is potentially no income.

We immediately began the process of assessing the game’s potential losses in revenue against a range of return-to-play scenarios. We took the prudent view that we were facing a worst-case scenario and that Test rugby would be impossible in 2020 because of international travel bans.

It meant hard decisions had to be taken swiftly. To arrive at savings of up to R1,2bn economies were to be achieved by reducing expenditure following the cancellation of competitions (49.7 percent of savings), cuts in other operational budgets (37.3 percent) and in salary reductions (13 percent). The latter was achieved by receiving universal buy-in from bodies representing the 1 396 people employed in rugby of a saving on the salary bill of 25 percent. Those earning less than R20 000 per month were excluded from cuts with the impact scaled up in line with earnings to a maximum of 43 percent.

Meanwhile, the collateral damage caused by the virus and its impact on the international calendar has forced a major re-examination of local and global competitions, and many of the ways we do business. It is currently unknown what shape the game will take once we emerge from this long, dark tunnel.

But at SA Rugby we can at least say that we have ensured that our mitigation planning means that when we do see the light, we will still be standing to walk into it.

Jurie Roux
CEO
South African Rugby Union
INTEGRATED REPORT

PREAMBLE:
SARU is an incorporated association of persons with perpetual succession and juristic personality and the national controlling body and custodian of rugby in South Africa. SARU’s governance structure is set out in its Constitution.

GOVERNANCE
The relevant extracts from Section 8 of the SARU Constitution provide as follows:

8.1 Subject to this constitution, SARU’s business and activities will be overseen by the general meeting which shall have the ultimate authority in respect of, and responsibility for, its affairs.

8.4 Subject to this constitution, all of SARU’s affairs shall be governed by the executive council which may exercise all such powers and perform all such functions as are not required by this constitution to be exercised or performed by the general meeting: Provided that the general meeting retains the authority to exercise such powers and perform such functions if the executive council is, for whatever reason, unwilling or unable to do so.

8.5 Without derogating from the generality of the foregoing, the executive council shall determine a policy framework for and oversee SARU’s governance and exercise the powers and perform the functions necessary to achieve and promote SARU’s main and ancillary objects.

8.7 The provisions in the Act and the rules of common law which define the nature and extent of the powers and functions of members of the board of directors of a public company; govern the exercise of their powers and performance of their functions; govern the relationship between such directors and such company, whether fiduciary or otherwise, as well as the personal liability, criminal or delictual, of such members flowing from fraudulent or negligent acts or omissions in relation to such members aforesaid powers and functions, apply mutatis mutandis, and to the extent that it is consistent with SARU’s status, to the members of the executive council as if SARU were a public company.

8.8 The principles and the best practice recommendations set out in the Code of Governance Principles for South Africa - 2009 King III, as augmented and amended from time to time, shall apply as a guideline to the governance of SARU.
Duane Vermeulen was named Player of the Match in the RWC Final at the International Stadium, Yokohama in 2019.
## GOVERNANCE STRUCTURES

### 1. MEMBERS OF THE EXECUTIVE COUNCIL

#### Non-Executive Members

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>DATE OF APPOINTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Alexander</td>
<td>President</td>
<td>Elected 6 April 2018</td>
</tr>
<tr>
<td>Francois Davids</td>
<td>Deputy President</td>
<td>Elected 6 April 2018</td>
</tr>
<tr>
<td>Lindsay Mould</td>
<td>Union representative</td>
<td>Elected 6 April 2018</td>
</tr>
<tr>
<td>Pat Kuhn</td>
<td>Union representative</td>
<td>Elected March 2016</td>
</tr>
<tr>
<td>Tobie Titus</td>
<td>Independent Member</td>
<td>Elected 6 April 2018</td>
</tr>
<tr>
<td>Hein Mentz</td>
<td>Independent Member</td>
<td>Elected 6 April 2018</td>
</tr>
<tr>
<td>Ilhaam Groenewald</td>
<td>Independent Member</td>
<td>Elected March 2016</td>
</tr>
<tr>
<td>Monde Tabata</td>
<td>Independent Member</td>
<td>Appointed May 2017</td>
</tr>
<tr>
<td>Louis von Zeuner</td>
<td>Independent Member</td>
<td>Appointed November 2017</td>
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#### Executive Members

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>DATE OF APPOINTMENT</th>
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<tr>
<td>Jurie Roux</td>
<td>CEO</td>
<td>Appointed 1 October 2010</td>
</tr>
<tr>
<td>Abubakar Saban</td>
<td>CFO</td>
<td>Appointed 1 August 2016</td>
</tr>
<tr>
<td>Vanessa Doble</td>
<td>Company Secretary</td>
<td>Appointed 1 August 2016</td>
</tr>
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#### Invited Members

- Andy Colquhoun
- Review
- Louis von Zeuner
- Ilhaam Groenewald
- Monde Tabata

*Following a disciplinary process, Mr. Mentz vacated this position in December 2019.*
2. SARU SUB-COMMITTEES

AUDIT & RISK COMMITTEE

Position
Sam Ngumeni
Chairman
Louis von Zeuner
Exco Member
Professor Edna van Harte
Independent
Sinokholo Jodwana
Raymond Fenner
Invited Members
Jurie Roux
Abubakar Saban
Sesi naMrhali Skhosana
Vanessa Deble
Brendan Deegan
Asanda Majola
Ashley Smith
Gareth Farrell
CEO
SARU SUB-COMMITTEES

HUMAN RESOURCES & REMUNERATION COMMITTEE

Position
Monde Tabata
Chairman
Victor Christian
Independent
Jonathan Goldberg
Nadia Mason
Invited Members
Jurie Roux
Abubakar Saban
Ingrid Mangcu
Vanessa Deble
CEO
SARU SUB-COMMITTEES

FINANCE COMMITTEE

Position
Louis von Zeuner
Chairman
Francois Davids
Exco Member
Monde Tabata
Monde Tabata
Hein Mentz
Invited Members
Mark Alexander
Jurie Roux
Abubakar Saban
Vanessa Deble
CEO
SARU SUB-COMMITTEES

NATIONAL JUDICIAL COMMITTEE

Position
Judge Lex Mpati
Chairman
Adv Jannie Lubbe
Independent
Peter Ingersen
Dekr Covender
Invited Members
Christo Ferreira
Vanessa Deble
CEO
SARU SUB-COMMITTEES

FRANCHISE COMMITTEE

Position
Mark Alexander
Chairman
Francois Davids
Independent
John Smit
SARU SUB-COMMITTEES

All 8 Franchise Representatives
Invited Members
Jurie Roux
Vanessa Deble

NON-FRANCHISE COMMITTEE

Position
Mark Alexander
Chairman
Francois Davids
Exco Member
Lindsay Mould
Tobie Titus
All 14 Union Representatives
Invited Members
Jurie Roux
Vanessa Deble

TRANSFORMATION COMMITTEE

Position
Ilhaam Groenewald
Chairperson
Tobie Titus
Lindsay Mould
Mark Alexander
Francois Davids
All 14 Provincial Union Presidents
Jurie Roux
Ian Schwartz
Vanessa Deble
Samantha McDonald
Morne Nortier
Khaya Mayedwa

3. SARU AD HOC COMMITTEES

CONSTITUTIONAL COMMITTEE

Position
Ilhaam Groenewald
Chairperson
Mark Alexander
Exco Member
Francois Davids
Hein Mentz
Hennie Baartman
Invited Members
Jurie Roux
Vanessa Deble
CEO
SARU SUB-COMMITTEES

NATIONAL WOMEN’S COMMITTEE

Position
Patrick Kuhn
Chairman
Ilhaam Groenewald
Zilungile Ntombela
Siphokazi Njani
Devendra Easthorpe
Gloria Sullivan
Invited Members
Mahlubi Puzi
Vanessa Deble

SARU SUB-COMMITTEES

CEOs
CEO
Company Secretary

POSITION
President
Deputy President
Exco Representative
Exco Representative
CEOs
CEO
Company Secretary

POSITION
Chairperson
Exco Member
Exco Member
President
Deputy President
Presidents
CEO
Acting GM:
Strategic Performance Management
Company Secretary
(Manager: Footprint and Development Systems)
(Project Manager: Strategic Performance Management)
(Senior Manager: Government and Stakeholder Relations)

CEO
Company Secretary

POSITION
Chairperson
Exco Member
Independent Member
Executive Council
SWD President
CEO
Company Secretary

POSITION
Chairman
Exco Member
Independent Member
Independent Member
Independent Member
Independent Member
Manager: Women’s Operations
Company Secretary
COMPANY SECRETARY & CFO
Ms. Vanessa Doble and Mr. Abubakar Saban continued to occupy their respective positions in 2019.

CERTIFICATE OF THE COMPANY SECRETARY
In my capacity as company secretary I hereby confirm that for the year ended 31 December 2019, 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 for record purposes.

OUR VISION

SARU’s vision is:
To be the leading rugby nation by providing:
  ›› Well governed, world class, innovative sporting entertainment; and
  ›› Sustainable high-performance systems, processes and people

SARU comprises nine (9) provincial members made up of 14 constituent unions’ members with Limpopo participating as a non-voting member (because of the current absence of an affiliated union). Members designate two persons from their constituent unions to represent them at general meetings. SARU also took over administration of the Border Rugby Union. The Franchise and Non-Franchise committees created in 2016, continued to focus on key issues of collective sustainability and development within the professional and semi-professional unions respectively and held four (4) meetings in 2019.

The Executive council oversaw the organisation’s management and business strategies. SARU continued to have strengthened oversight through independent members on the Executive Council. They brought an independent and objective view distinct from that of members and management and acted as a balancing element in governing body discussions. They provided reassurance to all members, stakeholders and wider society that the organisation is being run in an effective manner and in pursuit of its overall mission. Their continued tenure ensured that there was consistency in the development of key strategic initiatives which supported the Springboks in their delivery of a winning performance at the RWC 2019. SARU conducted a review of the Constitution to assess whether it is “fit for purpose” given the dramatic shifts and developments in the rugby landscape both nationally and internationally. This formed part of a strategic ongoing initiative that will most likely see some amendments in the new financial year.

In 2017 SARU increased the participation of private equity in the commercial arms of unions to a maximum of 74% to ensure continued financial sustainability in the unions. While in 2018 SARU sold its 74% shareholding in SA Super Rugby (Pty) Ltd to the Greatest Rugby Company in the Whole Wide World (Pty) Ltd, in 2019, it transferred the remaining 26% equity to the Eastern Province Rugby Union. Only one consent application relating to a change in private equity in the commercial company of a union was submitted in 2019 and approved by the Executive Council in the financial year.

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As part of its strategic planning in preparation for the British and Irish Lions tour, SARU formed a new subsidiary, the South African Rugby Events Services Company (Pty) Ltd to facilitate the operational delivery of the tour. The subsidiary is 100% owned by SARU. In order to maximise revenues and streamline management of the commercial rights in respect of the British and Irish Lions Tour of South Africa, SARU and British Lions DAC Limited established a special purpose entity, Lions Tour To South Africa DAC which will hold the commercial rights and exploit them for the benefit of both BLD and SARU.
SARU VALUES
The Executive Council is fully committed to accountability, fairness and business integrity in all its activities. The core values that underpin SARU’s behavior and everything we do as an organization are summarized as follows: excellence, inclusivity, innovation, ethics and collaboration.

The compliance department is responsible for legal compliance and governance issues. It supports the business in complying with relevant laws and regulations and internal procedures. The Social and Ethics Committee was integrated into the HR and Remunerations Committee given the overlap in certain oversight areas applicable to the organisation.

The Executive Council members have certified that they did not have any material interest in any transaction of any significance with the union.

SUSTAINABILITY FOCUS
SARU’s core business is rugby and as such it must ensure that it remains attractive and relevant to all stakeholders and that the value proposition produces the commercial opportunities required to ensure longevity. The organisation is competitive and has invested soundly in rugby to be competitive into the future. Our commercial reach through the digital platform, the enhanced commercial value of the RWC 2019 champions, 2021 British & Irish Lions tour and the award of the Sevens Rugby World Cup in 2022 are some key prospects to look forward to on our journey to sustainability.

To ensure sustainability of a competent and skilled workforce at SARU, our employee development through study assistance programme attracted more employees who furthered their tertiary education in 2019. This is critical in building our talent pool and leadership development for our succession planning agenda.

Over and above this, SARU was intentional in awarding bursaries to employees, and learnerships to employed and unemployed learners. We extended this learning opportunity to Virgin Active employees who are in a similar sector as SA Rugby. These were all sports related learning programmes targeting individuals who were previously disadvantaged with no opportunities or means to study in the area of their passion, sports. This intervention will now ensure that skills acquired through these programmes become a foundation for SARU and the sports sector as a whole.

Our focus was also turned to social issues, more specifically mental health, sexual harassment and misuse social media. The continuous on-site counselling is helping employees consult with qualified psychologists to help them deal with mental health issues and other social issues affecting them.

SARU also opened its doors to a second Trade Union (Sports Employees Unite), to build and strengthen long term sustainable employee relations within the organisation.

EXCO SUB-COMMITTEES
To enable the Executive Council to discharge its responsibilities and duties as set out in the Constitution, the Executive Council has established sub-committees, which have been delegated various powers. The committees’ activities are set out in their respective terms of reference. All committees are accountable to the Executive Council.
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 to ensure the integrity of the financial statements and oversee the effectiveness of internal financial controls and external and internal audit functions.

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 (6) 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 independent member of a subcommittee of SARU or any of the governing structures of a province of SARU and is independent in character and judgement and has no relationships or circumstances which affects his/her judgement.

The chair can be an independent non-executive member of the executive council as per King III guidelines and shall be appointed by the executive council every two years.

Other members of management may be invited to attend and be heard at the committee meetings at the discretion of the chair.

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

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

The Committee members must keep up to date with developments affecting the required skillset.

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. The Committee has an oversight role over the governance and key compliance issues.

RESPONSIBILITIES
The Committee has the following specific responsibilities:

1. INTEGRATED REPORTING
The Committee oversees integrated reporting, and in particular must:

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

» Approval of the Complaint policy with respect to accounting practices, content or auditing of the financial statements and internal financial controls.

» Receive and deal appropriately with any concerns or complaints, whether from within or outside SARU, or on its own initiative, relating to:
  » the accounting practises and internal audit of the organisation
  » the content or auditing of SARU’s financial statements
  » the internal financial controls of the company

» Review of the Reserves Policy

» Preparing a report to the general meeting at the AGM, to be included in the integrated financial statements:
  » describing how the Committee carried out its functions; and
  » stating whether the Committee is satisfied that the auditor was independent of the company
2. COMBINED ASSURANCE
The Committee will ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular should:
›› Ensure that the combined assurance received is appropriate to address all the significant risks facing SARU; and
›› Monitor the relationship between the external assurance providers and SARU.

3. INTERNAL AUDIT
The Committee is responsible for the overseeing of internal audit function, and in particular:
›› Monitoring and reviewing the effectiveness of the internal audit function in the context of SARU’s risk management system;
›› For the appointment and performance assessment of the Internal audit service provider;
›› For reviewing and recommending the approval of the internal audit plan and ensuring that the plan is risk based;
›› Review and approve any required changes to the internal audit scope
›› Review the co-operation and co-ordination between internal and external audit functions to ensure completeness of coverage;
›› Review the adequacy of management’s corrective action taken in response to significant internal audit findings;
›› For ensuring that the internal audit function is subject to an independent quality review, as and when the Committee determines it appropriate.

4. RISK MANAGEMENT
The Committee is an integral component of the risk management process and specifically must oversee:
›› Setting the direction and approving policies on how risk should be approached and addressed
›› Approve the annual update to the Risk Statement contained in the Annual Report;
›› Completeness and appropriateness of the insurance portfolio
›› Application and approval of the solvency and liquidity test and going concern status.
›› Financial reporting risks;
›› Internal financial controls;
›› Fraud risks as they relate to financial reporting; and
›› IT risks as they relate to financial reporting.

5. EXTERNAL AUDIT
The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process, and in this regard must:
›› Review and approve the annual audit plan;
›› Nominate and recommend the external auditor for appointment by the general meeting;
›› Recommend the approval of the terms of engagement and remuneration for the external auditor;
›› Determine the nature and extent of any non-audit services that an auditor may provide to SARU or its subsidiaries or that the auditor must not provide to SARU, its subsidiaries or a related company;
›› Pre-approve any proposed agreement with the auditors for the provision of non-audit services to SARU in the event that it exceeds 30% of the statutory audit fee;
›› Monitor and report on the independence and objectivity of the external audit firm and partner;
›› 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
›› Reviewing the effectiveness of the audit;
›› Consider any material problems, reservations and observations, and or potentially contentious accounting treatments or judgements, or significant unusual transactions or going concern issues arising from the external audit;
6. GOVERNANCE AND ORGANISATIONAL INTEGRITY

6.1 THE COMMITTEE SHALL:
(a) consider and if deemed necessary shall be entitled to make recommendations to the executive council regarding initiatives to maintain and enhance organisational integrity and this could include:
› the review of any statements on ethical standards or requirements for SARU and assisting in developing such standards and requirements;
› together with internal and external audit, review developments in corporate governance and best practise and consider their impact and implications for SARU, its processes and structures.

7. CONFLICTS OF INTERESTS

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

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 Chairperson 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.

MEETINGS AND PROCEDURES

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

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

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

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

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 Chairperson 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 committee must review its own performance and terms of reference to ensure it is operating at maximum effectiveness. The executive council must perform an evaluation of the effectiveness of the Committee every year.

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

CONFIDENTIALITY AND GOVERNANCE

All members of the Audit & Risk Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).

CONFIDENTIALITY AND GOVERNANCE

All members of the Audit & Risk Committee automatically undertake to observe full confidentiality regarding the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the CEO of SARU

Unless specifically authorised by the CEO of SARU, no member of the Audit & Risk Committee may make statements to the media.

APPROVAL OF THESE TERMS OF REFERENCE

These terms of reference were approved by the Executive Council and the Chairperson of the Committee on 17 October 2018.

TERMS OF REFERENCE OF THE HUMAN RESOURCES & REMUNERATION COMMITTEE

1. ROLE AND COMPOSITION OF THE COMMITTEE

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

1.1 To evaluate and make recommendations on remuneration and conditions of service of executive, non-executive persons and elected members of the Executive Council and make such recommendations to a General Meeting where applicable.

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 Consider and make recommendations on specific policies including and relating to Recruitment and Remuneration, Performance Management, Employment Equity and Transformation, Training and Development, Succession Planning, Strategic Transformation Plan, Broad Based Black Economic Empowerment 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”

1.7 An “Independent member”, in the context of the Committee is any member who is not a current member of the Executive Council or any of the governing structures of a province of SARU

2. FUNCTIONING

The Committee shall meet, adjourn or otherwise regulate its meetings as it deems fit, but it shall meet at least three times per annum.

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

In order to perform their responsibilities, the Commit-
tee will create such structures and hire such advisors and assistance, as they deem appropriate from time to time.

3. CONFIDENTIALITY AND GOVERNANCE

All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).

All members of the Committee automatically undertake to observe full confidentiality re the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the Chairman of the Executive Council.

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

4. REMUNERATION

All independent members of the Committee who are not independent non-executive directors, as well as such other independent professionals as may be requested to assist or consult to the Committee on occasion, are eligible to receive such remuneration in respect of their time and contributions to the business of the Committee as may be determined by formal resolution of the Executive Council 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 Executive Council may determine from time to time.

LEFT: The Junior Springboks beat hosts Argentina in the third place play-off at the World Rugby U20 Championships in Rosario.
1 INTRODUCTION
SARU’s Executive Committee (“Exco”) has resolved, in terms of Companies Act 71 of 2008 Section 72 (4) (“the Act”) as well the SARU Constitution Section 15.9, to establish a Social and Ethics Committee (“Committee”), whose duties are listed below, in this document.

2 PURPOSE OF THE COMMITTEE
The Committee is established to assist Exco with an oversight of social and ethical matters and in ensuring that SARU is and remains a committed socially responsible corporate citizen. To this end, the Committee shall assist the Exco in monitoring the application of the rules and processes set out in SARU’s Code of Conduct, SARU policies and South Africa’s relevant legislation.

3 FUNCTIONS AND SCOPE
As stipulated in the Act, and by way of commitment by SARU, the Committee shall provide advice and guidance in respect of:

3.1 Transformation including SARU’s standing in respect of goals and purposes of:
3.1.1 the ten principles set out in the United Nations Global Compact Principles
3.1.2 the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption;
3.1.3 Employment Equity Act;
3.1.4 Broad-based Black Economic Empowerment Act.
3.2 Consumer Relationships including the SARU’s advertising, public relations and compliance with consumer protection laws;
3.3 Environment, health and public safety including the impact of SARU’s activities;
3.4 Good corporate citizenship, including SARU’s
3.4.1 promotion of equality, prevention of unfair discrimination, and reduction of corruption;
3.4.2 contribution to development of the communities in which SARU’s activities

Action from the Vodacom Super Rugby coastal derby between the DHL Stormers and Cell C Sharks in Cape Town in 2019.
are predominantly marketed; and

3.4.3 record of sponsorship, donations and charitable giving;

3.5 Labour and Employment, including –
3.5.1 SARU’s standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
3.5.2 SARU’s employment relationships and its contribution toward the educational development of its employees;

4 POWERS
The Committee is authorised by Exco to:
4.1 Investigate any activities within the provision of its Terms of Reference;
4.2 Seek outside legal or other independent professional advice at SARU’s expense in line with SARU’s developed procedure for such purpose;
4.3 Secure the attendance of outsiders with the relevant experience and expertise where necessary at SARU’s expense in line with SARU’s developed procedure for such purpose;
4.4 Seek any information it requires from any employee, to enable the Committee to carry out its responsibility and duties in accordance with the Terms of Reference and all employees are required to cooperate with any reasonable requests made by the Committee;
4.5 Delegate duties to SARU management.

5 COMPOSITION OF THE COMMITTEE
5.1 The Committee will comprise of no fewer than four (4) and no more than six (6) members as per SARU constitution.
5.2 The Committee should comprise of members of the non-executive directors the majority of whom must be independent non-executive directors.
5.3 The Chairman shall always be a non-executive director.
5.4 An “Independent member”, in the context of the Committee is any member who is not a current member of Exco or any of the governing structures of a Province of SARU.

6 FUNCTIONING
6.1 The Committee shall meet at least once every quarter;
6.2 In cases of emergency, a meeting may be held through a teleconference;
6.3 The Company Secretary shall be the standing secretary of all meetings, alternatively in their absence, the chairman in consultation with the Chief Executive Officer will assign a meeting secretary.
6.4 A copy of minutes will be sent to the members of the Committee and Exco.
6.5 In order to perform their responsibilities, the Committee may call upon an expert to assist the Committee where assistance is required from time to time.

7 CONFIDENTIALITY AND GOVERNANCE
7.1 All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the SARU’s Code of Conduct and its Values.
7.2 All members of the Committee automatically undertake to observe full confidentiality about 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 Exco Chairman.
7.3 Unless specifically authorised by the Exco Chairman, no member of the Committee may make statements to the media.

8 REMUNERATION
8.1 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.
8.2 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 travelling to and from meetings of the Committee, on such basis as the Committee may determine from time to time.

9 ANNUAL ASSESSMENT OF TERMS OF REFERENCE
The Committee shall review and assess the adequacy of these Terms of Reference annually or more frequently if necessary and recommend changes as needed to Exco.
1 MEMBERSHIP
1.1 The Committee shall comprise of not fewer than three (3) members and not more than six (6) members, appointed bi-annually by the Executive Council at the first meeting of the Executive Committee after the relevant Annual General Meeting. The Chairperson shall be appointed by the Executive Committee.
1.2 The Chairperson and at least two of the members shall have had experience as a judge, practising advocate or practising attorney for at least 10 years and the majority of the members shall have had appropriate experience in rugby.
1.3 The majority of the members should be independent of SARU. An “Independent member” is any member of a sub-committee of SARU who is not a current member of the executive council or any of the governing structures of a province of SARU.

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 15.9.1.3 of the Constitution of the Union and for which purpose the Executive Council hereby delegates its disciplinary powers in terms of clause 15.11 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 In terms of clause 15.11 of the Constitution 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 –
3.2.1 Any matter which shall or may be prescribed in terms of the SARU constitution, including the right to further delegate such powers to disciplinary committees of judicial officers;
3.2.2 Procedures to be observed in the conduct of hearings;
3.2.3 Prescribed sanctions;
3.2.4 The right of appeal to an appeal committee;
3.2.5 The constitution of such appeal
3.2.6 In general, any other matter which it deems necessary or expedient to prescribe in order to achieve or promote the objects of this clause.

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 –

3.3.1 the Constitution or any of SARU’s rules or regulations;

3.3.2 the constitution or any of the by-laws, rules and regulations of World Rugby, 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, SANZAAR and CAR;

3.3.3 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, SANZAAR and CAR;

3.3.4 any contract entered into by or on behalf of SARU; and

3.3.5 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 DELEGA TION 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 Conduct of SARU.

6.2 All members of the Committee automatically undertake to observe full confidentiality in 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, SANZAAR or World Rugby, no member of the Committee may make statements to the media.

LEFT: Aimee Barrett-Theron, in action here in a Gold Cup match, was included on the SA Rugby Referees’ Premier Panel for 2019.
1. STATUS OF THE COMMITTEE

1.1 SARU’s constitution provides for the establishment and operation of a Finance Committee, as a sub-committee of the Executive Council, whose members shall be members of the Executive Council.

1.2 The committee’s chairman should give at least an oral summary of the committees’ deliberations at the Executive Council meeting following the committee meeting. The minutes of the committee meeting’s proceedings should be included in the board pack for the Executive Council’s information as soon as they have been approved.

2. ROLE, COMPOSITION AND TERM OF THE COMMITTEE

The role of the committee is to assist the Executive Council in fulfilling its responsibility for overseeing SARU’s financial affairs in terms of clause 16.12.3.4 of its constitution.

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

The committee shall serve for a period of two years.

3. ROLE OF THE CHIEF FINANCIAL OFFICER

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

4. RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

4.7 Delegation of Authority
The Committee will approve the authority.

5. AUTHORITY

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

The Committee, in the fulfilment of its duties, may call upon the Chairman of the other Sub Committees, any of the Chief Executive Officer, Company Officers, and Company Secretary or assurance providers to provide it with information subject to Executive Council approved processes.
The Committee must have reasonable access to SARU’s records, facilities and any other resources necessary to discharge its duties and responsibilities subject to following Executive Council approved process.

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

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

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

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

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

6. MEETINGS AND PROCEDURES

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

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

6.2 Attendance
Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or Chief Executive.

A quorum will comprise any two independent director Committee members.

The Company secretary is the secretary to this Committee.

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

7. CONFIDENTIALITY AND GOVERNANCE

All members of the Finance Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“Unified Code of Ethics”).

All members of the Finance Committee automatically undertake to observe full confidentiality regarding the content of all information which may come to their attention from time to time. No such information may be revealed to persons outside of SARU without the prior authorisation of the CEO of SARU

Unless specifically authorised by the CEO of SARU, no member of the Finance Committee may make statements to the media.
1. STATUS OF THE COMMITTEE

1.1 SARU’s Constitution provides for the establishment and operation of a Franchise Committee (the "Committee"), as a sub-Committee of the Executive Committee (“EXCO”), whose members shall comprise CEOS of the Franchise Unions (the Franchise Members).

1.2 The Committee has all the formal delegated authority and mandate from the EXCO as necessary to perform its role and responsibilities.

2. ROLE OF THE COMMITTEE

2.1 The role of the Committee will be to:

2.1.1 manage the strategic direction of Professional and High Performance Rugby to ensure the best possible rugby experience;

2.1.2 in conjunction with management, determine the competition structures, formats, rules and regulations for professional rugby;

2.1.3 develop the competition schedules in conjunction with the needs of broadcasters, sponsors and World Rugby competitions;

2.1.4 determine the player movement regulations;

2.1.5 determine player agent regulations;

2.1.6 develop and manage player welfare principles and policies;
2.1.7 determine the appropriate criteria and parameters to establish a sustainable financial model that provides for secure growth;
2.1.8 ensure that the franchise is appropriately aligned to the South African Rugby high performance pathway for the development of players, coaches, referees and other officials;
2.1.9 ensure that the franchise provides an appropriate opportunity for players, coaches, referees and officials to be developed and perform to their full potential at national and international level;
2.1.10 ensure alignment to and support to all strategic imperatives of South African rugby with specific reference to Transformation and Development; and
2.1.11 perform any other activity as may be specifically requested by the EXCO from time to time.

3. COMPOSITION OF THE COMMITTEE
3.1 The Committee will comprise of no fewer than four (4) and no more than 10 (ten) (members) as per SARU constitution.
3.2 The Committee will comprise of all franchise member CEOs, relevant members of the executive Committee including but not limited to the President, the deputy President and the vice president (as applicable) and the CEO of SARU.
3.3 The Chairman shall always be the President of SARU and in his absence, the deputy president or vice president or CEO of SARU, as the case may be.
3.4 The franchise members will be entitled to be accompanied by an additional member from their union, however, any associated costs of travel and accommodation for such additional member, will be borne by the franchise member.
3.5 Seven members of the Committee will constitute a quorum.

4. FUNCTIONING
4.1 The Committee shall meet at least once every quarter.
4.2 Meetings may be held in person or electronically, including but not limited to SKYPE or teleconference.

4.3 A copy of the agenda of the meeting including the minutes of the previous meeting, shall be sent to the members of the Committee no less than 5 (five) days before the meeting.
4.4 Special meetings may be called 50% of the franchise members or when deemed necessary by the SARU President and/or CEO.
4.5 In order to perform their responsibilities, the Committee may obtain independent professional advice to assist the Committee from time to time.
4.6 On all matters delegated to the Committee by the EXCO, the Committee makes recommendations for approval by the EXCO. The Committee shall have no decision-making power in regard to its duties and is accountable to the EXCO.
4.7 The Committee will seek at all times to make decisions by consensus, however, should this not be possible, a decision supported by 75% of the Committee members present will stand as the Committee’s decision.
4.8 The company secretary shall be the secretary for the meeting.

5. CONFIDENTIALITY AND GOVERNANCE
5.1 All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the SARU’s Code of Conduct and its Values.
5.2 All members of the Committee acknowledge that they will be discussing confidential and commercially sensitive and strategic information and that disclosure of such information to third parties may cause significant commercial, financial and reputational harm to SARU. Members therefore undertake to exercise full confidentiality in relation to all information which may come to their attention from time to time. No such information may be revealed to any persons outside of SARU without the prior authorisation of the Chairman.
5.3 Unless specifically authorised by the Chairman of the Committee, no member of the Committee may make statements to the media.

6. REMUNERATION
6.1 Only 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.

6.2 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 travelling to and from meetings of the Committee, on such basis as the Committee may determine from time to time.

7. REPORTING TO THE EXCO

7.1 The Committee shall submit as work plan of Committee activities for the year to the EXCO after the Committee’s first meeting for the year.

7.2 The Committee shall review and assess the adequacy of these Terms of Reference annually or more frequently if necessary and recommend changes as needed to EXCO. The Committee shall ensure that the members of the Committee undergo a review annually.

TERMS OF REFERENCE OF THE NON-FRANCHISE COMMITTEE

1. STATUS OF THE COMMITTEE

1.1 SARU’s Constitution provides for the establishment and operation of a Non-Franchise Committee (the “Committee”), as a sub-Committee of the Executive Council (“EXCO”), whose members shall comprise CEOs of the all the unions as set out SARU Constitution.

1.2 The Committee has all the formal delegated authority and mandate from the EXCO as necessary to perform its role and responsibilities.

2. ROLE OF THE COMMITTEE

2.1 The role of the Committee will be to:

2.1.1 manage the strategic direction of schools, universities, amateur, semi-professional and grass roots rugby to ensure the best possible rugby experience;

2.1.2 determine the competition structures, formats, rules and regulations for schools, universities, amateur and semi-professional SARU rugby tournaments;

2.1.3 determine the player movement regulations;

2.1.4 determine player agent regulations;

2.1.5 develop and manage player welfare principles and policies;

2.1.6 determine the appropriate criteria and parameters to establish a sustainable financial model that provides for secure growth;

2.1.7 ensure that the Committee is appropriately aligned to the South African Rugby high performance pathway for the development of players, coaches, referees and other officials;

2.1.8 ensure that the Committee provides an appropriate opportunity for players, coaches, referees and officials to be developed and perform to their full
potential at national and international level;

2.1.9 ensure alignment to and support to all strategic imperatives of South African rugby with specific reference to Transformation and Development; and

2.1.10 support training and development in amateur rugby structures; and

2.1.11 perform any other activity as may be specifically requested by the EXCO from time to time.

3. COMPOSITION OF THE COMMITTEE

3.1 The Committee will comprise of all the unions as per SARU constitution.

3.2 The members of the Committee shall comprise of the unions’ CEOs, relevant members of the EXCO including but not limited to the President, the Deputy President, the Vice President (as applicable) and the CEO of SARU.

3.3 The Chairman shall always be the President of SARU and in his absence, the Deputy President or Vice President or CEO of SARU, as the case may be.

3.4 The union CEOs will be entitled to be accompanied by the Presidents or nominees from their union, however, any associated costs of travel and accommodation for such additional member, will be borne by the respective union.

3.5 Seven members of the union and two SARU representatives will constitute a quorum.

4. FUNCTIONING

4.1 The Committee shall meet at least once every quarter.

4.2 Meetings may be held in person or electronically, including but not limited to SKYPE or teleconference.

4.3 A copy of the agenda of the meeting including the minutes of the previous meeting, shall be sent to the members of the Committee no less than 5 (five) days before the meeting.

4.4 Special meetings may be called 50% of the members or when deemed necessary by the SARU President and/or CEO.

4.5 In order to perform their responsibilities, the Committee may obtain independent professional advice to assist the Committee from time to time.

4.6 On all matters delegated to the Committee by the EXCO, the Committee makes recommendations for approval by the EXCO. The Committee shall have no decision-making power in regard to its duties and is accountable to the EXCO.

4.7 The Committee will seek at all times to make decisions by consensus, however, should this not be possible, a decision supported by 75% of the Committee members present will stand as the Committee’s decision.

4.8 The company secretary shall be the secretary for the meeting.

5. CONFIDENTIALITY AND GOVERNANCE

5.1 All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the SARU’s Code of Conduct and its Values.

5.2 All members of the Committee acknowledge that they will be discussing confidential and commercially sensitive and strategic information and that disclosure of such information to third parties may cause significant commercial, financial and reputational harm to SARU. Members therefore undertake to exercise full confidentiality in relation to all information which may come to their attention from time to time. No such information may be revealed to any persons outside of SARU without the prior authorisation of the Chairman.

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

6. REMUNERATION

6.1 Only 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.

6.2 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 travelling to and from meetings of the Committee, on such basis as the Committee may determine from time to time.
7. REPORTING TO THE EXCO

7.1 The Committee shall submit as work plan of Committee activities for the year to the EXCO after the Committee’s first meeting for the year.

7.2 The Committee shall review and assess the adequacy of these Terms of Reference annually or more frequently if necessary and recommend changes as needed to EXCO. The Committee shall ensure that the members of the Committee undergo a review annually.

TERMS OF REFERENCE OF THE TRANSFORMATION COMMITTEE

1. INTRODUCTION

The Transformation Committee has no decision-making authority, however, has the formal delegated authorities as mandated by the Executive Council as are necessary to perform its role and responsibilities, in order to achieve the objectives as set out in the South African Rugby Union Strategic Transformation Plan.

The Transformation Committee will have full access to information it needs to fulfill its responsibilities, and all employees of SARU are required to co-operate with requests made by the Transformation Committee via the office of the CEO in the course of its duties. This includes interaction with provincial rugby structures when and if required.

The Transformation Committee may obtain such internal or independent external professional advice, as it considers necessary to carry out its duties.

2. PURPOSE OF THE COMMITTEE

The purpose of the Committee is to provide leadership and expertise to achieve the strategic focus areas, as outlined in the SA Rugby Strategic Transformation Plan. The purpose of the Committee is twofold:

1. To monitor and oversee the transformation of the game in SA Rugby with regard to the access, growth, skills development, demographic representation, social responsibilities, community involvement and participation at all levels over which SA Rugby has jurisdiction.

2. Recommend interventions, where necessary, to accelerate transformation in South African Rugby based on the principle of broad-based empowerment.

3. ROLES AND RESPONSIBILITIES

To continually monitor and assess provincial, national and international developments, trends for general, sport and specifically rugby transformation best practices, to ensure the implementation, monitoring, evaluation and reporting of the Strategic Transformation Plan (STP), the Committee would be required to:

The role of the committee will be to:

1. Propose and recommend a transformation strategy for SA Rugby.

2. Recommend and propose transformation goals that will ensure the long-term future of the game.

3. Oversee, monitor, evaluate and report, in consultation with the SA Rugby Office, on the process of transformation throughout the SA Rugby’s rugby structures based on an appropriate performance scorecard.

4. Identify policy, system and practice areas of improvement to ensure ongoing and improved results.

5. Enable the development of appropriate transformation plans and programmes at all levels, and oversee the implementation, monitoring, evaluation and reporting thereof.

6. Assess, evaluate, guide, advice & monitor in particular the Union’s transformation progress, and provide them with the necessary support.

7. Develop, constantly review and implement a performance management system for all Unions.

8. Conduct transformation forums at all levels, for the
purposes of learning, development and sharing of information and ideas.

- Ensure the effective utilisation of allocated resources, to achieve the desired results of the STP strategic focus areas.
- Recommend to the Executive Council measures of action in the event where transformation targets are not being met.

4. COMPOSITION

- The Committee consist of all Union Presidents and or their designated representative.
- An independent board member appointed by the Executive Council as outlined by the SA Rugby constitution will chair the Transformation Committee.
- Various individuals having appropriate expertise and resources, for a specific purpose, will be appointed as approved by the Executive Council.
- The Transformation Committee coordination will be the responsibility of the GM: Strategic Performance Management, in consultation with the CEO.
- The various members of the Committee will be allocated specific responsibilities from time to time, according to the changing needs of the STP of SARU and will be communicated to members of the Committee, for their information and action, and against which their performance shall be measured.
- The preparation and submission of annual report to the Office of the CEO, in consultation with the GM: Strategic Performance Management.
- Any additional representation required by Unions may be accommodated, on condition that costs are covered by the respective Union(s).

5. MEETINGS

- The Committee chairperson 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 per year. Reasonable time should be allocated for additional committee meetings when required.
- 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.
A meeting secretary shall be appointed to keep full and proper minutes of all meetings of the Committee.

The Committee has a responsibility to submit written reports, based all meetings held, for discussion and approval at Executive Council meetings, including additional reports when required.

6. CONFIDENTIALITY AND GOVERNANCE

All members of the 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 Transformation Committee automatically undertake to observe full confidentiality re the content of all information that 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 Transformation Committee may make statements to the media.

7. REMUNERATION

All members of the Transformation Committee, as well as such other independent professionals as may be requested to assist or consult to the Transformation Committee on occasion, are eligible to receive such remuneration in respect of their time and contributions to the business of the Transformation 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 Transformation Committee, on such basis as the Remuneration Committee of SARU may determine from time to time.

An “Independent member”, in the context of the Committee is any member of a subcommittee of SARU who is not a current member of the Executive Council or any of the governing structures of a member of SARU.

8. COMMITTEE EFFECTIVENESS

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

9. REVIEW

These Terms of Reference shall be reviewed on a periodic basis to determine their relevance and effectiveness, by being tabled at a meeting(s) of the Executive Council.
TERMS OF REFERENCE OF THE CONSTITUTIONAL COMMITTEE ("THE 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 make recommendations on proposed rescissions or additions to the SARU constitution received from members upon request from the Executive Council.

1.2 Consider and make recommendations to the Executive Council on proposed amendments emanating from the Executive Council.

Composition

1.4 The Committee will comprise of no fewer than four (4) and no more than six (6) members as per SARU constitution.

1.5 The Committee should preferably comprise of majority members of the Executive Council.

2. FUNCTIONING

The Committee shall meet, when required to so by the Executive Council.

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

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.

The SA Schools team in action here against Wales at Stellenbosch. Unbeaten in the Under-18 International Series unbeaten.
GENERAL MEETING
In compliance with clause 12.1 of the SARU Constitution the General Meeting assembled for an Annual General Meeting in April, and two Ordinary General Meetings in August and December 2019.

As per clause 13.2 of the SARU Constitution, the General Meeting approved SARU’s annual budget for 2020 at the meeting held on 6 December 2019.

EXECUTIVE COUNCIL
The Executive Council complied with clause 15.1 of the Constitution by having eight meetings of which six of these were scheduled meetings and two special meetings were held via teleconference.

The attendance by members of the Executive Council was as follows for the period 1 January 2019 until 31 December 2019:

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<tr>
<th>EXCO MEMBER</th>
<th>25/01</th>
<th>26/03</th>
<th>07/05</th>
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Mr. Mentz term as an Executive Council member terminated at the end of the financial year where he was disqualified from serving as a member of the Council following a disciplinary process in accordance with the relevant SARU regulations. The vacant position will be addressed at the 2020 Annual General Meeting.
**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 two meetings
  Attendance at meetings:

<table>
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<tr>
<th>MEMBER</th>
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<tbody>
<tr>
<td>S. Ngumeni</td>
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<td>R. Fenner</td>
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<td>S. Jodwana</td>
<td>✓</td>
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<tr>
<td>Prof v. Harte</td>
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- **Human Resources and Remuneration Committee** – had two meetings
  Attendance at meetings:

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<tr>
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<td>N. Mason</td>
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- **Finance Committee** – had five meetings
  Attendance at meetings:

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<th>25/03</th>
<th>03/06</th>
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<tr>
<td>M. Alexander</td>
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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 Audit and Risk Committee has discharged the functions in terms of its charter and ascribed as follows:

- Reviewed the annual financial statements, culminating in a recommendation to the Executive Council to recommend to the Annual General Meeting to adopt them. In the course of its review the committee:
  - took appropriate steps to ensure that the annual financial statements are prepared in accordance with the applicable accounting framework in SA; and
  - considered, and where appropriate, made recommendations on the internal financial controls; and
  - dealt with items raised by the external auditors about the accounting policies, the auditing process or the content of the annual financial statements and internal financial controls.

- Reviewed the external audit reports on the annual financial statements;

- Recommended the appointment of the internal and external auditors;
Recommended the risk-based internal audit plan;
Reviewed the internal audit and risk management reports, and, where relevant, recommendations have been made to the Executive Council;
Evaluated the effectiveness of risk management, controls and the information technology governance process;
Recommended the audit fees, the engagement terms of the external auditor and the audit plan for approval to the Executive Council; and
Recommended to the Executive Council for approval the SARU Compliance Framework

MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE AT MEETINGS
The Audit and Risk Committee consists of non-executive members and independent persons which have been listed (refer to governance structures) and meets at least three times a year in accordance with the Audit and Risk Committee Charter. During the year under review the following two meetings were held:

DATE OF MEETINGS FOCUS AREA
March 2019 2018 Annual Financial Statements for approval
October 2019 Status of Internal audit reviews and risk assessment:
2019 External Audit planning

Although the Audit and Risk Committee did not meet three times as stipulated in its Terms of Reference, in August, a detailed consolidated report from management was submitted to the committee to update members on actions required as per the workplan. The Audit and Risk Committee is a subcommittee of the Executive Council and therefore reports to the Executive Council.

TERMS OF REFERENCE
The Audit and Risk Committee has adopted a formal term 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 regularly updated and reviewed.

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. The CFO, CEO and relevant senior managers attended meetings by invitation.

ANNUAL FINANCIAL STATEMENTS
The Audit and Risk Committee has discharged the functions in terms of its charter and ascribed to it as follows:
Reviewed the annual financial statements, culminating in a recommendation to the Executive Council to recommend to the annual general meeting to adopt them. In the course of its review the committee:
› took appropriate steps to ensure that the annual financial statements are prepared in accordance with the applicable accounting framework in SA; and
› considered, and, where appropriate, made recommendations on internal financial controls;
› dealt with items raised by the external auditors about the accounting policies, the auditing process or the content of the annual financial statements and internal financial controls.
Reviewed the external audit reports on the annual financial statements.
Reviewed the going concern assessment made by management

GOING CONCERN
The Audit and Risk Committee reviewed the going concern assessment, including the adopted plans to address the financial risks presented by the COVID-19 pandemic, as provided by management and is satisfied that sufficient information was provided to support the going concern basis upon which the annual financial statements are prepared.

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

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

The Audit and Risk Committee reviewed the Internal Audit plan and recommended that the plan be approved by the Executive Council. The Audit and Risk Committee reviewed the Combined Assurance plan prepared by the Internal Auditors and recommended the Combined Assurance Plan to the Executive Council for approval.

EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

PricewaterhouseCoopers Inc. (PWC) served as SARU's designated external auditors for the 2019 financial year.

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

The Audit and Risk Committee recommended the approval of the terms of engagement and the external audit fees to the Executive Council for approval.

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.

At the 2019 AGM, the General Council requested that the Audit and Risk Committee, in accordance with good corporate governance principles, consider a tender process for the appointment of external auditors. This recommendation was on the basis of the tenure of PricewaterhouseCoopers Inc. as external auditors of the organisation up to the 2020 financial year. The Audit and Risk Committee commenced with the procurement process of external auditor rotation and is confident that it will be concluded during the 2020 financial year. Given the nature and complexity of the organisation, it is expected that the transition period for the new auditors will be approximately 18 months from the time that their appointment is confirmed in accordance with the relevant governance structures.

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 reviewed the
risks relating to Information Technology (IT). The Audit and Risk Committee is of the view that the Information Technology controls are improving, and management is in the process of expanding the reporting process for IT.

**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 Audit and Risk 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.

Risk management has been included on the agenda for all Audit and Risk Committee meetings to consider and discuss new and emerging risks as well as legal and compliance matters that may impact on SARU or its operations.

The Committee identified key strategic risks for the organisation in 2019. In assessing these risks, the committee considered macroeconomic factors, SARU’s operational environment and dependency on the financial sustainability of the Unions. These strategic risks were linked to SARU’s strategic objectives and operational risks were identified. Reporting of these risks as well as mitigation plans formed part of quarterly reporting to the Executive Council.
OPERATING RESULTS

IFRS 16 on leases replaced the requirements in IAS 17 and related interpretations and was applicable for the first time for entities with an annual reporting period beginning on or after 1 January 2019. As a result of such implementation, a R44.8 million lease asset and a R49.8 million lease liability was recognised and recorded in the 2019 annual financial statements.

Grant income of R115 million (2018 – R23 million) is not reported as revenue but rather as other operating income as required by International Financial Reporting Standard 15. The successful conclusion of an insurance contract to mitigate RWC 2019 performance obligations, resulted in the reporting of R62 million in insurance income.

OPPOSITE: Newrak Rustenburg Impala were crowned Gold Cup champions for a record third time in 2019.
Considering the above, group revenues increased by 2.5% to R1.29 billion (2018 - R1.26 billion) with increases in broadcasting, sponsorship, royalties and the HSBC Cape Town Sevens event offset by a reduction in test guarantees due to less test matches played during a RWC year and the closure of The Springbok Experience.

The R18.8 million total comprehensive income reported for the group includes the operating results of SA Super Rugby Proprietary Limited and South African Rugby Event Services Proprietary Limited. Furthermore, such results include a net loss attributable to participation in the Guinness Pro14 and additional impairments required to ensure that all loans or trade receivables assessed as doubtful are fully impaired. The R92 million (2018 – R110 million) union expenditure reflected against operations and finance includes all accounting adjustments such as impairments and depreciation in addition to the cost of all kitting consumed during the year. Such kitting primarily provided for by ASICS through a value in kind sponsorship.

The significant increase in rugby department expenditure was as a result of RWC 2019 preparation and participation. As highlighted above, player and management remuneration and performance obligations
The reduction in the overdraft from R67 million to R7m and the improvement in the current ratio will provide for a positive sentiment from our bankers when negotiating overdraft facilities. These facilities will be required for periods of the year as the cash cycle will remain relatively unchanged due to the nature of broadcasting and sponsorship receipts.

Financial support for our 14 member unions and player welfare, through the use of player imagery and injury insurance, accounted for around 32% of operating expenditure.

The ability to post successive years of profits are encouraging considering the local and global climates in which we operate.

**FINANCIAL POSITION**

The significant increase in the stated group Property, Plant and Equipment value is attributed to the IFRS 16 recognition. Such basis being that the right of premises use asset and lease liability was calculated on the discounted payments required under such lease arrangement.

The deferred taxation asset of R48 million is attributable primarily to significant timing differences arising from the 2016 - 2020 European sign on fee, broadcasting revenue receivable over the duration of such agreements and sponsorship income received in advance. The ability to generate significant taxable profits into the future, as evidenced by recent financial results and profitability projections of the 2021 British & Irish Lions Tour, will allow for such deferred taxation asset to be utilised into the future.

The Group’s total equity position improved to R28.6 million from the R9.8 million reported in 2018 after a less than budgeted reversal of the deferred taxation asset and the group reported profits.

The reduction in the union’s overdraft from R68 million to R7m and the improvement in the current ratio will provide for a positive sentiment from our bankers when negotiating overdraft facilities. These facilities will be required for periods of the year as the cash cycle will remain relatively unchanged due to the nature of broadcasting and sponsorship receipts.

**PROSPECTS FOR 2020 AND BEYOND**

The South African rugby industry has come together to navigate the retention of teams and jobs in the face of the threat to the business posed by the Coronavirus pandemic and to ensure that sufficient savings are generated to address the associated financial risks. Although the situation remains fluid and uncertain, SA Rugby have adopted an aggressive approach to dealing with the financial challenges created by the pandemic through continuous financial scenario planning and reporting whilst securing appropriate funding facilities to cover operations.

The commercial reach of the digital platform, the enhanced commercial value of the RWC 2019 champions and the lucrative 2021 British & Irish Lions tour are some of the key prospects for 2020 and beyond.

**STRUCTURE**

The Operations & Finance department consists of Finance and Asset Care as its core function, supporting the business at a group level. Areas of procurement, taxation, insurance, inventory warehousing and treasury are embedded within the overall finance function.

Information technology and travel, which are presently outsourced, are included under this structure.
GENERAL INFORMATION
Country of incorporation and domicile: South Africa
Nature of business and principal activities: the promotion, development and support of all levels of rugby in South Africa

EXECUTIVE COUNCIL
M Alexander (President)
F Davids (Deputy President)
J Roux (Chief Executive Officer)
A Saban (Chief Financial Officer)
I Groenewald
P Kuhn
M Tabata
T Titus
L von Zeuner
L Mould
J Smit
S Ngumeni
STATUTORY INFORMATION

Business address  SARU House, Tygerberg Park
163 Uys Krige Drive, Plattekloof, 7500
Cape Town

Postal address   PO Box 15929, Panorama, 7506
Cape Town

Bankers        ABSA Bank Limited

Auditor        PricewaterhouseCoopers Inc.

Level of assurance These consolidated financial statements have been audited.

Preparer The annual financial statements were independently compiled under the supervision of:
CF Lane CA (SA)

INDEX
The reports and statements set out below comprise the consolidated and separate financial statements presented to the Executive Council:

Executive Council’s Responsibilities and Approval 3
Executive Council’s Report 4-6
Independent Auditor’s Report 7-9
Statements of Financial Position 10
Statements of Comprehensive Income 11
Statements of Changes in Equity 12
Statements of Cash Flows 13
Accounting policies 14-30
Notes to the Consolidated And Separate Financial Statements 31-60
EXECUTIVE COUNCIL’S RESPONSIBILITIES AND APPROVAL

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

The Executive Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Group and Union and places considerable importance on maintaining a strong control environment. To enable it to meet these responsibilities, the Executive Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Executive Council has reviewed the Group and Union’s cash flow forecast for the year to 31 December 2020 and, in light of this review and the current financial position, it is satisfied that the Group and Union has or has access to adequate resources to continue in operational existence for the foreseeable future (Refer to notes 32 and 33 of the financial statements for further detail).

The external auditor is responsible for independently auditing and reporting on the Group's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditor and their report is presented on pages 7 to 9.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the Executive Council. The Executive Council believes that all representations made to the independent auditor during their audit are valid and appropriate.

The consolidated and separate financial statements set out on pages 10 to 60, which have been prepared on the going concern basis, were approved by the Executive Council on 03 June 2020 and were signed on its behalf by:

M Alexander (President)  J Roux (Chief Executive Officer)
The Executive Council has pleasure in submitting its report on the consolidated and separate financial statements of South African Rugby Union for the year ended 31 December 2019.

1. **Review of financial results and activities**

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


Net profit of the Group for the year was R 17,242,379 (2018: R 2,310,347), after taxation expense of R 10,969,838 (2018: R 17,003,188).

2. **Going concern**

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

**Impact of COVID-19:**

The recent outbreak of COVID-19 may directly or indirectly impact the Union and Group's ability to continue as a going concern in material respects by interrupting revenue streams, business activities and operations.

The Executive Council has the responsibility of assessing and concluding on the going concern of the Union and Group and have made the following plans to ensure the Union and Group continue operating as going concerns:

- The South African rugby industry has come together to navigate the retention of teams and jobs in the face of the threat to the business posed by the Coronavirus pandemic to deliver a COVID Industry Mitigation Strategy with an Industry Financial Impact Plan and Industry Salary Plan that will lead to cost savings to address the financial risks associated with COVID 19 as outlined in a worst case financial scenario;
- The worst case scenario has assumed no revenue to be received for the remaining 2020 period;
- Considering a range of alternatives to cancellation or postponement of matches and events to ensure that content is delivered to key stakeholders;
- Broadcasting and key sponsorship properties have already been secured for 2020 and beyond;
- Banking facilities, to meet the required operational needs, have been secured until December 2020 with continuous review thereof;
- Application to World Rugby and Government to access critical funding; and
- Management will continue to work towards an efficient and affordable cost base.

3. **Events after the reporting period**

The first case of the Coronavirus (COVID-19) outbreak was announced in South Africa subsequent to the year-end. This has been treated as a non-adjusting post balance sheet event in these financial statements and no amendments have been made to the numbers contained in these financial statements as at 31 December 2019. Further information on the impact of COVID-19 is disclosed above.

The Executive Council is not aware of any other material event which occurred after the reporting date and up to the date of this report that will have a significant impact on the attached financial statements.
4. Membership control

The Group is controlled by nine Provincial members made up of fourteen unions. Limpopo is included as a member but has no voting power because it doesn’t have a union. Each 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 entity entitled to vote at general meetings of members is the President, who, in the case of an equality of votes, shall be entitled to a second or casting vote, provided that he has used his deliberate vote. The Union’s business and activities are overseen by the members in general meeting, which has the ultimate authority in respect of, and responsibility for, its affairs.

5. Subsidiaries, associates, joint operation and Trust

The Union has the following interests:

A 100% shareholding in SA Rugby Event Services Proprietary Limited, which has as its main objective the organisation of SA Rugby events including the British and Irish Lions tour in 2021.

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

A 33.3% shareholding in SANZAR Proprietary Limited which manages the Super Rugby and The Rugby Championship competitions played in the Southern Hemisphere. The remaining shares are held equally by the Australian Rugby Union and the New Zealand Rugby Union. The company is equity accounted for by the Group. All income from the broadcasting rights agreements relating to these competitions, other than the rights sold to European broadcasters, is derived directly by the Unions. The Union’s share of accumulated profits at 31 December 2019 was R 3,908,927 (2018: R 3,091,598).

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 European broadcasters. The remaining shares are held equally by the Australian Rugby Union and the New Zealand Rugby Union. The company is equity accounted for by the Group. The Union’s share of accumulated profits at 31 December 2019 was R 3,928,830 (2018: R 4,415,400).

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

Control of The South African Rugby Heritage Trust by way of trustee representation, the aims and objectives of which are to advance, promote and preserve South Africa’s rugby heritage. The trust was closed down in March of this financial year.

Control of a Non-profit company called The Rugby Educational Foundation NPC. The purpose of this company is to contribute to the economic and social development of South Africans through the provision of academic and recreational bursaries, rugby specific training and life skills programs for unemployed persons, with the purpose of enabling talented sports men and women to obtain employment.

Control of SA Super Rugby Proprietary Limited, utilised to manage the Southern Kings franchise participating in the Guinness Pro14 competition.

Further details relating to these entities are given in notes 8, 9 and 30 of the consolidated and separate financial statements.
6. Executive Council

The Executive Council in office at the date of this report are as follows:

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<td>M Alexander (President)</td>
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<td>F Davids (Deputy President)</td>
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<td>J Roux (Chief Executive Officer)</td>
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<td>A Saban (Chief Financial Officer)</td>
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<td>H Mentz</td>
<td>Ceased being a member on 09 December 2019</td>
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7. Auditors

PricewaterhouseCoopers Inc. continued in office as auditors for the Union and its subsidiaries for 2019.
Independent auditor’s report

To the Members of the South African Rugby Union

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the South African Rugby Union (the Union) and its subsidiaries (together the Group) as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The South African Rugby Union’s consolidated and separate financial statements set out on pages 10 to 60 comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.
Other information

The executive council is responsible for the other information. The other information comprises the information included in the document titled “South African Rugby Union, Voluntary Association of persons, Consolidated and Separate Financial Statements for the year ended 31 December 2019”. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive council for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the executive council is responsible for assessing the Group and the Union’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive council either intends to liquidate the Group and/or the Union or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for
one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

■ Obtain an understanding of internal control relevant to the audit 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 Group’s and the Union’s internal control.

■ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

■ Conclude on the appropriateness of the executive council’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Union’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and / or Union to cease to continue as a going concern.

■ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the executive council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor
Cape Town
Date: 03 June 2020
## SOUTH AFRICAN RUGBY UNION
Voluntary Association of persons

## STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

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### Assets

**Non-Current Assets**

- Property, plant and equipment: 12,407,458 (2018: 10,364,141)
- Right-of-use assets: 39,395,095 (2018: -)
- Intangible assets: 10,058,702 (2018: 1,141,411)
- Investments in subsidiaries: - (2018: 51)
- Investments in associates: 9,446,580 (2018: 7,506,998)
- Trade and other receivables: 19,501,541 (2018: 17,595,362)

**Total Assets:**

- Union: 127,496,382 (2018: 87,509,626)

### Current Assets

- Inventories: 13,623,716 (2018: 5,712,437)
- Trade and other receivables: 99,560,380 (2018: 147,434,144)
- Derivatives: 1,793,337 (2018: -)
- Cash and cash equivalents: 16,604,728 (2018: 10,740,997)

**Total Current Assets:**

- Union: 78,567,397 (2018: 156,033,048)

### Equity and Liabilities

#### Equity

**Equity Attributable to Equity Holders of Parent**

- Actuarial reserve: 9,374,000 (2018: 9,374,000)
- Retained income: 37,077,519 (2018: 504,744)

**Non-controlling interest:**

- Group: 46,451,519 (2018: 8,869,256)
- Union: 26,391,869 (2018: 17,827,204)

**Total Equity:**

- Union: 26,391,869 (2018: 17,827,204)

#### Liabilities

**Non-Current Liabilities**

- Post employment healthcare benefits: 19,702,000 (2018: 17,251,000)
- Deferred income: 11,215,202 (2018: -)

**Current Liabilities**

- Trade and other payables: 69,707,201 (2018: 120,980,727)
- Lease liabilities: 2,670,271 (2018: -)
- Post employment healthcare benefits: 480,000 (2018: 420,000)
- Deferred income: 61,970,549 (2018: 33,930,357)

**Total Liabilities:**

- Union: 115,022,723 (2018: 197,249,268)

**Total Equity and Liabilities:**


- Group: 269,310,845 (2018: 261,944,243)
- Union: 206,063,779 (2018: 243,542,674)
## STATEMENTS OF COMPREHENSIVE INCOME

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<tbody>
<tr>
<td></td>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>20</td>
<td>1,295,800,115</td>
<td>1,263,620,767</td>
<td>1,209,633,224</td>
<td>1,235,974,878</td>
</tr>
<tr>
<td>Other operating income</td>
<td>21</td>
<td>196,185,760</td>
<td>38,017,841</td>
<td>195,922,055</td>
<td>25,947,867</td>
</tr>
<tr>
<td>Other operating losses</td>
<td>22</td>
<td>(1,526,850)</td>
<td>(4,491,410)</td>
<td>(462,734)</td>
<td>(4,484,455)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>23</td>
<td>(1,460,865,904)</td>
<td>(1,281,176,193)</td>
<td>(1,383,164,138)</td>
<td>(1,242,188,772)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>23</td>
<td>29,593,121</td>
<td>15,971,005</td>
<td>21,928,407</td>
<td>15,249,518</td>
</tr>
<tr>
<td>Finance income</td>
<td>24</td>
<td>4,584,478</td>
<td>4,116,029</td>
<td>3,714,568</td>
<td>3,491,833</td>
</tr>
<tr>
<td>Finance costs</td>
<td>25</td>
<td>(6,296,141)</td>
<td>(3,244,756)</td>
<td>(6,134,139)</td>
<td>(3,244,756)</td>
</tr>
<tr>
<td>Income from equity accounted investments</td>
<td>26</td>
<td>330,759</td>
<td>2,471,257</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>27</td>
<td>28,212,217</td>
<td>19,313,535</td>
<td>19,508,836</td>
<td>15,496,595</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>26</td>
<td>(10,969,838)</td>
<td>(17,003,188)</td>
<td>(10,944,171)</td>
<td>(16,978,750)</td>
</tr>
<tr>
<td><strong>Profit (loss) for the year</strong></td>
<td>28</td>
<td>17,242,379</td>
<td>2,310,347</td>
<td>8,564,665</td>
<td>(1,482,155)</td>
</tr>
</tbody>
</table>

**Other comprehensive income:**

**Items that will not be reclassified to profit or loss:**

Actuarial gain
Income from equity accounted investments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>-</td>
<td>-</td>
<td>3,556,000</td>
</tr>
<tr>
<td>Income from equity accounted investments</td>
<td>1,608,823</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total items that will not be reclassified to profit or loss</strong></td>
<td>1,608,823</td>
<td>3,556,000</td>
<td>-</td>
</tr>
</tbody>
</table>

**Other comprehensive income for the year net of taxation**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>18,851,202</td>
<td>5,866,347</td>
<td>8,564,665</td>
</tr>
</tbody>
</table>

**Profit (loss) attributable to:**

Owners of the parent
Non-controlling interest

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners of the parent</td>
<td>35,973,440</td>
<td>2,285,485</td>
<td>8,564,665</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(18,731,061)</td>
<td>24,862</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit (loss) attributable to:</strong></td>
<td>17,242,379</td>
<td>2,310,347</td>
<td>8,564,665</td>
</tr>
</tbody>
</table>

**Total comprehensive income attributable to:**

Owners of the parent
Non-controlling interest

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners of the parent</td>
<td>37,582,263</td>
<td>5,841,485</td>
<td>8,564,665</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(18,731,061)</td>
<td>24,862</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to:</strong></td>
<td>18,851,202</td>
<td>5,866,347</td>
<td>8,564,665</td>
</tr>
</tbody>
</table>
### South African Rugby Union

Voluntary Association of persons

## Statements of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Actuarial reserve</th>
<th>Retained income</th>
<th>Attributable to the Union</th>
<th>Non-controlling interest</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 01 January 2018</td>
<td>5,818,000</td>
<td>(2,790,229)</td>
<td>3,027,771</td>
<td>934,585</td>
<td>3,962,356</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>2,285,485</td>
<td>2,285,485</td>
<td>24,862</td>
<td>2,310,347</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>3,556,000</td>
<td></td>
<td>3,556,000</td>
<td></td>
<td>3,556,000</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>3,556,000</td>
<td>2,285,485</td>
<td>5,841,485</td>
<td>24,862</td>
<td>5,866,347</td>
</tr>
<tr>
<td>Balance at 01 January 2019</td>
<td>9,374,000</td>
<td>(504,744)</td>
<td>8,869,256</td>
<td>959,447</td>
<td>9,828,703</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>35,973,440</td>
<td>35,973,440</td>
<td>(18,731,061)</td>
<td>17,242,379</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>1,608,823</td>
<td>1,608,823</td>
<td></td>
<td>1,608,823</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>37,582,263</td>
<td>37,582,263</td>
<td>(18,731,061)</td>
<td>18,851,202</td>
</tr>
<tr>
<td>Balance at 31 December 2019</td>
<td>9,374,000</td>
<td>37,077,519</td>
<td>46,451,519</td>
<td>(17,771,614)</td>
<td>28,679,905</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Union</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 01 January 2018</td>
<td>5,818,000</td>
<td>9,935,359</td>
<td>15,753,359</td>
<td></td>
<td>15,753,359</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1,482,155)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>3,556,000</td>
<td></td>
<td>3,556,000</td>
<td></td>
<td>3,556,000</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td>3,556,000</td>
<td>(1,482,155)</td>
<td>2,073,845</td>
<td></td>
<td>2,073,845</td>
</tr>
<tr>
<td>Balance at 01 January 2019</td>
<td>9,374,000</td>
<td>8,453,204</td>
<td>17,827,204</td>
<td></td>
<td>17,827,204</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>8,564,665</td>
<td>8,564,665</td>
<td></td>
<td>8,564,665</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td>8,564,665</td>
<td></td>
<td>8,564,665</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td></td>
<td>8,564,665</td>
<td>8,564,665</td>
<td></td>
<td>8,564,665</td>
</tr>
<tr>
<td>Balance at 31 December 2019</td>
<td>9,374,000</td>
<td>17,017,869</td>
<td>26,391,869</td>
<td></td>
<td>26,391,869</td>
</tr>
</tbody>
</table>
## STATEMENTS OF CASH FLOW

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group 2019 R</th>
<th>Group 2018 R</th>
<th>Union 2019 R</th>
<th>Union 2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>27</td>
<td>41,948,415</td>
<td>25,978,583</td>
<td>69,284,216</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td>4,584,478</td>
<td>4,116,029</td>
<td>3,714,568</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(6,296,141)</td>
<td>(3,244,756)</td>
<td>(6,134,139)</td>
<td>(3,244,756)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>28</td>
<td>(27,067)</td>
<td>(46,774)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td></td>
<td>40,209,685</td>
<td>26,803,082</td>
<td>66,864,645</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** | | | | |
| Sale of property, plant and equipment | 5 | 20,227 | 58,700 | 20,227 | 58,700 |
| Repayment of loan from related entity | | - | (2,318) | - | - |
| **Net cash from investing activities** | | (5,641,129) | (3,509,424) | (3,931,352) | (3,039,707) |

| **Cash flows from financing activities** | | | | |
| Payment on lease liabilities | | (1,540,303) | - | (1,540,303) | - |
| **Total cash movement for the year** | | 33,028,253 | 23,293,658 | 61,392,990 | 20,051,854 |
| Cash at the beginning of the year | | (57,577,257) | (80,870,915) | (67,419,011) | (87,470,865) |
| **Total cash at end of the year** | | 24,549,004 | 57,577,257 | 6,026,021 | 67,419,011 |
SOUTH AFRICAN RUGBY UNION
Voluntary Association of persons

ACCOUNTING POLICIES

1. Significant accounting policies

South African Rugby Union is a Union established and domiciled in South Africa. The address of its registered office and principal place of business is SARU House, Tygerberg Park, 163 Uys Krige Drive, Plattekloof, 7500. Its principal activity is the promotion, development and support of all levels of rugby in South Africa.

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

These accounting policies are consistent with those of the prior year, except for the changes set out in note 2- Changes in accounting policies.

1.1 Consolidation

Basis of consolidation

The consolidated and separate financial statements incorporate the financial statements of the Union and all entities controlled by the Union.

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

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between group entities are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statements of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Union.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.
1.2 Joint arrangements

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

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

Joint ventures

An interest in a joint venture is accounted for using the equity method. Under the equity method, interests in joint ventures are carried in the statements of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The Group’s share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the Group's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Any goodwill on acquisition of a joint venture is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group’s interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Union loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.3 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Under the equity method, investments in associates are carried in the Statements of Financial Position at cost adjusted for post-acquisition changes in the Group’s share of net assets of the associate, less any impairment losses.

The Group’s share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the Group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.
1.3 Investments in associates (continued)

Profits or losses on transactions between the group and an associate are eliminated to the extent of the Group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Estimated of residual values and useful lives of property, plant and equipment and intangible assets

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

Trade receivables

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

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios and other indicators present at the reporting date that correlate with defaults on the portfolio.

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 statement of comprehensive income tax provisions in the period in which such determination is made.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.
1.5 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset’s carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset’s economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Depreciation method</th>
<th>Average useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicles</td>
<td>Straight line</td>
<td>3 - 5 years</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>Straight line</td>
<td>3 - 8 years</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>Straight line</td>
<td>3 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Straight line</td>
<td>Period of lease</td>
</tr>
</tbody>
</table>

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.
1.6 Intangible assets (continued)

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

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

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

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

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademark</td>
<td>20 years</td>
</tr>
<tr>
<td>Computer software</td>
<td>4 years</td>
</tr>
</tbody>
</table>

1.7 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.8 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost.

Note 4 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
1.8 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group’s business model is to collect the contractual cash flows on trade and other receivables.

Trade and other receivables also include capitalised costs to obtain contracts with customers.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest rate method

For receivables which contain a significant financing component, interest income is calculated using the effective interest rate method, and is included in profit or loss in finance income (note 24).

The application of the effective interest rate method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).
1.8 Financial instruments (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL to trade and other receivables which do have a significant financing component, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of expected credit losses

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated individually for each specific debtor using past default experience for each debtor and also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The provision is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 23),
1.8 Financial instruments (continued)

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (note 4).

Non-hedging derivatives

Classification

Non-hedging derivatives are classified at fair value through profit or loss.

Derivatives held by the Group which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps. (Note 13)

Recognition and measurement

Derivatives are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 18), excluding VAT and deferred income, are classified as financial liabilities subsequently measured at amortised cost.
1.8 Financial instruments (continued)

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest rate method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 25).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

Cash and cash equivalents

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the income statement over the term of the borrowings using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.
1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

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

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

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

1.10 Leases (IFRS 16)

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.
1.10 Leases (IFRS 16) (continued)

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group is a lessee are presented in note 6 Leases (Group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 23).

The lease liability is presented as a separate line item on the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 25).
1.10 Leases (IFRS 16) (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statements of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.
1.11 Leases (Comparatives under IAS 17)

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

Operating leases — lessee

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

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

1.12 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Consumables are carried at historical cost unless the items are considered to be obsolete.

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

1.13 Impairment of assets

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

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

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

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

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

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

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

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

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

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

1.14 Employee benefits

Pension Obligations

The Group’s employees are members of The Rugby Pension Fund. The fund is generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The fund has a 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 employees pays fixed contributions into the fund. Defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and level of remuneration prior to retirement.

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 Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets, together with adjustments for unrecognised past-service costs.

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

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

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

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

Termination benefits

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

Other post-employment obligations

The Group provides post-retirement healthcare benefits to certain of its retirees employed prior to 1 July 2012. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued regularly by independent qualified actuaries.

1.15 Provisions and contingencies

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

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue from contracts with customers

The Group recognises revenue from the following major sources:
- Sales of sports goods
- Sponsorship income
- Sales of broadcasting rights
- Interest income
- Royalty income
- Test hosting fee

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.
1.16 Revenue from contracts with customers (continued)

Sale of sports goods

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

Sponsorship income

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

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

Sales of broadcasting rights

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

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.

Test hosting fee

Provincial Unions are charged a fee for the right to host Springbok test matches. For away test matches a fee is charged to the host national entity. Revenue is recognised on the day of the event as the fee falls due and payable.

1.17 Borrowing costs

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

1.18 Translation of foreign currencies

Functional and presentation currency

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

The consolidated consolidated and separate financial statements are presented in Rand which is the Group functional and presentation currency.
1.18 Translation of foreign currencies (continued)

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 January 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the group’s consolidated and separate financial statements is described below.

The group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 January 2019.

Leases where group is lessee

Leases previously classified as operating leases

The group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the group’s incremental borrowing rate at the date of initial application;
- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 01 January 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.
2. Changes in accounting policy (continued)

Impact on financial statements

On transition to IFRS 16, the Group and Union recognised an additional R44,828,901 of right-of-use assets and R47,486,888 of lease liabilities, resulting in no impact on opening retained earnings.

When measuring lease liabilities, Group and Union discounted lease payments using its incremental borrowing rate at 01 January 2019. The rate applied is 10%.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

<table>
<thead>
<tr>
<th>Description</th>
<th>01 January 201</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitment at 31 December 2018 as previously disclosed</td>
<td>29,984,111</td>
</tr>
<tr>
<td>Discounted using the incremental borrowing rate at 01 January 2019</td>
<td>6,237,515</td>
</tr>
<tr>
<td>Add extension and termination options reasonably certain to be exercised</td>
<td>13,548,975</td>
</tr>
<tr>
<td><strong>Lease liabilities recognised at 01 January 2019</strong></td>
<td><strong>49,770,595</strong></td>
</tr>
</tbody>
</table>

The aggregate effect of the changes in accounting policy on the financial statements for the year ended 31 December 2019 is as follows:

**Statement of Financial Position**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right of use asset</td>
<td>44,828,901</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,941,594</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,770,595</strong></td>
</tr>
</tbody>
</table>

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

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

**Standard/ Interpretation:**

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 16 Leases

<table>
<thead>
<tr>
<th>Effective date: Years beginning on or after</th>
<th>Expected impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 January 2019</td>
<td>The impact of the standard is not material.</td>
</tr>
<tr>
<td>01 January 2019</td>
<td>The impact of the standard is set out in note 2 Changes in accounting policy.</td>
</tr>
</tbody>
</table>
4. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

**Group - 2019**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Fair value through profit or loss - Mandatory</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>- 81,362,274</td>
<td>81,362,274</td>
<td>81,362,274</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>- 16,604,728</td>
<td>16,604,728</td>
<td>16,604,728</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- 97,967,002</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97,967,002</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97,967,002</td>
</tr>
</tbody>
</table>

**Group - 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Fair value through profit or loss - Mandatory</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>- 1,793,337</td>
<td>- 1,793,337</td>
<td>1,793,337</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>- 10,740,997</td>
<td>10,740,997</td>
<td>10,740,997</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,793,337</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>156,011,384</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>157,804,721</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>157,804,721</td>
</tr>
</tbody>
</table>

**Union - 2019**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Fair value through profit or loss - Mandatory</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>- 73,912,320</td>
<td>73,912,320</td>
<td>73,912,320</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>- 1,606,314</td>
<td>1,606,314</td>
<td>1,606,314</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75,518,634</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75,518,634</td>
</tr>
</tbody>
</table>

**Union - 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Fair value through profit or loss - Mandatory</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>- 145,966,360</td>
<td>145,966,360</td>
<td>145,966,360</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>- 1,793,337</td>
<td>- 1,793,337</td>
<td>1,793,337</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>- 899,243</td>
<td>899,243</td>
<td>899,243</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,793,337</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>146,865,603</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>148,658,940</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>148,658,940</td>
</tr>
</tbody>
</table>
4. Financial instruments and risk management (continued)

Categories of financial liabilities

**Group - 2019**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Amortised cost</th>
<th>Leases</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>41,153,732</td>
<td>-</td>
<td>41,153,732</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>68,289,276</td>
<td>-</td>
<td>68,289,276</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>6&amp;15</td>
<td>-</td>
<td>47,617,458</td>
<td>47,617,458</td>
</tr>
</tbody>
</table>

**Total**

| | 109,443,008 | 47,617,458 | 157,060,466 | 157,060,466 |

**Group - 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>68,318,254</td>
<td>68,318,254</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>120,980,727</td>
<td>120,980,727</td>
</tr>
</tbody>
</table>

**Total**

| | 189,298,981 | 189,298,981 | 189,298,981 |

**Union - 2019**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Amortised cost</th>
<th>Leases</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>7,632,335</td>
<td>-</td>
<td>7,632,335</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>53,403,845</td>
<td>-</td>
<td>53,403,845</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>6&amp;15</td>
<td>-</td>
<td>47,617,458</td>
<td>47,617,458</td>
</tr>
</tbody>
</table>

**Total**

| | 61,036,180 | 47,617,458 | 108,653,638 | 108,653,638 |

**Union - 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>68,318,254</td>
<td>68,318,254</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>94,580,657</td>
<td>94,580,657</td>
</tr>
</tbody>
</table>

**Total**

| | 162,898,911 | 162,898,911 | 162,898,911 |
4. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

<table>
<thead>
<tr>
<th>Group - 2019</th>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognised in profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>24</td>
<td>4,584,478</td>
<td>4,584,478</td>
</tr>
<tr>
<td>Finance costs</td>
<td>25</td>
<td>(6,296,141)</td>
<td>(6,296,141)</td>
</tr>
<tr>
<td>Net loss</td>
<td></td>
<td></td>
<td>(1,711,663)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group - 2018</th>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognised in profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>24</td>
<td>4,116,029</td>
<td>4,116,029</td>
</tr>
<tr>
<td>Finance costs</td>
<td>25</td>
<td>(3,244,756)</td>
<td>(3,244,756)</td>
</tr>
<tr>
<td>Net gains</td>
<td></td>
<td></td>
<td>871,273</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Union - 2019</th>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognised in profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>24</td>
<td>3,714,568</td>
<td>3,714,568</td>
</tr>
<tr>
<td>Finance costs</td>
<td>25</td>
<td>(6,134,139)</td>
<td>(6,134,139)</td>
</tr>
<tr>
<td>Net loss</td>
<td></td>
<td></td>
<td>(2,419,571)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Union - 2018</th>
<th>Notes</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognised in profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>24</td>
<td>3,491,833</td>
<td>3,491,833</td>
</tr>
<tr>
<td>Finance costs</td>
<td>25</td>
<td>(3,244,756)</td>
<td>(3,244,756)</td>
</tr>
<tr>
<td>Net gains</td>
<td></td>
<td></td>
<td>247,077</td>
</tr>
</tbody>
</table>
4. Financial instruments and risk management (continued)

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Executive Council has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the Executive Council on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available).

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer operates, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.
4. Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is “past due” information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.
<table>
<thead>
<tr>
<th>Notes</th>
<th>Group</th>
<th>Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>Cash and cash equivalents</td>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>Gross carrying amount</td>
<td>Gross carrying amount</td>
</tr>
<tr>
<td>97,332,198</td>
<td>16,604,728</td>
<td>156,537,917</td>
</tr>
<tr>
<td>(15,966,924)</td>
<td>16,604,728</td>
<td>(83,019,283)</td>
</tr>
<tr>
<td>Amortised cost / fair value</td>
<td>Amortised cost / fair value</td>
<td></td>
</tr>
<tr>
<td>81,267,274</td>
<td>163,273,740</td>
<td></td>
</tr>
<tr>
<td>(18,003,353)</td>
<td>(18,003,353)</td>
<td></td>
</tr>
<tr>
<td>163,273,740</td>
<td>(18,003,353)</td>
<td></td>
</tr>
<tr>
<td>10,740,997</td>
<td>(18,003,353)</td>
<td></td>
</tr>
<tr>
<td>113,598,926</td>
<td>174,014,737</td>
<td></td>
</tr>
<tr>
<td>(15,966,924)</td>
<td>(18,003,353)</td>
<td></td>
</tr>
<tr>
<td>38,014,384</td>
<td>10,740,997</td>
<td></td>
</tr>
</tbody>
</table>
4. Financial instruments and risk management (continued)

Liquidity risk

The Group has a number of short term deposits with banks and also a number of loans granted to the Provincial 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 14,636 (2018: R 548,362) change in the interest.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

<table>
<thead>
<tr>
<th>Group - 2019</th>
<th>Notes</th>
<th>Less than 1 year</th>
<th>2 to 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>15</td>
<td>-</td>
<td>44,672,061</td>
<td>16,479,903</td>
<td>61,151,964</td>
<td>44,947,187</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>41,153,732</td>
<td>-</td>
<td>-</td>
<td>41,153,732</td>
<td>41,153,732</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>68,289,276</td>
<td>-</td>
<td>-</td>
<td>68,289,276</td>
<td>68,289,276</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>15</td>
<td>7,050,594</td>
<td>-</td>
<td>-</td>
<td>7,050,594</td>
<td>7,050,594</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>116,493,602</strong></td>
<td><strong>44,672,061</strong></td>
<td><strong>16,479,903</strong></td>
<td><strong>177,645,566</strong></td>
<td><strong>161,440,789</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group - 2018</th>
<th>Notes</th>
<th>Less than 1 year</th>
<th>Total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>68,318,254</td>
<td>68,318,254</td>
<td>68,318,254</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>120,980,727</td>
<td>120,980,727</td>
<td>120,980,727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>189,298,981</strong></td>
<td><strong>189,298,981</strong></td>
<td><strong>189,298,981</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Union - 2019</th>
<th>Notes</th>
<th>Less than 1 year</th>
<th>2 to 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>15</td>
<td>-</td>
<td>44,672,061</td>
<td>16,479,903</td>
<td>61,151,964</td>
<td>44,947,187</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>14</td>
<td>7,632,335</td>
<td>-</td>
<td>-</td>
<td>7,632,335</td>
<td>7,632,335</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>53,403,845</td>
<td>-</td>
<td>-</td>
<td>53,403,845</td>
<td>53,403,845</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>15</td>
<td>7,050,594</td>
<td>-</td>
<td>-</td>
<td>7,050,594</td>
<td>2,670,271</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>68,086,774</strong></td>
<td><strong>44,672,061</strong></td>
<td><strong>16,479,903</strong></td>
<td><strong>129,238,738</strong></td>
<td><strong>108,653,638</strong></td>
</tr>
</tbody>
</table>
4. Financial instruments and risk management (continued)

Union - 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Less than 1 year</th>
<th>Total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>68,318,254</td>
<td>68,318,254</td>
<td>68,318,254</td>
</tr>
<tr>
<td>18</td>
<td>94,580,657</td>
<td>94,580,657</td>
<td>94,580,657</td>
</tr>
<tr>
<td></td>
<td>162,898,911</td>
<td>162,898,911</td>
<td>162,898,911</td>
</tr>
</tbody>
</table>

Foreign currency risk

The Group had no balances in foreign currency at year end.

5. Property, plant and equipment

<table>
<thead>
<tr>
<th>Group</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>-------</td>
<td>------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>13,213,707</td>
<td>(9,381,724)</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>991,144</td>
<td>(983,651)</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>15,447,604</td>
<td>(11,638,951)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>8,646,662</td>
<td>(3,887,33)</td>
</tr>
<tr>
<td>Total</td>
<td>38,299,117</td>
<td>(25,891,659)</td>
</tr>
</tbody>
</table>

Union

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>-------</td>
<td>------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>10,564,608</td>
<td>(9,049,489)</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>991,144</td>
<td>(983,651)</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>15,074,151</td>
<td>(11,509,544)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>8,646,662</td>
<td>(3,887,33)</td>
</tr>
<tr>
<td>Total</td>
<td>35,276,565</td>
<td>(25,430,017)</td>
</tr>
</tbody>
</table>

Reconciliation of property, plant and equipment - Group - 2019

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>2,451,087</td>
<td>2,724,646</td>
<td>(1,343,750)</td>
<td>3,831,983</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>73,264</td>
<td>-</td>
<td>(65,771)</td>
<td>7,493</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>2,730,834</td>
<td>2,936,710</td>
<td>(1,858,891)</td>
<td>3,808,653</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5,108,956</td>
<td>-</td>
<td>(349,627)</td>
<td>4,759,329</td>
</tr>
<tr>
<td></td>
<td>10,364,141</td>
<td>5,661,356</td>
<td>(3,618,039)</td>
<td>12,407,458</td>
</tr>
</tbody>
</table>
5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2018

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Impairment*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>3,352,782</td>
<td>1,080,863</td>
<td>(1,982,558)</td>
<td>-</td>
<td>2,451,087</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>160,459</td>
<td>-</td>
<td>(87,195)</td>
<td>-</td>
<td>73,264</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,664,085</td>
<td>2,484,943</td>
<td>(1,418,194)</td>
<td>-</td>
<td>2,730,834</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>21,666,800</td>
<td>-</td>
<td>(3,473,651)</td>
<td>(13,084,193)</td>
<td>5,108,956</td>
</tr>
<tr>
<td>Total</td>
<td>26,844,126</td>
<td>3,565,806</td>
<td>(6,961,598)</td>
<td>(13,084,193)</td>
<td>10,364,141</td>
</tr>
</tbody>
</table>

Reconciliation of property, plant and equipment - Union - 2019

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>1,558,204</td>
<td>973,217</td>
<td>(1,016,302)</td>
<td>1,515,119</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>73,264</td>
<td>-</td>
<td>(65,771)</td>
<td>7,493</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>2,393,762</td>
<td>2,978,362</td>
<td>(1,807,517)</td>
<td>3,564,607</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5,108,956</td>
<td>-</td>
<td>(349,627)</td>
<td>4,759,329</td>
</tr>
<tr>
<td>Total</td>
<td>9,134,186</td>
<td>3,951,579</td>
<td>(3,239,217)</td>
<td>9,846,548</td>
</tr>
</tbody>
</table>

Reconciliation of property, plant and equipment - Union - 2018

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>2,452,501</td>
<td>927,563</td>
<td>(1,821,860)</td>
<td>1,558,204</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>160,459</td>
<td>-</td>
<td>(87,195)</td>
<td>73,264</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,551,685</td>
<td>2,170,844</td>
<td>(1,328,767)</td>
<td>2,393,762</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5,458,582</td>
<td>-</td>
<td>(349,626)</td>
<td>5,108,956</td>
</tr>
<tr>
<td>Total</td>
<td>9,623,227</td>
<td>3,098,407</td>
<td>(3,587,448)</td>
<td>9,134,186</td>
</tr>
</tbody>
</table>

*The impairment arose as a result of closing down the Springbok Trust Museum.

6. Leases (Group as lessee)

The group leases office properties. The average lease term is 5 years.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office buildings</td>
<td>39,395,095</td>
<td>-</td>
<td>39,395,095</td>
<td>-</td>
</tr>
</tbody>
</table>

Additions to right-of-use assets as at 01 January 2019

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office buildings</td>
<td>44,828,901</td>
<td>-</td>
<td>44,828,901</td>
<td>-</td>
</tr>
</tbody>
</table>
6. **Leases (Group as lessee) (continued)**

**Depreciation recognised on right-of-use assets**

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23).

<table>
<thead>
<tr>
<th></th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office buildings</td>
<td>(5,433,806)</td>
<td>-</td>
<td>(5,433,806)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other disclosures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense on lease liabilities</td>
<td>4,328,860</td>
<td>-</td>
<td>4,328,860</td>
<td>-</td>
</tr>
</tbody>
</table>

Expenses relating to short-term, low value and variable lease payments not included in lease liabilities (included in note 23).

**Lease liabilities**

The maturity analysis of lease liabilities is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>7,050,594</td>
<td>-</td>
<td>7,050,594</td>
<td>-</td>
</tr>
<tr>
<td>Two to five years</td>
<td>44,672,061</td>
<td>-</td>
<td>44,672,061</td>
<td>-</td>
</tr>
<tr>
<td>More than five years</td>
<td>16,479,903</td>
<td>-</td>
<td>16,479,903</td>
<td>-</td>
</tr>
<tr>
<td>Less finance charges component</td>
<td>(20,585,100)</td>
<td>-</td>
<td>(20,585,100)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>47,617,458</td>
<td>-</td>
<td>47,617,458</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>44,947,187</td>
<td>-</td>
<td>44,947,187</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>2,670,271</td>
<td>-</td>
<td>2,670,271</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>47,617,458</td>
<td>-</td>
<td>47,617,458</td>
<td>-</td>
</tr>
</tbody>
</table>

**Exposure to liquidity risk**

Refer to note 4: Financial instruments and risk management for the details of liquidity risk exposure and management.

7. **Intangible assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated amortisation</td>
</tr>
<tr>
<td>Trademark</td>
<td>2,000,000</td>
<td>(958,521)</td>
</tr>
<tr>
<td>Computer software</td>
<td>11,193,795</td>
<td>(2,176,572)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,193,795</td>
<td>(3,135,093)</td>
</tr>
</tbody>
</table>
7. Intangible assets (continued)

Reconciliation of intangible assets - Group and Union - 2019

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Amortisation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademark</td>
<td>1,141,411</td>
<td>-</td>
<td>(99,932)</td>
<td>1,041,479</td>
</tr>
<tr>
<td>Computer software</td>
<td>-</td>
<td>11,193,795</td>
<td>(2,176,572)</td>
<td>9,017,223</td>
</tr>
<tr>
<td></td>
<td><strong>1,141,411</strong></td>
<td><strong>11,193,795</strong></td>
<td><strong>(2,276,504)</strong></td>
<td><strong>10,058,702</strong></td>
</tr>
</tbody>
</table>

Reconciliation of intangible assets - Group and Union - 2018

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Amortisation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademark</td>
<td>1,241,342</td>
<td>(99,931)</td>
<td>1,141,411</td>
</tr>
</tbody>
</table>

8. Interests in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

**Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>% holding 2019</th>
<th>% holding 2018</th>
<th>Carrying amount 2019</th>
<th>Carrying amount 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springbok Supporters Club Proprietary Limited</td>
<td>51 %</td>
<td>51 %</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>The Rugby Educational Foundation NPC</td>
<td>100 %</td>
<td>100 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SA Super Rugby Proprietary Limited*</td>
<td>- %</td>
<td>100 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South African Rugby Heritage Trust</td>
<td>- %</td>
<td>100 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SA Rugby Event Services Proprietary Limited</td>
<td>100 %</td>
<td>- %</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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

* During the current year the Group disposed of 100% of its shares in SA Super Rugby Proprietary Limited. However control is maintained in terms of IFRS 10: Consolidated Financial Statements.

9. Investments in associates

The following table lists all of the associates in the Group:

**Group**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>% ownership interest 2019</th>
<th>% ownership interest 2018</th>
<th>Carrying amount 2019</th>
<th>Carrying amount 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANZAR Proprietary Limited</td>
<td>33.3 %</td>
<td>33.3 %</td>
<td>3,908,927</td>
<td>3,091,598</td>
</tr>
<tr>
<td>SANZAR Europe S.a.r.l</td>
<td>33.3 %</td>
<td>33.3 %</td>
<td>5,537,653</td>
<td>4,415,400</td>
</tr>
</tbody>
</table>

The carrying amounts of associates are shown net of impairment losses, where necessary.
9. **Investments in associates (continued)**

Included in the statement of comprehensive income is South African Rugby Union's share of income made by the investments, described as income from equity accounted investments of R330,759 and other comprehensive income from equity accounted of R1,608,823 (2018: R2,471,257).

**Summarised financial information of material associates**

**2019**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANZAR Proprietary Limited</td>
<td>45,266,215</td>
<td>2,749,979</td>
</tr>
<tr>
<td>SANZAR Europe S.a.r.l</td>
<td>481,963,980</td>
<td>944,554</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>527,230,195</strong></td>
<td><strong>3,694,533</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANZAR Proprietary Limited</td>
<td>34,180,758</td>
<td>22,512,775</td>
<td>11,667,983</td>
</tr>
<tr>
<td>SANZAR Europe S.a.r.l</td>
<td>618,201,626</td>
<td>574,086,209</td>
<td>44,115,417</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>652,382,384</strong></td>
<td><strong>596,598,984</strong></td>
<td><strong>55,783,400</strong></td>
</tr>
</tbody>
</table>

**2018**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANZAR Proprietary Limited</td>
<td>42,389,430</td>
<td>1,457,286</td>
</tr>
<tr>
<td>SANZAR Europe S.a.r.l</td>
<td>424,666,145</td>
<td>3,684,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>467,055,575</strong></td>
<td><strong>5,141,458</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANZAR Proprietary Limited</td>
<td>40,258,922</td>
<td>30,992,298</td>
<td>9,266,624</td>
</tr>
<tr>
<td>SANZAR Europe S.a.r.l</td>
<td>1,177,374,217</td>
<td>1,132,186,350</td>
<td>45,187,867</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,217,633,139</strong></td>
<td><strong>1,163,178,648</strong></td>
<td><strong>54,454,491</strong></td>
</tr>
</tbody>
</table>
### 10. Trade and other receivables

#### Financial instruments:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 R</th>
<th>2018 R</th>
<th>Union 2019 R</th>
<th>Union 2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>39,339,226</td>
<td>82,489,522</td>
<td>34,992,673</td>
<td>72,877,632</td>
</tr>
<tr>
<td>Loan receivables from Provincial Unions</td>
<td>23,532,643</td>
<td>27,751,619</td>
<td>23,532,643</td>
<td>27,751,619</td>
</tr>
<tr>
<td>Trade receivables from Provincial Unions</td>
<td>8,649,176</td>
<td>19,323,614</td>
<td>8,649,176</td>
<td>19,323,614</td>
</tr>
<tr>
<td>The South African Rugby Heritage Trust</td>
<td>-</td>
<td>-</td>
<td>22,720,718</td>
<td>20,205,108</td>
</tr>
<tr>
<td>SA Super Rugby Proprietary Limited</td>
<td>-</td>
<td>-</td>
<td>45,160,772</td>
<td>45,125,960</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>(15,969,924)</td>
<td>(18,003,353)</td>
<td>(83,019,283)</td>
<td>(56,719,605)</td>
</tr>
<tr>
<td>Trade receivables at amortised cost</td>
<td>55,551,121</td>
<td>111,561,402</td>
<td>52,036,699</td>
<td>128,564,328</td>
</tr>
<tr>
<td>SA Rugby Travel</td>
<td>3,558,991</td>
<td>16,307,057</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SANZAR Travel</td>
<td>-</td>
<td>643,541</td>
<td>-</td>
<td>643,541</td>
</tr>
<tr>
<td>The Rugby Education Foundation NPC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>104</td>
</tr>
<tr>
<td>Accrued sponsorship income</td>
<td>21,860,124</td>
<td>16,735,907</td>
<td>21,857,249</td>
<td>16,735,907</td>
</tr>
<tr>
<td>Other receivables</td>
<td>392,038</td>
<td>22,480</td>
<td>18,372</td>
<td>22,480</td>
</tr>
<tr>
<td>Financial instruments at amortised cost</td>
<td>81,362,274</td>
<td>145,270,387</td>
<td>73,912,320</td>
<td>145,966,360</td>
</tr>
</tbody>
</table>

#### Non-financial instruments:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 R</th>
<th>2018 R</th>
<th>Union 2019 R</th>
<th>Union 2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid expenses - SA Rugby Event Services Prop</td>
<td>28,773,059</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VAT</td>
<td>-</td>
<td>7,216,717</td>
<td>-</td>
<td>6,733,065</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>17,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments</td>
<td>8,926,588</td>
<td>12,524,902</td>
<td>8,926,588</td>
<td>12,523,968</td>
</tr>
<tr>
<td>Total trade and other receivables</td>
<td>119,061,921</td>
<td>165,029,506</td>
<td>82,838,908</td>
<td>165,223,393</td>
</tr>
</tbody>
</table>

#### Split between non-current and current portions

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 R</th>
<th>2018 R</th>
<th>Union 2019 R</th>
<th>Union 2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>19,501,541</td>
<td>17,595,362</td>
<td>19,501,541</td>
<td>17,595,362</td>
</tr>
<tr>
<td>Current assets</td>
<td>99,560,380</td>
<td>147,434,144</td>
<td>63,337,367</td>
<td>147,628,031</td>
</tr>
<tr>
<td>Total</td>
<td>119,061,921</td>
<td>165,029,506</td>
<td>82,838,908</td>
<td>165,223,393</td>
</tr>
</tbody>
</table>

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

#### Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

- At amortised cost
- Non-financial instruments

#### Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.
10. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated individually for each specific debtor using past default experience for each debtor and also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Opening balance</td>
<td>(18,003,353)</td>
<td>(7,819,469)</td>
<td>(56,719,605)</td>
<td>(13,251,469)</td>
</tr>
<tr>
<td>Provision reversed/(raised) on trade receivables</td>
<td>2,033,429</td>
<td>(10,183,884)</td>
<td>(26,299,678)</td>
<td>(43,468,136)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>(15,969,924)</td>
<td>(18,003,353)</td>
<td>(83,019,283)</td>
<td>(56,719,605)</td>
</tr>
</tbody>
</table>

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies.

<table>
<thead>
<tr>
<th>Rand Amount</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Rand</td>
<td>81,362,274</td>
<td>145,270,387</td>
<td>73,912,320</td>
<td>145,966,360</td>
</tr>
</tbody>
</table>

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Trade receivables have been ceded as security for the overdraft facility. Refer to note 14.
11. Deferred tax

Deferred tax liability

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>-</td>
<td>(125,876)</td>
<td>-</td>
<td>(125,876)</td>
</tr>
<tr>
<td>Right of use asset</td>
<td>(11,030,627)</td>
<td>-</td>
<td>(11,030,627)</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred tax liability</td>
<td>(11,030,627)</td>
<td>(125,876)</td>
<td>(11,030,627)</td>
<td>(125,876)</td>
</tr>
</tbody>
</table>

Deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>3,353,684</td>
<td>1,928,440</td>
<td>3,353,684</td>
<td>1,928,440</td>
</tr>
<tr>
<td>Lease liability</td>
<td>13,332,889</td>
<td>-</td>
<td>13,332,889</td>
<td>-</td>
</tr>
<tr>
<td>Provisions</td>
<td>9,515,560</td>
<td>7,851,731</td>
<td>9,497,360</td>
<td>7,834,931</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>33,541,139</td>
<td>50,001,121</td>
<td>33,541,139</td>
<td>50,001,121</td>
</tr>
<tr>
<td>Total deferred tax asset</td>
<td>59,743,272</td>
<td>59,781,292</td>
<td>59,725,072</td>
<td>59,764,492</td>
</tr>
</tbody>
</table>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax liability</td>
<td>(11,030,627)</td>
<td>(125,876)</td>
<td>(11,030,627)</td>
<td>(125,876)</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>59,743,272</td>
<td>59,781,292</td>
<td>59,725,072</td>
<td>59,764,492</td>
</tr>
<tr>
<td>Total net deferred tax asset</td>
<td>48,712,645</td>
<td>59,655,416</td>
<td>48,694,445</td>
<td>59,638,616</td>
</tr>
</tbody>
</table>

Reconciliation of deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>59,655,416</td>
<td>76,657,966</td>
<td>59,638,616</td>
<td>76,617,366</td>
</tr>
<tr>
<td>Charge to profit or loss</td>
<td>(10,942,771)</td>
<td>(17,002,550)</td>
<td>(10,944,171)</td>
<td>(16,978,750)</td>
</tr>
<tr>
<td></td>
<td>48,712,645</td>
<td>59,655,416</td>
<td>48,694,445</td>
<td>59,638,616</td>
</tr>
</tbody>
</table>

12. Inventories

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumables</td>
<td>13,623,716</td>
<td>5,712,437</td>
<td>13,623,716</td>
<td>5,712,437</td>
</tr>
</tbody>
</table>

13. Derivatives

Non-hedging derivatives

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange contract</td>
<td>-</td>
<td>1,793,337</td>
<td>-</td>
<td>1,793,337</td>
</tr>
</tbody>
</table>

Refer to note 4: Financial instruments and risk management for further details.
14. Cash and cash equivalents

Cash and cash equivalents consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1,292,556</td>
<td>95,987</td>
<td>1,292,556</td>
<td>95,987</td>
</tr>
<tr>
<td>Bank and short term bank deposits</td>
<td>15,312,172</td>
<td>10,645,010</td>
<td>313,758</td>
<td>803,256</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>(41,153,732)</td>
<td>(68,318,254)</td>
<td>(7,632,335)</td>
<td>(68,318,254)</td>
</tr>
<tr>
<td></td>
<td>(24,549,004)</td>
<td>(57,577,257)</td>
<td>(6,026,021)</td>
<td>(67,419,011)</td>
</tr>
<tr>
<td>Current assets</td>
<td>16,604,728</td>
<td>10,740,997</td>
<td>1,606,314</td>
<td>899,243</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(41,153,732)</td>
<td>(68,318,254)</td>
<td>(7,632,335)</td>
<td>(68,318,254)</td>
</tr>
<tr>
<td></td>
<td>(24,549,004)</td>
<td>(57,577,257)</td>
<td>(6,026,021)</td>
<td>(67,419,011)</td>
</tr>
</tbody>
</table>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates:

**Credit rating**

| ABSA (A-1) | 19,544,230 | 10,645,010 | 4,545,816 | 803,256 |

**Exposure to currency risk**

Refer to note 4 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

Trade receivables have been ceded as security for the overdraft facility. Refer to note 10.

The bank overdraft facility of a subsidiary company has been guaranteed by the South African Rugby Union.

15. Lease liabilities

**Minimum lease payments due**

- within one year: 7,050,594 - 7,050,594
- in second to fifth year inclusive: 44,672,061 - 44,672,061
- after five years: 16,479,903 - 16,479,903

Less: future finance charges: 68,202,558 - 68,202,558

Present value of minimum lease payments: 47,617,458 - 47,617,458

Non-current liabilities: 44,947,187 - 44,947,187
Current liabilities: 2,670,271 - 2,670,271

47,617,458 - 47,617,458

It is group policy to lease certain property under finance leases.

The average lease term was 5 years and the average effective borrowing rate was 10%.
16. Post employment healthcare benefits

Statement of Financial Position
obligations for:
Post employment healthcare benefits - 480,000 420,000 480,000 420,000
Current portion
Post employment healthcare benefits - 19,702,000 17,251,000 19,702,000 17,251,000
Non current portion

20,182,000 17,671,000 20,182,000 17,671,000

Post-employment healthcare benefits

The Union participates in the Discovery Health Medical Scheme and the Sizwe Medical Fund. In terms of employment contracts, post retirement healthcare benefits are provided to certain employees who joined the Union before 1 July 2012 through continued subsidisation of a portion of the medical aid contribution of those employees, once they have retired. The number of employees on the scheme as at 31 December 2019 is 54 (2018: 54).

A full actuarial valuation was performed for the Union as at 31 December 2018, using the projected unit credit method. The valuation assumptions have remained the same for year ended 31 December 2019.

The risks faced by the Union as a result of the post-employment healthcare obligation are inflation related, due to CPI fluctuations, longevity of pensioners, future changes in legislation, future changes in the tax environment and enforcement of eligibility criteria and rules.

Opening net liability 17,671,000 18,194,000 17,671,000 18,194,000
Expenses 2,511,000 3,033,000 2,511,000 3,033,000
Net actuarial gains (3,556,000) (3,556,000)

20,182,000 17,671,000 20,182,000 17,671,000

Movements for the year

The movement in profit or loss for the year:

Current service cost 964,000 1,214,000 964,000 1,214,000
Interest cost 1,988,000 2,162,000 1,988,000 2,162,000
Benefits paid (441,000) (343,000) (441,000) (343,000)

2,511,000 3,033,000 2,511,000 3,033,000

The movement in other comprehensive income for the year:

Remeasurements due to experience adjustments - (808,000) - (808,000)
Remeasurements due to changes in financial assumptions - (2,748,000) - (2,748,000)

- (3,556,000) - (3,556,000)
16. Post employment healthcare benefits (continued)

The effect of a 1% movement in the assumed medical cost trend rate is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect on the aggregate of the current service cost and interest cost due to a 1% change in healthcare cost inflation</td>
<td>Decrease 566,000</td>
<td>Increase 725,000</td>
<td>Decrease 566,000</td>
<td>Increase 725,000</td>
</tr>
<tr>
<td>Effect on defined benefit obligation due to healthcare cost inflation</td>
<td>2,496,000</td>
<td>3,125,000</td>
<td>2,496,000</td>
<td>3,125,000</td>
</tr>
<tr>
<td>Effect on defined benefit obligation due to a change in the discount rate</td>
<td>3,181,000</td>
<td>2,500,000</td>
<td>3,181,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Effect on defined benefit obligation due to a 1 year change in the expected retirement age</td>
<td>725,000</td>
<td>1,019,000</td>
<td>725,000</td>
<td>1,019,000</td>
</tr>
</tbody>
</table>

Key assumptions used

- Health care inflation: 9.50% (2019) 9.50% (2018)

17. Deferred income

Deferred income comprises the following:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorships</td>
<td>45,188,706</td>
<td>16,215,313</td>
<td>32,635,214</td>
<td>16,215,313</td>
</tr>
<tr>
<td>Broadcasting rights</td>
<td>11,225,677</td>
<td>24,132,184</td>
<td>11,225,677</td>
<td>24,132,184</td>
</tr>
<tr>
<td>Grants</td>
<td>5,556,165</td>
<td>4,798,062</td>
<td>5,556,165</td>
<td>4,798,062</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61,970,548</strong></td>
<td><strong>45,145,559</strong></td>
<td><strong>49,417,056</strong></td>
<td><strong>45,145,559</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current liabilities</td>
<td>-</td>
<td>11,215,202</td>
<td>-</td>
<td>11,215,202</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>61,970,549</td>
<td>33,930,357</td>
<td>49,417,057</td>
<td>33,930,357</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61,970,549</strong></td>
<td><strong>45,145,559</strong></td>
<td><strong>49,417,057</strong></td>
<td><strong>45,145,559</strong></td>
</tr>
</tbody>
</table>

18. Trade and other payables

Financial instruments:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>23,312,700</td>
<td>37,874,221</td>
<td>18,922,520</td>
<td>37,673,690</td>
</tr>
<tr>
<td>Amounts payable to related parties</td>
<td>-</td>
<td>333,091</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SA Rugby Travel</td>
<td>8,723,401</td>
<td>17,540,413</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>35,654,116</td>
<td>53,233,248</td>
<td>34,147,266</td>
<td>45,145,308</td>
</tr>
<tr>
<td>Other payables</td>
<td>599,059</td>
<td>11,999,754</td>
<td>334,059</td>
<td>11,761,659</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,707,201</strong></td>
<td><strong>120,980,727</strong></td>
<td><strong>54,823,060</strong></td>
<td><strong>94,580,657</strong></td>
</tr>
</tbody>
</table>

Non-financial instruments:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT</td>
<td>1,417,925</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,417,925</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
18. Trade and other payables (continued)

Financial instrument and non-financial instrument components of trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At amortised cost</td>
<td>68,289,275</td>
<td>120,980,727</td>
<td>53,403,844</td>
<td>94,580,657</td>
</tr>
<tr>
<td>Non-financial</td>
<td>1,417,925</td>
<td>-</td>
<td>1,419,215</td>
<td>-</td>
</tr>
<tr>
<td>instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,707,200</strong></td>
<td><strong>120,980,727</strong></td>
<td><strong>54,823,059</strong></td>
<td><strong>94,580,657</strong></td>
</tr>
</tbody>
</table>

Exposure to currency risk

Refer to note 4: Financial instruments and financial risk management for details of currency risk management for trade payables.

Trade and other payables are all Rand denominated.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

19. Retirement benefits - Rugby Pension Fund

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

The last actuarial valuation of the defined benefit fund was performed on 31 December 2019, using the projected unit method.

Principal actuarial assumptions at the reporting date:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>11.20%</td>
<td>11.00%</td>
</tr>
<tr>
<td>Inflation rate</td>
<td>6.60%</td>
<td>7.10%</td>
</tr>
<tr>
<td>Salary increase rate</td>
<td>7.60%</td>
<td>8.10%</td>
</tr>
<tr>
<td>Expected return on scheme’s assets</td>
<td>11.20%</td>
<td>11.00%</td>
</tr>
<tr>
<td>Pension increase allowance</td>
<td>5.28%</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

Mortality pre-retirement: None.

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of the year</td>
<td>707,000</td>
<td>723,000</td>
<td>707,000</td>
<td>723,000</td>
</tr>
<tr>
<td>Current service cost</td>
<td>26,000</td>
<td>28,000</td>
<td>26,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Member contributions</td>
<td>11,000</td>
<td>10,000</td>
<td>11,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Interest cost</td>
<td>81,000</td>
<td>88,000</td>
<td>81,000</td>
<td>88,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>(3,000)</td>
<td>(2,000)</td>
<td>(3,000)</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Risk premiums</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>(21,000)</td>
<td>(136,000)</td>
<td>(21,000)</td>
<td>(136,000)</td>
</tr>
<tr>
<td><strong>At the end of the year</strong></td>
<td><strong>797,000</strong></td>
<td><strong>707,000</strong></td>
<td><strong>797,000</strong></td>
<td><strong>707,000</strong></td>
</tr>
</tbody>
</table>
19. Retirement benefits - Rugby Pension Fund (continued)

The movement in the fair value of the scheme’s assets over the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of the year</td>
<td>1,100,000</td>
<td>1,205,000</td>
<td>1,100,000</td>
<td>1,205,000</td>
</tr>
<tr>
<td>Expected return on the scheme’s assets</td>
<td>122,000</td>
<td>141,000</td>
<td>122,000</td>
<td>141,000</td>
</tr>
<tr>
<td>Actuarial loss</td>
<td>74,000</td>
<td>(270,000)</td>
<td>74,000</td>
<td>(270,000)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(3,000)</td>
<td>(2,000)</td>
<td>(3,000)</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Member contributions</td>
<td>11,000</td>
<td>10,000</td>
<td>11,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>22,000</td>
<td>20,000</td>
<td>22,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Risk premiums</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>At the end of the year</strong></td>
<td><strong>1,322,000</strong></td>
<td><strong>1,100,000</strong></td>
<td><strong>1,322,000</strong></td>
<td><strong>1,100,000</strong></td>
</tr>
</tbody>
</table>

Contributions as follows:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Group</th>
<th>Union</th>
<th>Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member contributions</td>
<td>11,000</td>
<td>10,000</td>
<td>11,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>22,000</td>
<td>20,000</td>
<td>22,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Risk premiums</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(3,000)</td>
<td>(2,000)</td>
<td>(3,000)</td>
<td>(2,000)</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td><strong>26,000</strong></td>
<td><strong>24,000</strong></td>
<td><strong>26,000</strong></td>
<td><strong>24,000</strong></td>
</tr>
</tbody>
</table>

The assets of The Rugby Pension Fund were invested as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0.50%</td>
<td>4.70%</td>
<td>0.50%</td>
<td>4.70%</td>
</tr>
<tr>
<td>Equity</td>
<td>36.30%</td>
<td>31.30%</td>
<td>36.30%</td>
<td>31.30%</td>
</tr>
<tr>
<td>Bonds</td>
<td>35.10%</td>
<td>30.20%</td>
<td>35.10%</td>
<td>30.20%</td>
</tr>
<tr>
<td>Property</td>
<td>7.20%</td>
<td>8.80%</td>
<td>7.20%</td>
<td>8.80%</td>
</tr>
<tr>
<td>International</td>
<td>20.60%</td>
<td>24.90%</td>
<td>20.60%</td>
<td>24.90%</td>
</tr>
<tr>
<td>Other</td>
<td>0.30%</td>
<td>0.10%</td>
<td>0.30%</td>
<td>0.10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The amounts not recognised in the statement of comprehensive income are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>26,000</td>
<td>28,000</td>
<td>26,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Net interest on defined benefit</td>
<td>(19,000)</td>
<td>(17,000)</td>
<td>(19,000)</td>
<td>(17,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,000</strong></td>
<td><strong>11,000</strong></td>
<td><strong>7,000</strong></td>
<td><strong>11,000</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation</td>
<td>(797,000)</td>
<td>(707,000)</td>
<td>(797,000)</td>
<td>(707,000)</td>
</tr>
<tr>
<td>Asset at fair value</td>
<td>1,322,000</td>
<td>1,100,000</td>
<td>1,322,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td><strong>Asset not recognised on the statement of financial position</strong></td>
<td><strong>525,000</strong></td>
<td><strong>393,000</strong></td>
<td><strong>525,000</strong></td>
<td><strong>393,000</strong></td>
</tr>
</tbody>
</table>
20. Revenue

The Group disaggregates revenue from customers as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springbok Supporters Club</td>
<td>3,236,572</td>
<td>2,186,710</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Broadcasting rights</td>
<td>751,751,833</td>
<td>714,607,722</td>
<td>751,751,833</td>
<td>714,607,722</td>
</tr>
<tr>
<td>World Rugby Sevens Series event</td>
<td>80,311,047</td>
<td>74,711,138</td>
<td>80,311,047</td>
<td>74,711,138</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>347,108,351</td>
<td>338,592,587</td>
<td>325,234,609</td>
<td>327,111,002</td>
</tr>
<tr>
<td>South African Heritage Trust</td>
<td>484,105</td>
<td>1,143,836</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Away tests</td>
<td>8,495,891</td>
<td>30,985,663</td>
<td>8,495,891</td>
<td>30,985,663</td>
</tr>
<tr>
<td>Home tests</td>
<td>19,704,637</td>
<td>76,874,936</td>
<td>19,704,637</td>
<td>76,874,936</td>
</tr>
<tr>
<td>SA Rugby Travel</td>
<td>60,572,472</td>
<td>12,833,758</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total revenue from contracts with customers: 1,295,800,115

Timing of revenue recognition

At a point in time

Sale of goods 196,939,931 210,420,458 132,646,782 194,256,154

Over time

Sale of goods 1,098,860,184 1,053,200,309 1,076,986,442 1,041,718,724

Total revenue from contracts with customers 1,295,800,115 1,263,620,767 1,209,633,224 1,235,974,878

21. Other operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants from World Rugby</td>
<td>105,183,836</td>
<td>11,241,761</td>
<td>105,183,836</td>
<td>11,241,761</td>
</tr>
<tr>
<td>Government grants</td>
<td>3,026,852</td>
<td>10,499,849</td>
<td>3,026,852</td>
<td>5,282,458</td>
</tr>
<tr>
<td>Grants - other</td>
<td>6,850,609</td>
<td>1,700,921</td>
<td>6,850,609</td>
<td>790,921</td>
</tr>
<tr>
<td>Insurance income</td>
<td>62,821,043</td>
<td>-</td>
<td>62,821,043</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>18,303,420</td>
<td>14,575,310</td>
<td>18,039,715</td>
<td>8,632,727</td>
</tr>
</tbody>
</table>

Total 196,185,760 38,017,841 195,922,055 25,947,867

22. Other operating gains (losses)

Gains (losses) on disposals

Property, plant and equipment (1,028,044) 58,700 20,227 58,700

Foreign exchange losses

Net foreign exchange loss (498,806) (4,550,110) (482,961) (4,543,155)

Total other operating gains (losses) (1,526,850) (4,491,410) (462,734) (4,484,455)
## 23. Operating profit (loss)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

### Auditor’s remuneration - external

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>1,515,000</td>
<td>1,643,741</td>
<td>1,354,000</td>
<td>1,394,600</td>
</tr>
<tr>
<td>Other services</td>
<td>789,170</td>
<td>382,248</td>
<td>789,170</td>
<td>377,193</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,304,170</td>
<td>2,025,989</td>
<td>2,143,170</td>
<td>1,771,793</td>
</tr>
</tbody>
</table>

### Auditor’s remuneration - internal

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>775,427</td>
<td>541,731</td>
</tr>
</tbody>
</table>

### Remuneration, other than to employees

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal expenses</td>
<td>6,487,124</td>
<td>3,563,332</td>
<td>6,487,125</td>
<td>3,449,881</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>435,624</td>
<td>738,763</td>
<td>435,624</td>
<td>738,763</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,922,748</td>
<td>4,302,095</td>
<td>6,922,749</td>
<td>4,188,644</td>
</tr>
</tbody>
</table>

### Employee costs

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>205,414,492</td>
<td>234,950,598</td>
<td>202,155,460</td>
<td>189,667,387</td>
</tr>
</tbody>
</table>

### Leases

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>1,503,486</td>
<td>8,408,633</td>
<td>828,054</td>
<td>6,396,912</td>
</tr>
</tbody>
</table>

### Depreciation and amortisation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>3,618,039</td>
<td>19,971,591</td>
<td>3,239,216</td>
<td>3,587,448</td>
</tr>
<tr>
<td>Depreciation of right-of-use assets</td>
<td>5,433,806</td>
<td>74,200</td>
<td>5,433,806</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>2,276,504</td>
<td>99,931</td>
<td>2,276,504</td>
<td>99,931</td>
</tr>
<tr>
<td><strong>Total depreciation, impairment and amortisation</strong></td>
<td>11,328,349</td>
<td>20,145,722</td>
<td>10,949,526</td>
<td>3,687,379</td>
</tr>
</tbody>
</table>
23. Operating profit (loss) (continued)

<table>
<thead>
<tr>
<th>Operating expenses</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcasting rights and other allocations to provinces</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Commercial</td>
<td>275,745,923</td>
<td>262,820,004</td>
<td>297,402,172</td>
<td>285,140,004</td>
</tr>
<tr>
<td>Communication</td>
<td>408,061,107</td>
<td>388,040,812</td>
<td>347,705,873</td>
<td>330,197,675</td>
</tr>
<tr>
<td>Governance</td>
<td>29,810,169</td>
<td>26,777,937</td>
<td>29,810,169</td>
<td>26,777,937</td>
</tr>
<tr>
<td>Human Resources</td>
<td>7,538,640</td>
<td>12,126,727</td>
<td>7,538,640</td>
<td>12,126,727</td>
</tr>
<tr>
<td>Image rights and player insurance</td>
<td>11,865,432</td>
<td>8,378,822</td>
<td>11,865,432</td>
<td>8,378,822</td>
</tr>
<tr>
<td>Office of the CEO</td>
<td>98,091,277</td>
<td>79,801,415</td>
<td>98,091,277</td>
<td>79,801,415</td>
</tr>
<tr>
<td>Operations and finance</td>
<td>23,121,275</td>
<td>18,131,683</td>
<td>22,924,986</td>
<td>18,131,683</td>
</tr>
<tr>
<td>Referees</td>
<td>72,773,217</td>
<td>101,663,847</td>
<td>92,952,707</td>
<td>110,605,704</td>
</tr>
<tr>
<td>Rugby</td>
<td>27,504,512</td>
<td>24,575,576</td>
<td>27,504,512</td>
<td>24,575,576</td>
</tr>
<tr>
<td>SA Rugby Travel</td>
<td>372,638,022</td>
<td>281,576,384</td>
<td>372,638,022</td>
<td>281,576,384</td>
</tr>
<tr>
<td>Strategic Performance Management</td>
<td>58,060,397</td>
<td>82,040,012</td>
<td>82,040,012</td>
<td>82,040,012</td>
</tr>
<tr>
<td>World Rugby Sevens Series event</td>
<td>46,674,899</td>
<td>36,903,284</td>
<td>46,674,899</td>
<td>36,903,284</td>
</tr>
<tr>
<td>Total</td>
<td>1,460,865,904</td>
<td>1,281,176,193</td>
<td>1,383,164,138</td>
<td>1,242,188,772</td>
</tr>
</tbody>
</table>

24. Finance income

Interest received

Investments in financial assets:

| Bank and other cash | 2,521,376 | 1,941,413 | 1,651,466 | 1,317,217 |
| Provincial Unions   | 2,063,102 | 2,174,616 | 2,063,102 | 2,174,616 |
| Total finance income | 4,584,478 | 4,116,029 | 3,714,568 | 3,491,833 |

25. Finance costs

| Lease liabilities | 4,328,860 | - | 4,328,860 | - |
| Bank overdraft     | 1,967,281 | 3,244,756 | 1,805,279 | 3,244,756 |
| Total finance costs | 6,296,141 | 3,244,756 | 6,134,139 | 3,244,756 |

26. Income tax expense

Major components of the tax expense

Current

| Local income tax - current period | 27,067 | 638 | - | - |

Deferred

| Originating and reversing temporary differences | 10,942,771 | 17,002,550 | 10,944,171 | 16,978,750 |
|                                                | 10,969,838 | 17,003,188 | 10,944,171 | 16,978,750 |
26. Income tax expense (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

<table>
<thead>
<tr>
<th></th>
<th>2019 R</th>
<th>2018 R</th>
<th>2019 R</th>
<th>2018 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting profit</td>
<td>28,212,217</td>
<td>19,313,535</td>
<td>19,508,836</td>
<td>15,496,595</td>
</tr>
<tr>
<td>Tax at the applicable tax rate of 28% (2018: 28%)</td>
<td>7,899,421</td>
<td>5,407,790</td>
<td>5,462,474</td>
<td>4,339,047</td>
</tr>
<tr>
<td><strong>Tax effect of adjustments on taxable income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-taxable income</td>
<td>- (16,436)</td>
<td>955,766</td>
<td>7,688,559</td>
<td>10,520,076</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>5,277,279</td>
<td>10,666,068</td>
<td>-</td>
<td>2,136,063</td>
</tr>
<tr>
<td>Deferred tax asset not recognised</td>
<td>(2,206,862)</td>
<td>-</td>
<td>(2,206,862)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,969,838</td>
<td>17,003,188</td>
<td>10,944,171</td>
<td>16,978,750</td>
</tr>
</tbody>
</table>

27. Cash generated from operations

Profit before taxation | 28,212,217 | 19,313,535 | 19,508,836 | 15,496,595 |

Adjustments for:

Depreciation, impairment and amortisation | 11,328,349 | 20,171,345 | 10,949,526 | 3,687,380 |

Profit on sale of property, plant and equipment | (20,227) | (58,700) | (20,227) | (58,700) |

Income from equity accounted investments | (330,759) | (2,471,257) | - | - |

Finance income | (4,584,478) | (4,116,029) | (3,714,568) | (3,491,833) |

Finance costs | 6,296,141 | 3,244,756 | 6,134,139 | 3,244,756 |

Value in kind intangible asset purchase | (11,193,795) | - | (11,193,795) | - |

Movements in retirement benefit assets and liabilities | 2,511,000 | (523,000) | 2,511,000 | (523,000) |

Actuarial gain | - | 3,556,000 | - | 3,556,000 |

Release of smoothing lease liability | 4,328,860 | - | 4,328,860 | - |

Changes in working capital:

Inventories | (7,911,279) | 7,858,208 | (7,911,279) | 7,858,208 |

Trade and other receivables | 45,967,585 | 34,934,026 | 82,384,485 | 64,967,445 |

Derivatives | 1,793,337 | (1,793,337) | 1,793,337 | (1,793,337) |

Trade and other payables | (51,273,526) | (53,923,270) | (39,757,586) | (70,060,336) |

Deferred income | 16,824,990 | (213,694) | 4,271,498 | (38,694) |

|                          | 41,948,415 | 25,978,583 | 69,284,216 | 22,844,484 |

28. Tax paid

Balance at beginning of the year | - | (46,136) | - | - |

Current tax for the year recognised in profit or loss | (27,067) | (638) | - | - |

|                          | (27,067) | (46,774) | - | - |
29. Commitments

Operating leases – as lessee (expense) (IAS 17)

Minimum lease payments due
- within one year
- in second to fifth year inclusive

<table>
<thead>
<tr>
<th></th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
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<tr>
<td></td>
<td>R</td>
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<tr>
<td>-</td>
<td>-</td>
<td>6,473,467</td>
<td>-</td>
<td>6,473,467</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>23,510,644</td>
<td>-</td>
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<td>-</td>
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<td>29,984,111</td>
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</tbody>
</table>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

30. Related parties

Relationships
Subsidiaries
Associates
Executive Council

Refer to note 8
Refer to note 9
Refer to Executive Council’s Report

Related party balances

Amounts receivable from provincial Unions
Included in trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>Union 2019</th>
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Loans receivable from provincial Unions
Included in trade and other receivables

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<td>R</td>
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<tr>
<td></td>
<td>23,532,643</td>
<td>27,751,619</td>
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<td>27,751,619</td>
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Loan receivable from The South African Rugby Heritage Trust
Included in trade and other receivables
Impairment provision raised

<table>
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<tr>
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<th>Group 2019</th>
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<td></td>
<td>-</td>
<td>-</td>
<td>(22,720,718)</td>
<td>(20,205,108)</td>
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Amounts payable from Treble Entertainment Proprietary Limited
Included in trade and other payables

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<td></td>
<td>-</td>
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Amount recoverable from The Rugby Educational Foundation NPC
Included in trade and other receivables

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<th>Group 2018</th>
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<td>-</td>
<td>104</td>
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Amount recoverable from SA Super Rugby Proprietary Limited
Included in trade and other receivables
Impairment provision raised

<table>
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<th>Group 2018</th>
<th>Union 2019</th>
<th>Union 2018</th>
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<td>(45,160,772)</td>
<td>(19,385,144)</td>
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<td>25,740,816</td>
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### 30. Related parties (continued)

**Related party transactions**

**Transactions with The South African Rugby Heritage Trust**
- Payroll costs recharged: - R
- Rental costs recharged: - R
- Other costs recharged: - R

**Distributions to Unions**
- Distribution of broadcasting rights to provinces: 275,745,923
- Distribution of home test income: - R

**Receipts from Unions**
- Home Test hosting fees: 19,704,637

### 31. Executive Council Members’ Remuneration

**Non-executive**
- Fees: 3,408,792
- Allowances: 272,660

**Executive**
- Salaries: 6,555,198
- Medical aid contributions: 56,208
- Pension fund contributions: 861,173

<table>
<thead>
<tr>
<th></th>
<th>2019 Group R</th>
<th>2018 Group R</th>
<th>2019 Union R</th>
<th>2018 Union R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll costs recharged</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,320,218</td>
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<tr>
<td>Rental costs recharged</td>
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<td>-</td>
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<td>1,939,413</td>
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<tr>
<td>Other costs recharged</td>
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<td>-</td>
<td>-</td>
<td>843,770</td>
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<tr>
<td><strong>Total</strong></td>
<td>275,745,923</td>
<td>285,140,004</td>
<td>297,402,172</td>
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<th></th>
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<tbody>
<tr>
<td>Distribution of home test income</td>
<td>-</td>
<td>700,000</td>
</tr>
<tr>
<td><strong>Distribution of broadcasting rights to provinces</strong></td>
<td>275,745,923</td>
<td>285,140,004</td>
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<tr>
<td><strong>Receipts from Unions</strong></td>
<td>19,704,637</td>
<td>88,700,898</td>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Fees</td>
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<td>4,934,795</td>
<td>3,408,792</td>
<td>4,934,795</td>
</tr>
<tr>
<td>Allowances</td>
<td>272,660</td>
<td>165,300</td>
<td>272,660</td>
<td>165,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,681,452</td>
<td>5,100,095</td>
<td>3,681,452</td>
<td>5,100,095</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019 Executive R</th>
<th>2018 Executive R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>6,555,198</td>
<td>5,999,411</td>
</tr>
<tr>
<td>Medical aid contributions</td>
<td>56,208</td>
<td>51,138</td>
</tr>
<tr>
<td>Pension fund contributions</td>
<td>861,173</td>
<td>801,530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,472,579</td>
<td>6,852,079</td>
</tr>
</tbody>
</table>
32. Going concern

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

Impact of COVID-19:

The recent outbreak of COVID-19 may directly or indirectly impact the Union and Group’s ability to continue as a going concern in material respects by interrupting revenue streams, business activities and operations.

The Executive Council has the responsibility of assessing and concluding on the going concern of the Union and Group and have made the following plans to ensure the Union and Group continue operating as going concerns:

- The South African rugby industry has come together to navigate the retention of teams and jobs in the face of the threat to the business posed by the Coronavirus pandemic to deliver a COVID Industry Mitigation Strategy with an Industry Financial Impact Plan and Industry Salary Plan that will lead to cost savings to address the financial risks associated with COVID 19 as outlined in a worst case financial scenario;

- The worst case scenario has assumed no revenue to be received for the remaining 2020 period;
- Considering alternatives to cancellation or postponement of matches and events to ensure that content is delivered to key stakeholders;
- Broadcasting and key sponsorship properties have already been secured for 2020 and beyond;
- Banking facilities, to meet the required operational needs, have been secured until December 2020 with continuous review thereof;
- Application to World Rugby and Government to access critical funding; and
- Management will continue to work towards an efficient and affordable cost base.

33. Events after the reporting period

The first case of the Coronavirus (COVID-19) outbreak was announced in South Africa subsequent to the year-end. This has been treated as a non-adjusting post balance sheet event in these financial statements and no amendments have been made to the numbers contained in these financial statements as at 31 December 2019. Further information on the impact of COVID-19 is disclosed above in note 32.

The Executive Council is not aware of any other material event which occurred after the reporting date and up to the date of this report that will have a significant impact on the attached financial statements.

34. Contingent liabilities – British and Irish Lions Tour 2021

Lions Tour to South Africa Designated Activity Company Limited (herein referred to as the company), is an Ireland based company which will have joint ownership by the South African Rugby Union and the British & Irish Lions Designated Activity Company Limited.

The company has been established to manage, control, direct and administer the exploitation of the commercial rights in relation to the British and Irish Lions Tour scheduled to take place in South Africa during 2021. The South African Rugby Union, as an equal shareholder, shall procure that the business of the company shall exclusively be as outlined above. The business shall be managed from the Republic of Ireland. Furthermore, each shareholder shall use its reasonable endeavours to promote and develop the business to the best advantage of the company.

The South African Rugby Union shall from time to time be required to provide parent company assurances (guarantees), pursuant of advancing the business of the company. Assurances shall only be provided, on a case by case basis, after careful consideration of the financial risks associated with those assurances.
34. Contingent liabilities – British and Irish Lions Tour 2021 (continued)

As at the date of this report, assurances to the value of £16,500,000 were provided to third parties for which the South African Rugby Union and the British & Irish Lions Designated Activity Company Limited are jointly and severally liable. Management is of the view that the financial risk of such assurances is mitigated through a combination of event cancellation insurance and guaranteed tournament revenue.
RUGBY DEPARTMENT

Looking back at the successes of South Africa’s eight national teams in 2019, the realization kicks in that it was a memorable year on many fronts and although all the performances didn’t mirror the Springboks’ Rugby World Cup victory, it was nonetheless a season for the ages.

SPRINGBOKS CAP MEMORABLE 2019 WITH RWC GLORY

The year 2019 will be remembered as the Springboks’ most successful season as far as major trophies, titles and accolades are concerned. The slogan of the team was #StrongerTogether, and the Boks once more successfully rallied and unified their countrymen with several courageous performances in Japan.

The history making 32-12 Rugby World Cup Final triumph over England in the International Stadium Yokohama capped a memorable year for the Boks, who in just 18 months went from the cold surroundings of seventh place on the World Rugby rankings to the lofty heights of number one in the world.

The Springboks became the first team to win the RWC and Castle Lager Rugby Championship in the same year. Siya Kolisi and his Bok team were also the first team to lift the Webb Ellis Cup after losing in the pool stages (against defending champions, the All Blacks).

It was also the first time a team ranked fifth in the world...
The RWC win, South Africa’s third, was the result of meticulous planning by the Bok management staff and players, spearheaded by Director of Rugby, Rassie Erasmus, and his coaching team.

During the RWC proceeded to go all the way. The Boks dropped to fifth in the world rankings after their opening round defeat, but steadily climbed the ladder and finished the year as the undisputed number one-ranked team.

Before they embarked on their successful RWC journey, the Boks managed to capture the Castle Lager Rugby Championship title for the first time in a decade. There were no midyear internationals.

The RWC win, South Africa’s third, was the result of meticulous planning by the Bok management staff and players, spearheaded by Director of Rugby, Rassie Erasmus, and his coaching team.

The Bok coaching staff held several alignment camps with a wide group of players during the Vodacom Super Rugby season, to make sure the players and coaches were all on the same page at the start of the important season.

Vodacom Super Rugby was followed by a strenuous training camp in Pretoria and that led into the start of the shortened Castle Lager Rugby Championship, which was played over a single round and followed by an additional home match against Argentina in the capital.

The Boks, comprising of mainly overseas-based and less experienced local players, beat the Wallabies 35-17 for a bonus-point win in Johannesburg. The rest of the squad was sent to Wellington, a full week in advance, to prepare for the vital clash with the All Blacks. This plan worked masterfully as the Boks managed to come from behind to force a 16-16 draw, thanks to a last-minute try by replacement scrumhalf Herschel Jantjies.

The Boks opted to remain in Wellington rather than flying to South Africa and then again to Argentina. They travelled from New Zealand to Buenos Aires and handed the
Pumas a 46-13 defeat, which included a masterclass scrummage performance.

For the rematch a week later in Pretoria, Erasmus elected to rest the most experienced players and give other squad members important playing time against a tough Pumas team, thus continuing with his goal of building squad depth before the start of the RWC showpiece in Japan.

Four Springboks made their Test debuts—Herschel Jantjies, who was included in the final RWC squad, as well as Rynhardt Elstadt, Lizo Gqoboka and Scarra Ntubeni.

Apart from a two-week training camp in Sekhi and Kagoshima, the Springboks also managed to lay to rest the ghost of the Battle of Brighton, where Japan famously managed to beat the Springboks in their 2015 RWC opener. They outplayed Japan 41-7 in very humid conditions, and this friendly plus the two weeks’ training camp in steaming conditions, laid the foundation for a successful RWC.

Their march towards the RWC honours included a first-time clash with Italy at the tournament, which the Boks won 49-3 for their biggest win over the Azzurri since 2001.

Tournament host Japan progressed to the RWC playoffs for the first time, but they too were masterfully outgunned by the Boks, who beat them by 26-3 in a quarter-final in Tokyo Stadium.

A semi-final win over Wales followed (19-16), before the cherry-on-top when the Boks crushed England in a memorable final. Afterwards Kolisi, who in 2018 became the Springboks’ first black Test captain, said playing for their diverse countrymen sparked the team’s success in Yokohama.

In total, the Springboks lost one and drew one out of their 12 Tests in 2019, for their third-best season since South Africa was re-admitted to international rugby in 1992: in 1998, the Boks lost one of their 12 Tests, and in 1995, they won all 10.

South Africa made a clean sweep at the World Rugby Awards staged after the RWC Final. The Springboks were crowned World Rugby Team of the Year, Erasmus won the Coach of the Year award and Pieter-Steph du Toit was rewarded with the World Rugby Player of the Year accolade.

Erasmus and Kolisi capped a brilliant year for the Springboks by walking away with
the two most coveted SA Sport Awards held in Durban, a week after they won the RWC and cleaned up at the World Rugby Awards in Japan.

Erasmus was named as the Coach of the Year, while Kolisi was voted South Africa’s favourite by claiming the People’s Choice Sports Star of the Year award, while the late former Springbok wing and 1995 RWC hero Chester Williams, was posthumously honoured with a Lifetime Achievement Award.

Following their return to a jubilant South Africa, the Boks went on a six-day RWC Champions Tour which started with a visit to the Presidency in Pretoria and ended in Cape Town.

**JUNIOR BOKS CLAIM BRONZE IN ARGENTINA**

The Junior Springboks had a respectable 2019 season, winning the bronze medal at the World Rugby Under-20 Championship in Argentina and registering seven victories in their 10 matches throughout the season.

The SA U20s kicked off their preparations for the international showpiece with three matches in the U20 International Series in the Western Cape, defeating the Georgia U20s 58-10 and a Namibia XV senior side 52-8, before being edged 34-33 by the Argentina U20s.

The team then embarked on a two-match tour to the UK where they went down 53-8 against England in Coventry before bouncing back to defeat Wales 35-31 on the outskirts of Cardiff, which wrapped up their preparation phase.

The Junior Boks got their World Rugby U20 Championship campaign off to a strong start, defeating Scotland 43-19, and they followed this up with a 48-20 victory against Georgia and a 25-17 win against New Zealand in their final pool match.

Their hopes of advancing to the final were dashed by a 20-7 defeat against France in the semi-final in testing weather conditions, but they finished the tournament on a winning note with a rewarding 41-16 victory against hosts, Argentina, which saw them earn the bronze medal.

The 2019 season was particularly significant for the SA U19 team as it marked the first time since 2007 that a team was selected. The side travelled to Tbilisi, Georgia, under the guidance of Junior Springbok coach Chean Roux where they played two internationals against the hosts, which they won 28-21 and 40-33 respectively.
BLITZBOKS QUALIFY FOR TOKYO OLYMPIC GAMES

The 2018/19 HSBC World Rugby Sevens Series saw the Springbok Sevens squad vacate the number one position they held for two seasons, but their fourth place – behind Fiji, USA and New Zealand – still guaranteed them automatic qualification for the 2021 Olympic Games.

Qualifying for the Tokyo Olympics was prime target for the Blitzboks under the guidance of Neil Powell, and that was one of the main reasons the coach used 22 players throughout the season in order to increase squad depth.

Powell named five debutants in total during the World Series, while two of the most decorated Blitzbok players of all time – Kyle Brown and Philip Snyman – retired from the game. But the planned transition did not go as smooth as hoped, with the team making a slow start to the season.

The Blitzboks finished outside of the top four in Dubai, Hamilton, Sydney and Las Vegas before they struck back with a first win in Vancouver, the sixth tournament of the 10 event Series. They also won gold in Singapore a month later to claim a second title since 2004.

With Olympic qualification secured, the Blitzboks finished the season with a good 24-7 bronze medal win over the USA Paris, with the Americans finishing in a best-ever second place in the Series.

Overall, Fiji (186 points) managed to claim five tournament titles to clinch the World Series title, followed by the USA (177, one tournament win), New Zealand in third place (162 points, two cup wins), the Blitzboks in fourth (148, two tournament wins) and England in a distant fifth on 114.

SPRINGBOK WOMEN QUALIFY FOR RWC 2021

The 2019 season marked one of the most significant on home soil for the Springbok Women as it featured their most home Tests (six) and their first ANNUAL REPORT 2019 | SOUTH AFRICAN RUGBY UNION 119
Internationals in South Africa in six years. This included three Tests in the Rugby Africa Women’s Cup in Brakpan in August, which doubled up as the 2021 Women’s Rugby World Cup Qualifier, and another three Internationals – one against Spain in Uitenhage and two against Scotland in Cape Town later in the season.

The Springbok Women were unstoppable in the Rugby Africa Women’s Cup, defeating Uganda 89-5 and Madagascar 73-0, which meant that their final match against Kenya would serve as the decider for the 2021 World Cup. And they made sure they did enough to book their place in the spectacle by beating the visitors 39-0.

The team’s next assignment was a friendly against a visiting Spain XV in Uitenhage, in which they went down 17-5, before lining up against Spain a few days later where they suffered a 29-12 defeat.

The side then travelled to Cape Town for a two-match series against Scotland, and unfortunately the results did not go their way, as they went down 47-5 and 38-15 respectively. The 2020 season will mark an important one for the Springbok Women as they ramp up preparations for the 2021 RWC.

Their first task will be the Rugby Africa Women’s Cup, which will again feature South Africa, Kenya, Madagascar and Uganda, with a historic first Test for the team in Madagascar’s capital, Antananarivo. This is set to be followed by a four-match UK Tour in November.

SPRINGBOK WOMEN’S SEVENS RECLAIM AFRICAN SUMMIT

The Springbok Women’s Sevens team had one main objective for 2019 – to win the Rugby Afrique Sevens tournament in Tunisia, and reclaim the title as the best Women’s Sevens team in Africa.

The season started with a tour to France to participate in two invitational tournaments – the Centrale Sevens and Nancy Sevens. They managed to claim both titles and in the
process managed to beat European teams such as Poland, Sweden, Georgia, Ukraine and Norway along the way.

Zintle Mpupha and the Imbokodo team edged Kenya 15-14 in the final played at the Mustapha Ben Jannet Stadium in Monastir in October. In doing so they claimed the continental showpiece with a clean sheet of victories after also outplaying Morocco (42-0) in the quarter-finals and Madagascar 29-0 in the semi-finals.

The South Africa women dominated their African opponents in Tunisia, scoring 182 points in six matches and only conceding 14 to confirm their status as Africa’s best.

The 2019 season finished on a high note for the Imbokodo as they played at the HSBC Cape Town Sevens for the first time and although they struggled on the field against core teams on the World Series circuit, they impressed the big home crowd with their never-say-die attitude and brilliant skills.

TECHNICAL SUPPORT

The main aim of the department was to deliver performance analysis and sport science services to all national teams to enhance the coaching process and support player development.

During the 2019 RWC, the department was responsible for specific analysis, focusing on defence and breakdowns, and the material were sent to the team for review purposes.

The department also continued with the development and enhancement of Stratus, the SA Rugby Analysis Software. A big focus points towards the end of 2019 was the migration and enhancement of the SA Rugby website.

There is ongoing monitoring of the latest technologies by closely following the latest trends, exchanging ideas with the international analysts and in some cases trailing specific products.

Going forward, one of the visions of the Technical Support Department is to establish a national sport technology working group to ensure we stay in touch with current evolutions. The department also experimented with the streaming a few strategic competitions on our fan engagement and social media platforms with the assistance of Baruch Media, free of charge.

Furthermore, the Department formed a partnership with Performance Through Science (PTS) which allowed for the usage of several Wattbikes in the build-up to the RWC, with 10 bikes also stationed at SAS for use by all the other national teams.

Looking towards 2020, our focus will be on the roll-out of national systems to ensure better monitoring and management of our Players of National Interest (PONI).

REFEREES

The 2019 year saw four of our top male referees featuring in nine international matches. Jaco Peyper, our most experienced and leading referee, took charge of three matches at the 2019 Rugby World Cup tournament in Japan, including the quarter-final clash between Wales and France. Marius Jonker performed duty as one of the Television Match Officials.

On the Vodacom Super Rugby front, Peyper handled the quarter-final clash between the Crusaders and the Highlanders in Christchurch and he was also awarded the honour of taking charge of the 2019 Vodacom Super Rugby Final between the Crusaders and the Jaguares, also in Christchurch.

Rasta Rasivhenge was the sole South

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African representative on the match official panel for the World Rugby Under-20 Championship in Argentina.

We also extremely proud of Aimee Barrett-Theron and Ashleigh Murray, who amongst them have featured in eight women’s international matches, giving them extensive international experience.

Murray was appointed to six Women’s HSBC Sevens World Series tournaments plus she also did duty in the Africa Rugby fifteens qualifying tournament staged in the Bosman Stadium in Brakpan, which featured Kenya and Uganda.

Recruitment for men’s and women’s officials remain a strategic imperative for the department and in this respect several initiatives, to recruit and give up and coming match officials the necessary first-class exposure, are continuing to bear fruit.

Furthermore, as in previous years, tournaments such as the FNB Varsity Cup, SA Rugby Youth Weeks and the Under-18 Internationals provide the department with excellent opportunities to unearth and develop referees for the future.

**MEDICAL**

We continued to educate, improve the skills set and our efforts to ensure our team and match day doctors around the country are competent in managing injured rugby players.

In order to achieve this goal SA Rugby introduced the World Rugby Level 3 Advanced Immediate Care in Rugby course to the medical staff that are working within our provincial and national teams. Two courses were held in 2019 and resulted in the training of 19 medical staff.

The SA Rugby Injury and Illness Surveillance and Prevention Project for the Currie Cup Premier Division continued. The 2014-2018 data were published in the South African Journal of Sports Medicine, a respected peer review journal.

We also continued with the SANZAAR Vodacom Super Rugby Injury Surveillance Study, which aims to measure the impact of injury prevention strategies introduced in 2017.

In our aim to further raise awareness of safety in the game, SA Rugby collaborated with Momentum and MyPlayers, the professional rugby players’ organization, to arrange a well-attended workshop on the advancement of concussion management standards in South African rugby.

The 2019 SA Rugby Youth Weeks were very successful from a medical perspective. SA Rugby continued to capture injury data – which has resulted in a number of peer review research papers being published.

Meanwhile, due to the successful rollout of the Blue Card at the 2018 Under-18 Craven Week, SA Rugby instituted this system at all of the 2019 male and female national Youth Week events.

Furthermore, SA Rugby once again played an integral part in the staging of the World Rugby Annual Medical Commission conference hosted by Japan in October 2019.

The SA Rugby Medical Department is represented on the following groups at World Rugby – the Medical, Scientific and Research Group and the Developing Nations Group.

The Medical Department continually strive to provide an excellent medical care service at the Cape Town Sevens tournament.

SA Rugby received the highest score for medical support across all the HSBC World Rugby Sevens Series tournaments for the 2018/2019 season (for the Cape Town Sevens) and our objective was to maintain this position.

SA Rugby appointed a dietician in May 2019 with the aim to enhance the performance and overall health of national team players. The responsibilities of the National Teams dietitian spanned over all national
teams, with the Springboks identified a key priority for the 2019 season.

Prior to the 20-week long activity tour of the Springboks, some key objectives were set to enhance the team’s performance with, with success at the Rugby World Cup as the main priority. Suitable menus, travel nutrition guidelines, hydration protocols and a recovery nutrition strategy were drafted and implemented during camps and the Castle Lager Rugby Championship in order to implement a tried strategy for the RWC tournament in Japan.

The dietician’s other involvements include consultation to the contracted group of players based at the Stellenbosch Academy of Sport; provision of services at the Cape Town Sevens, workshop presentations to the Women’s referees group, education sessions for the Elite Player Development programme and group sessions and presentations with the Springboks Women’s as they embark on their 18 month campaign towards the 2021 World Cup.

**BOKSMART**

In 2019, we completed and phased out the BokSmart Cycle 5 courses; 29 821 coaches and referees were captured on the BokSmart Certification System during the 5th cycle of BokSmart Training.

From July to September 2019, BokSmart Cycle 6 was rolled out into the 14 provincial rugby unions via the two-day BokSmart Train-the-Trainer courses. Sixty-eight percent (68%) of the BokSmart Trainer pool attending the Cycle 6 Train-the-Trainer courses were generic black.

By end of 2019, there had already been 2 836 participants on the BokSmart Cycle 6 Courses, with 1 130 certifications and 1 706 recertifications.

In April 2019, we successfully launched the Blue Card Concussion system around the country. The ‘SA Rugby Online’ Footprint software (https://sarugby.online/bluecard) is fully functional and working. In 2019, there were 90 Blue Card concussion cases logged.
Additional Blue Card training was built into the BokSmart 6 Rugby Safety course materials and over the next two years, this will be rolled out to all involved coaches and referees.

On the injury side of things for 2019, we had nine verified on-field and off the field serious and catastrophic injuries or medical events. The BokSmart team also provided scientific presentations at the 2019 South African Sports Medicine Association (SASMA) Congress, which were all well received.

We also attended, participated and presented at World Rugby’s ‘Rugby Science Network’ and ‘Medical Commission’ Conferences’ in Fukuoka, Japan in addition to a presentation to the Japanese Rugby Union’s Medical Department at the Kyorin University Medical School in Tokyo.

**COACHING AND EDUCATION**

In another very productive year for the Coaching and Education Department, we delivered 2 984 trained coaches through the various World Rugby Training and Education Programmes, which placed SA Rugby on top of the World Rugby delivery rankings.

Continued focus on education and training at youth level is very important for the overall development growth of the game, and the past year saw 46 coaches attending a high performance camp for Youth Week coaches.

We also provided coaching and mentorship to the Under-18 Craven Week coaches – a total of 24 coaches from across the country – and played an active part in the launching of the South African Coaches Association (SASC), a national body catering for the broad spectrum of sporting coaches in the country.

Through our specialist skills and capacity development programme we are focusing a lot on the junior high performance coaches, which will bear fruit in the next few years.

**ELITE PLAYER DEVELOPMENT PROGRAMME**

The fifth annual cycle of the talent identification and Elite Player Development 1 Programme was successfully completed and we are looking forward to our first senior professionals graduating to receive PONI contracts (Players of National Intertest) in 2020.

After the submission of the identified provincial talent, players are nationally assessed by a SA Rugby specialist- and selectors panel.

A subsequent successful national Under-16 EPD camp was held in October where the best 60 players were profiled and coached by SA Rugby and SA Schools coaches, with ongoing monitoring.

Good news is that SA Rugby EPD programme has been adopted by all unions and even more promising is that the national U16 to U18 EPD Camp Models were enthusiastically adopted and implemented in 13 provincial unions.

In conjunction with the National Department of Sport and Recreation, SA Rugby and SASRA successfully managed both the SRSA Summer (Sevens) and Winter (XVs) Tournaments for U15 boys and girls, catering for mostly rural participants.

The EPD 2 project had its new intake for the most promising U17 players during the October 2019 School holiday in Wellington. A group of 60 players, 15 school coaches and five conditioning coaches were invited to attend.

During the 2019 programme personality profiling was done for the first time. This will provide valuable insight to the coaches and teachers who are dealing with the players on a regular basis.
Despite the cancellation of the 2019 March Camp, the SA Schools team still managed a perfect winning rate during the U18 International Series in August, beating Wales, France and England, while a SA Schools A team also participated in the competition.

More importantly, the EPD 2 programme allows for the identification of talented PONI players to be earmarked for the SA Rugby Academy, otherwise known as EPD 3. Talent identification for the EPD 3 phase took place during school matches, rugby festivals, Under-18 Youth Weeks and the Under-19 Provincial Championship. The feedback received from Johann Lerm (SWD), Jacques Juries (Griffons) and Werner de Beer (Blue Bulls) during these matches were invaluable.

In conjunction with the Junior Springbok
management, players were identified for the SA Under-19 team that travelled to Georgia and competed in two matches against Georgia U19. Following that tour, players were then identified to attend the SA Rugby Academy programme for 2020.

SA RUGBY ACADEMY
The full-time SA Rugby Academy programme was once more hosted at the Stellenbosch Academy of Sport between February and April 2019, and this year saw a much closer alignment between the Academy, the Junior Springboks and the various provincial unions.

The programme is made possible through the collaboration between Remgro (via the Stellenbosch Academy of Sports), SuperSport, SA Rugby and the Rugby Educational Foundation.

The best Under-19 and Under-20 players identified through the Elite Player Development 2 programme and invited to two assessment camps, at SAS in November 2018 and Potchefstroom in January 2019. The Junior Springbok selectors picked the best 44 players from the Academy attendees between February and April 2019.

The full-time rugby programme was coordinated by Chean Roux (Head coach, SA Rugby Academy and Junior Springboks) and he was assisted by Bafana Nhleko and

The aim of the Rugby Educational Fund is to holistically develop talented rugby players, improve their lives and prepare them for future employment through offering bursaries for formal education, high performance training and player welfare support.
Louis Koen (assistant coaches at the SA Rugby Academy and Junior Springboks), while two Springbok assistant coaches, Matthew Proudfoot and Jacques Nienaber, gave expert input on scrumming and defence.

A total of 36 Academy players represented the Junior Springboks during the 2019 international season which featured matches against Georgia U20, Namibia XV, Argentina U20, England U20, Wales U20 and participation at the World Rugby U20 Championship in Argentina.

Jaden Hendrickse was nominated for the World Rugby Under-20 Breakthrough Player of the Year Award for his outstanding performances during the World Rugby U20 tournament.

The aim of the Rugby Educational Fund (REF) is to holistically develop talented rugby players, improve their lives and prepare them for future employment through offering bursaries for formal education, high performance training and player welfare support.

During 2019 the REF supported 78 talented rugby players through education bursaries, with three ladies coming on board as recipients for the first time. More than 70 percent of the recipients are generic Black players.

These players were identified in consultation with Talent Identification scouts, coaches, provincial rugby unions as well as the high performance staff of the Rugby Department.

Going forward, some of the main goals for 2020 and beyond are: to increase the donor base and the number of annual bursary recipients to over 90; to build new partnerships with education providers and professional HP rugby structures and to support more female rugby players with bursaries.
SA Rugby’s constitution places the responsibility on administrators to adopt and enact measures that will foster, promote, regulate and encourage the playing of rugby and provide facilities for rugby in South Africa for all persons, irrespective of race, colour, creed or gender, and to eliminate any discrimination and inequality amongst players and officials.

The launch of SA Rugby’s Strategic Transformation Development Plan 2030 (STDP2030) marked the centrepiece of the Strategic Performance Management Department’s achievements in 2019, with this accomplishment representing a watershed moment for the organisation and rugby in South Africa. The STDP2030 represents a concrete strategy for the organisation, its member unions and their commercial companies to improve transformation and achieve its self-determined targets over a rolling 12-year period as set out
as a requirement by the EPG (Eminent Persons Group).

This plan is in line with the department’s role to oversee and assist all internal departments and external stakeholders – including government, provincial unions, associations and outsourced programmes - in accordance with the strategic objectives of SA Rugby.

STDP 2030
A series of significant steps were initiated and concluded as part of the STDP2030, which includes the following:

1. Concluding memorandum of agreements and provincial performance agreements with all provincial unions and their commercial companies.
   a. The provincial performance agreements contain the self-determined targets of the provincial unions and their commercial companies, projecting to an agreed outcome at the conclusion of the 2030 season. The targets are designed to advance at two-year intervals to align with rugby’s contracting custom and practice.

2. Approval of the Incentive Policy
   A policy devised to either incentivise or disincentivise members for their performance measured against their provincial performance agreement and the national transformation performance agreement.

3. SA Rugby Audit
   a. SA Rugby conducts annual audits at the provinces during February and March of each year which covers the following pillars: governance, administration, finance, commercial, age grade and game development, training and education, domestic competitions, women’s rugby, performance and BEE status. The audits completed early in 2020 were particularly significant as they marked the first under the STDP2030.

4. Transformation advisory panel
   a. The transformation advisory panel is appointed by the Executive Committee of SA Rugby and is made up of stakeholders and/or experts who provide guidance on key issues relating to the policy and recommendations involving possible incentives.

MONITORING AND EVALUATION OF SA RUGBY AUDITS
All data required with regard to team and squad demographics for the monitoring and evaluation of the STDP2030 is available internally via the Footprint and E-Filing systems, which facilitates the input, collection and analysis of data and information.

EPG Provincial Data Sheets have to be populated once a year by each province and submitted to SA Rugby who will audit these statistics before submitting it to the EPG Secretary and Sport and Recreation South Africa (SRSA).

This information will assist provinces in populating their Provincial Transformation Barometer on an annual basis until 2030, while SA Rugby will have the responsibility of populating EPG National Data Sheets once a year.

The latter has to be submitted to the EPG secretary and SRSA, with this information serving to assist in populating the National Transformation Barometer once a year.

Both barometers contain a 12-year rolling projection in selected transformation categories; and are divided into a Selected Transformation Charter Dimension Forecast and Actual Performance measure.

EPG PROVINCIAL AND NATIONAL DATA
The data sheets submitted for 2018 / 2019 will probably show a marginal decline on SA Rugby’s Barometre achievement from 60% in 2017/2018 to 59%, however, the outcome surpasses the 50% required to achieve a Barometre pass.

The diagram below indicates consistency and a positive attitude in relation to the self-determined SA Rugby targets.

EPG BAROMETRE OUTCOME 2015 / 2016-2018 / 2019
The national team achievements and the commitment and attitude to transformation by the national coaches was admirable.

In a significant stride, all of the national teams performed well compared to their previous achievements, with the Springbok Women, South Africa U20 Women and Springbok Women’s Sevens, in particular, far surpassing the required targets.

The diagram below shows the national average demographic performances of the National male and female teams.

**NATIONAL AVERAGE % OF ALL NATIONAL MALE AND FEMALE TEAMS**

This graphic indicates that black players are receiving more opportunities at provincial level.

In terms of performance – which is also one of the transformation pillars – we can confidently say we are winning with transformed teams.

The improvement in transformation by the provincial unions is reflected in the national averages achieved in 2019. There was a significant improvement from 2018, even though a continuous effort is required to meet the national transformation targets.
The diagram below shows that the national average achievement for South African rugby, across all franchise and provincial competitions, is 43%, which is a significant improvement.

We are convinced that the self-determined targets set by the provincial unions have already proved to be effective, and it is important to commend the leaders of these unions for their commitment and buy-in to the STDP2030.

**FRANCHISES AND SA RUGBY COMPETITIONS - MALE AVERAGES**

![Diagram showing male average achievements in different competitions.]

The women’s teams are extremely well transformed, exceeding the national and their own self-determined provincial targets.

**NATIONAL AVERAGE % OF PROVINCIAL FEMALE TEAMS**

![Diagram showing female achievement and target percentages.]
YOUTH WEEKS

The provincial SA Rugby Youth Week teams are the foundation of SA Rugby and the future of the provincial unions. They reflected the demographics of South Africa in 2019, with the SA Schools team – which represented the best talent from the Under-18 Craven Week and U18 Academy Week – also ticking the performance box. Adding to this, they registered a clean sweep of victories in the Under-18 International Series.

2019 YOUTH WEEKS - BOYS

The Craven week for Under-13 teams was hosted in White River and delivered rugby of the highest standards.
B-BBEE

In terms of B-BBEE, SA Rugby subscribes to the Specialised Enterprise scorecard of the Amended Codes of Good Practice, gazetted in October 2013. The applicable scorecard measures Management Control, Skills Development, Enterprise and Supplier Development, and Socio-Economic Development.

Another focus for the department in 2019 was to eliminate the risk for SA Rugby relating to the B-BBEE status, as compliance is not only a regulatory requirement, but also a requirement of sponsors and industry bodies who wish to do business with the organisation.

An implementation strategy was applied in 2019, with a Steering Committee continuing their duties for the second year to contribute to SA Rugby maintaining a B-BBEE Level 4 status.

Looking ahead it is imperative to maintain this level as a minimum standard going forward.

This is also required from the provincial unions – most of whom showed significant progress in this regard in 2019. It is also a requirement that the commercial companies achieve a minimum of Level 4.

FOOTPRINT / E-FILING

The Footprint and E-Filing administration management systems, which have been implemented effectively at SA Rugby tournaments and at provincial unions, again made it simpler to measure the progress in terms of transformation. The data is captured directly onto Footprint and the E-Filing data base, which eases the verification process.

One of the challenges faced in terms of the Footprint system, in particular, however, is that valuable information at school and club level is not captured as the focus has been on SA Rugby competitions since the inception of the system. This needs to be addressed in future, however, it will require more resources.

In 2019 alone, 12 465 individuals including players, coaches, referees and medical personnel were registered on the system across 60 SA Rugby tournaments.

A total of 48 813 accreditations were produced across 10 events, which included 163 photo accreditations, 35 900 wristbands and 1 750 supplementary access devices.

The tables below illustrate the yearly growth of the Footprint system.

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<td>SA ACADEMY</td>
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</table>
OTHER FOOTPRINT ACHIEVEMENTS:

A BokSmart “Blue Card” module (www.sarugby.online/bluecard) was launched which allowed referees, coaches, players or parents to log online, suspected cases of concussion, at all levels of rugby where there is not a Head Injury Assessment protocol in place. In 2019, 90 cases were recorded on the system.

The logging of this event emailed those involved with appropriate Concussion management advice in line with SA Rugby and World Rugby expectations. In collaboration with Sports Concussion SA, it also provided them with the contact details of medical doctors who are well-versed in Concussion management protocols for rugby union.

The details logged includes:

- fixture details (participating teams)
- Date
- Incident details, including how it occurred (tackle, scrum, breakdown etc.), player details, coach details, parent details

Vital information is then shared with everyone as per BokSmart protocols.

The IDC (Injury Data Capture System) was launched at the Youth Weeks and also implemented successfully in the Currie Cup. This required the doctors to log all injuries in accordance with World Rugby standards and protocols, with the specific injury and incident details captured.

Footprint also plays an important role in managing development programmes such as Get Into Rugby (GIR), Vuka, and the Elite Player Development (EPD) system.

E-FILING

The E-Filing portal continues to effectively allow the provincial unions to apply for SA Rugby funding for transformation-related matters, with the online applications valid for the focus areas in the Strategic Transformation Plan 2030, namely Governance, Community Talent identification Programmes, Skills and Capacity development (through the ClubWise course), and Community Development and Social Responsibility.

The E-Filing portal is also effectively used in the transformation audit process to review the transformation pillars, such as governance, access to the game, demographics, skills and capacity building, social development, performance and women’s rugby.

Going forward, the entire audit process and the EPG data sheets will be completed, submitted and approved via the E-Filing portal.

OUTSOURCED PROGRAMMES: GET INTO RUGBY & VUKA

The Get Into Rugby and Vuka programmes, which target non-traditional rugby schools, again proved to be valuable in terms of Access to the Game by playing a vital role in spreading the sport to rural areas and townships.

The schools participating in the Vuka programmes nationally increased from 478 schools in 2018 to 604 schools in 2019, with the total number of players increasing from 22 025 in 2018 to 30 989 in 2019.

One of the main success stories of the Vuka programme – hosted by the South African Rugby Legends Association (SARLA) – is the Under-15 Iqhawe Week competition for boys from rural areas and non-traditional rugby schools.

The 2019 edition of this event, which was hosted at Paarl Gymnasium, featured 85% black players – of which 55% were African Black.

One of the highlights of the Vuka programme in 2019 was the inclusion of an Iqhawe Week team in the Under-16 Grant Khomo Week for the first time in history, and with 131 players having graduated from this competition to the U16 Grant Khomo Week since 2016, it is expected to continue serving as a feeder system for talented young players from non-traditional schools to be recruited at traditional rugby schools.

The Get Into Rugby (GIR) programme in South Africa is rated the best in the world. In 2019 it showed a decrease in the number of participants by 14 963 in 2019 to 177 034 players mainly due to budgetary limitations. But despite this, the programme continues to play a vital role in growing the game in the country.
In addition to the notable gender statistics in Get Into Rugby, another significant achievement was that 82% of the participants were African Black, which illustrates the important role the programme plays in achieving true transformation in the sport.

One of the challenges SA Rugby currently faces is that budgetary constraints have resulted in the halting of financial support to these programmes, which forms a vital role in attracting black players to the game. This is a concern as it could have a negative impact in terms of growing the game as well as on the EPG Barometer and the provincial performance agreements.

**SKILLS DEVELOPMENT**

SA Rugby signed an agreement with the National Institute for the Deaf for the second year in a row, paving the way for 10 learners to receive funding for their studies in line with promoting accessibility, diversity, transformation, productivity and expansion. Their studies included integrated learning as the basis to empower and create employability for them in Information Technology.

SA Rugby also continues to run the ClubWise programme, which is an approved Cathsseta (the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority) NQF Level 5 approved course. The course - which is the first of its kind in rugby club administration - is aimed at up-skilling rugby club administrators in order to sustain and grow the game at grassroots level.

There was a notable increase in the number of learners trained in 2019, with 107 participants completing the course compared to 68 in 2018.

**ASSOCIATIONS MOUs**

The SA Rugby League Sports Association was approved as SA Rugby’s ninth associate member in April 2019, while a Memorandum of Understanding was concluded with the South African Rugby Referees Association, which will see their associate membership being considered for approval at the AGM in 2020.

In a historic first, SA Rugby also announced an Associate Member of the Year, with SA Wheelchair Rugby winning the award.

**CONCLUSION:**

Looking forward to 2020, the department’s key strategic objectives, which are in line with SA Rugby’s imperative objectives, are as follows:

1. Monitor, evaluate and report on Strategic Transformation Development Plan 2030.
2. Sustain a B-BBEE level 4 status in 2020 and onwards.
3. Play a pivotal role in ensuring the continuation and expansion of grassroots rugby programmes such as GIR and Vuka.
Looking beyond 2020, accuracy and consistency of data is crucial to enable SA Rugby and the provincial unions to predict the future. Research is vital and development of current systems are imperative to keep up with the demands and trends expected by our competitors, government and World Rugby.
However improved sentiment around the national team following the 2018 season and the lure of the impending Rugby World Cup saw several new sponsors joining the family and a few others extending their partnerships with rugby in South Africa, even before the 2 November final.

Most current partners extended their 2018 campaigns into the Rugby World Cup year – leveraging initiatives such as MTN’s “Bozza” and FNB’s “Grassroots to Greatness” tagline – with clever spin to run alongside SA Rugby’s #StrongerTogether campaign.

World Rugby’s commercial rules mean that partners’ rights are restricted at the Rugby World Cup – except for certain exceptions – but SA Rugby’s partners embraced these challenges with ingenious plans to ensure they got the most from their Springbok sponsorships.

As the season progressed, the Springboks’ results resonated across the country and a sense of optimism took hold – a wave that was expertly ridden out by sponsors and (unfortunately) many others keen to jump on the bandwagon.

With only two Tests in South Africa, attendances were low, but the HSBC Cape Town Sevens set a new benchmark as the tournament increased from 16 to 28 teams.
playing over three days as a women’s competition was added to the roster.

The year also saw the conclusion of the major commercial negotiation in any five-year cycle at an international sports federation with the conclusion of the media rights sales (broadcast rights). A new five-year deal was agreed with long-standing partner, SuperSport, in the absence of realistic local contenders. The arrangement ensures the broadcast of all franchise and elite professional rugby in South Africa for the next five years.

Similarly work began in earnest on preparations for arguably rugby’s biggest event after the Rugby World Cup – the 12-yearly visit of the British & Irish Lions to the shores of a southern hemisphere nation.

The Lions visit South Africa in 2021 and the scale of the enterprise has reached such a level that in order to deliver the event, SA Rugby established a wholly owned company, South African Rugby Event Services (SARES), to manage the operational preparations and delivery.

SPONSORSHIPS
A Rugby World Cup year is partly spent in the opening of negotiations around the renewal of sponsorships (as many run on the along the same four-year cycle) and SA Rugby was pleased to conclude a five-year extension to its partnership with apparel partner, Asics.

The arrangement means the partnership
will have been in force for a decade when it is due for renewal at the end of 2024 – forging close links between SA Rugby and the Kobe-based company.

SA Rugby was also able to announce a few exciting new sponsorships in 2019, with the return of South Korean multinational Samsung to SA Rugby’s stable of partners with a two-year deal one of the highlights.

Samsung signed a deal in 2013 which ran its course, but in 2019 they returned as the official electronics partner to the Springboks and SA Rugby, with their logo appearing on the back of the Boks’ shorts.

“Samsung is a global leader in its field and we’re delighted with our new partnership,” said Jurie Roux, CEO of SA Rugby at the launch of the partnership, which will provided for both the Springboks and SA Rugby to exclusively use the latest Samsung consumer electronic products to enhance every-day performance.

Other big companies that came on board in partnerships of varying natures were Pick’n Pay – whose licensed “Super Cards” featured Springbok and Springbok Women’s
players – and Unilever through a sponsorship of the Springboks in the shape of their popular male grooming brand, Dove Men+Care.

Earlier in the season, the four South African Vodacom Super Rugby franchises were dealt a good deal of Marvel magic as the American media franchise came on-board. The four teams all played derby matches in jerseys inspired by Marvel characters – Captain America for the Vodacom Bulls, Spider-Man for the Emirates Lions, Black Panther for the Cell C Sharks and Thor for the DHL Stormers.

At grassroots level, three dynamic South African companies – SSG Holdings, Blu Approved & M4Jam – teamed up to sponsor SA Rugby’s flagship national championship for non-university clubs, the Gold Cup.

Furthermore, the sponsorships of Accenture and Microsoft bore fruit with the launch in March of SA Rugby’s new website and URL at www.springboks.rugby, and both global companies leveraged this partnership to its fullest potential.

OPERATIONS AND COMPETITIONS

In the absence of a Castle Lager Incoming Series and a reduced Castle Lager Rugby Championship, SA Rugby hosted only two Springbok Tests in 2019, but on the roster were also the annual U18 International Series and, for the fifth year, the highly successful HSBC Cape Town Sevens, as well as numerous other local competitions and tournaments, organised in conjunction with various franchises, provincial unions and sponsors.

It was the Boks’ second season under Rassie Erasmus as Director of Rugby, with a clear plan in mind to reach their peak at the Rugby World Cup in Japan. It included fielding a so-called “B-team” in the two home Tests, but that didn’t deter fans from flocking to the Tests in Johannesburg and Pretoria.

The season-opener, against the Wallabies at Emirates Airline Park in Johannesburg,
saw 51,206 people in attendance as the Boks started 2019 with an emphatic victory. The 83.2% capacity was just lower than the average for the massive stadium in Braamfontein (which stands at 85.7% since 1992).

This was followed by away Tests against New Zealand and Argentina – where the Boks clinched the Castle Lager Rugby Championship title for the first time in a decade – before the Pumas returned to Pretoria for the Boks’ last Test before they headed to Japan. A total of 29,380 people attended at Loftus Versfeld, which was slightly lower than in 2014.

The total attendance for the two Tests was 80,586 or 72.3% of total available capacity – slightly lower than the corresponding figure of 77.6% for the two home Tests in 2015, which included a sell-out crowd against the All Blacks in Johannesburg.

Six of our franchise teams yet again took part in two different competitions – Vodacom Super Rugby against teams from New Zealand, Australia, Japan and Argentina for the Vodacom Bulls, DHL Stormers, Cell C Sharks and Emirates Lions; and the Guinness PRO14 for the Toyota Cheetahs and Isuzu Southern Kings, against teams from Wales, Ireland, Scotland and Italy.

The best performances from all teams came from the Vodacom Bulls and Cell C Sharks, both of whom progressed to the quarter-finals, but were knocked out by the Hurricanes and Brumbies respectively.

Although stadium attendances were 3% lower than in 2018, the five best attended regular season Vodacom Super Rugby matches were all in South Africa – three of them at Loftus Versfeld, and one each at DHL Newlands and Emirates Airline Park.

Cumulative viewership in South Africa was by far the best of all the countries, with 13,561,984 making up 48.6% of total TV viewership across four territories (note: figures for Argentina were not available).

Domestically, the format of the Currie Cup Premier Division, presented by DirectAxis Financial Services, was changed to a single
round of action between the top seven provincial teams in the country, with the Toyota Free State Cheetahs capitalising on this by clinching the title in the final against the Xerox Golden Lions in Bloemfontein in September.

The rampant disruption of traditional leisure activities and viewing habits continued to have an impact on live and broadcast audiences – as it has for many sports globally – but the average audience for the Currie Cup remained on a par with the average audience for SA derbies in Vodacom Super Rugby to underline once again the tribal nature of team sport.

Meanwhile at the grassroots level of the game, the same hosting model that was implemented for the Youth Weeks in 2016 (where tournaments were combined in different venues) was yet again used with great success, despite the absence of a naming rights partner.

The Under-18 Craven Week and Academy Week were held concurrently at Grey College in Bloemfontein, and the Under-16 Grant Khomo and Under-13 Craven Weeks took place at Rob Ferreira High School in White River. The LSEN Week was at the Sentraal High School in Bloemfontein and the Under-18 and Under-16 Girls’ Weeks were held at Jeppe High School in Johannesburg.

The Youth Weeks were followed by the annual SA Rugby Under-18 International
Series in the Western Cape, with the development and progress shown by the players in the SA Schools and SA Schools A squads boding well for the future of South African rugby and the Junior Springboks.

The SA Schools team finished the series – played in Wellington, Stellenbosch and Paarl – unbeaten while the SA Schools A side lost two and drew one. Their opponents were the U18 teams from England, Wales, Argentina and France.

With green fever sweeping the country after the Boks’ Rugby World Cup triumph in Japan, the season came to an end with the HSBC Cape Town Sevens, where the 16 men’s teams were joined by 12 women’s teams for the first time.

Fans flocked to the Cape Town Stadium from 13 to 15 December, with the total attendance over the three days at the Cape Town Stadium reaching 119,539 (11,113 on Friday, 52,612 on Saturday and 55,804 on Sunday). The addition of Friday’s action meant a new attendance record was set – the previous best mark was 115,396 in 2017.

The loyalty programme, which was used to great effect in 2018, and the “Megatron”, a 320 square metre screen comprising of 260 LED panels – three stories high and the length of a Boeing 737 – yet again enhanced the spectator experience at this fantastic event.

It was a fine way to end a memorable year.
COMUNICATION

Rugby World Cup fever gripped South Africans, not only in stadiums and in front of television screens around the world, but also glued to their smart phones, tablets, laptops and computers, where the digital world reacted with millions of 😍 and 👏 after Siya Kolisi lifted the Webb Ellis Cup in Yokohama on 2 November 2019.

Wile our social media channels reached new and never-seen-before heights at the time the Springboks were conquering the world in Japan, the new jewel in SA Rugby’s digital crown – springboks.rugby – effectively mirrored the exploits of Makazole Mapimpi and Cheslin Kolbe during the RWC final.

In fact, just like the two Bok speedsters delivered the knock-out punches to England in Yokohama late in the final, our digital presence spiked massively towards the end of the year.

On the downside, the financial crunch and economic realities facing SA Rugby meant that the Springbok Experience, our award-winning rugby museum in the V&A Waterfront in Cape Town, had to close its doors early in 2019.

The process to redesign and reconfigure SA Rugby’s outdated website started in 2018, with a sponsorship secured by Accenture South Africa, who drove the process with close cooperation with the Communications department.
The new, mobile friendly website, with a new domain name (springboks.rugby), went live on Monday, 11 March and with that switch, SA Rugby radically overhauled its fan engagement tools, which included a custom-made CRM (customer relationship management) solution, also developed by Accenture.

SA Rugby also started working with Microsoft South Africa on the project as the official cloud partner – a deal that helped transform our world by using cloud capabilities to unlock new opportunities in the ever-evolving digital space.

Accenture’s development process started with quantitative and qualitative research, which informed the user experience (UX) design guidelines and content strategy for the digital fan engagement platform.

As a result, springboks.rugby included more visual elements – videos and images – than ever before, with more concise articles that were easier to digest, in accordance with evolving content consumption preferences on mobile screens.

The numbers were staggering. Where the old SA Rugby website averaged around 17,000 unique visitors per month, this grew to more than 125,000 unique users per month – with the six weeks of the RWC bringing 582,021 unique users to the site for close to 1 million user sessions and 1.4m page views.

In total in 2019, from March until the end of December, springboks.rugby attracted 1.24 million unique users for 2.21 million user sessions and 3.4 million page views.
A new social media strategy, designed by digital content specialists Moonsport and implemented in the build-up to the Rugby World Cup, worked hand-in-hand with the new website and the Springboks’ RWC campaign, named #StrongerTogether.

As a result – with the Boks’ success in Japan playing a massive role – our social media footprint increased significantly in 2019, with numbers going up on Facebook, Twitter and Instagram.

The exciting launch of #StrongerTogether as the 2019 Rugby World Cup campaign saw South Africans around the world rally behind the team on all social media platforms.

The hashtag was embraced by all South Africans and was even endorsed by President Cyril Ramaphosa and the tennis star Roger Federer, amongst others.

At its peak, the hashtag was used in 213,000 social media discussions in one day and also clocked 3,600 printed articles in 24 hours.

The campaign was launched in Pretoria with 72 journalists attending an intimate function with Rassie Erasmus, supported by Siya Kolisi, Duane Vermeulen and Handre Pollard. That launch secured media exposure to the value of R51m and would ultimately be seen by billions of users over the Rugby World Cup campaign.

To illustrate this, a “selfie-video” filmed by Siya Kolisi after the RWC final – with the Webb Ellis Cup in hand and the rest of the squad next to him – was viewed a total of 6.2 million times across the three channels (340,000 on Instagram, 1.6 million on Twitter and 4.2 million on Facebook).

Facebook, the cornerstone of SA Rugby’s social media offering and after 10 years still the most popular of its channels, grew by almost 200,000 followers from 1.13 million at the start of the year, to 1,305,911 at year end.

On Twitter, the different handles for different teams and competitions (@Springboks, @Blitzboks, @Juniorboks, @Womenboks, @TheCurrieCup, @YouthWeeks and @Cape-Town7s), accumulated an aggregate following just shy of 890,000.

The main account (@Springboks), earned almost 125,000 new likes, up to approximately 725,000 in total. Over the course of the year the account received 115m tweet impressions – an average of 315,000 tweet views per day.
The biggest growth was on Instagram though (@bokrugby), where the number of followers increased from approximately 250,000 to slightly fewer than 550,000 over the course of the 12 months of 2019. In the week of the Rugby World Cup final alone, more than 90,000 new accounts followed us.
Due to the make-up of their target markets, the Cape Town Sevens (9,400) and SA Rugby Youth Weeks (4,200) also have their own Instagram accounts, while an account was opened for the Blitzboks in 2019, which grew to more than 30,000 fans by the end of the year.

With a combined total of approximately 2.79 million fans across the three major social media channels, SA Rugby places third in terms of digital among rugby federations behind New Zealand and England.

Despite a clear digital focus in 2019, "normal" media activities didn’t fall behind. The department issued 669 media releases and advisories, which was slightly less than in the past, but that was due to a strategy to use our website and social media channels more to push content targeted at fans.

Major media events included the announcement of the Rugby World Cup squad, the return of the team from Japan at OR Tambo International Airport and the Trophy Tour, which zig-zagged across the country in the week after the Boks returned to South Africa.

The squad announcement was held at SuperSport’s Studios in Randburg on Monday, 26 August, and broadcast live, followed by a media conference with Rassie Erasmus and Siya Kolisi, and a mixed zone with all the members of the squad and coaching team.

The homecoming at OR Tambo on Tuesday, 5 November included two press conferences, live broadcasts across a number of news channels and an estimated 20,000 people cramming into the International Arrivals hall to welcome their heroes back to South Africa.

This was followed by a Trophy Tour from 7 to 11 November, which started in Gauteng (Pretoria, Johannesburg and Soweto), then moved on to Durban, East London and Port Elizabeth before concluding in Cape Town.

Apart from #StrongerTogether, other memorable activities on the marketing front in 2019 included two farewell Tests at Loftus Versfeld and Emirates Airline Park; a tribute to deceased music legend Johnny Clegg;
the performance of the America’s Got Talent sensation, the Ndlovu Youth Choir at Loftus Versfeld; and the Currie Cup #RELOADED campaign, which invigorated the new format of the tournament – 9 Weeks, 3 Home Games, 1 Winner – and that concluded with the Currie Cup Final at Toyota Stadium in Bloemfontein.

In terms of community engagement the Boks for Books programme continued to have a meaningful resonance for the many schools which have been of libraries. One of the schools in Thaba ‘Nchu, near Bloemfontein, commended SA Rugby for their commitment in literacy. The Principal reported that the library had benefitted the school to an extent that the National Department of Basic Education (DBE) recognised it for its best performance for four consecutive years. They were also selected to assist the under-performing school in the province.

The Chris Burger Petro Jackson Players’ Fund – a beneficiary of grant aid from SA Rugby – completed a full year under the new leadership of former Springboks Jean de Villiers and Hanyani Shimange, who had taken
over the reins from founding chairman, Morné du Plessis and vice-chairman, Frikkie Naudé.

As the official charity of the Springboks, the Fund, also known as Rugby’s Caring Hands is there to provide help and support to rugby players and their families when a serious and life altering injury takes place on a field - anywhere in SA and at any level of the game.

The constant and life-long care extends over eight pillars, namely the provision of equipment; home renovations for wheelchair accessibility; delivery of essential medical supplies; facilitating crucial secondary rehabilitation; financial assistance and transport to medical appointments; partnering education and skills development; and holistically focusing on improving the recipient’s overall quality of life.

As global and local economic challenges create additional strain in many people’s lives, those living with disabilities in South Africa feel the pinch even more, as is evident with the additional assistance called on from the Fund.

However in a “Quality of Life Study” conducted by Marelise Badenhorst on 90 of the Fund’s recipients in 2018, it was evident that the very presence of the Players’ Fund in the lives of the recipients positively contributes to their quality of life when compared to others who suffered Spinal Cord Injuries away from rugby.

This research proves that the Fund is an important team behind these players and is also the vehicle which carries the ethos of rugby long after the final whistle. This realisation fuels all involved to continue working hard to ensure long-term sustainability and service to rugby’s own.

SA Rugby donated approximately R420,000 worth of apparel and other inventory to the following recipients as part of its Corporate Social Investment programme: Eljada Kairos School, Islamia College, Make A Difference Foundation, National Institute for the Deaf, Pepkor-IT, SAS Rugby, SA Defence Force Rugby Association, SADRU, SANParks Honorary Rangers, SA Parliamentary Rugby, SA Wheelchair Rugby, Stellenbosch Primary School, Tamara Jones and USSA.
TIGHT FINANCIAL ENVIRONMENT CONTINUED to challenge the various plans and projects within the department, but we are pleased to report several successful and completed outcomes.

As usual, the wellness of staff remained a priority and the continued development of our workforce again delivered desired outcomes.

In no order, the following objectives and goals were achieved:

LEARNING, TRAINING AND DEVELOPMENT:
Executive coaching was introduced to general managers, where each GM was allocated a life coach to support and assist in his/her general working environment. Springbok Women’s coach, Stanley Raubenheimer, also joined this programme.

Executive coaching initiatives, input into a national Sports Management Diploma curriculum and a new contracting model for medical professionals were amongst some strong and positive outcomes for the Human Resources department.
Rassie Erasmus celebrating the RWC victory with some SA Rugby staff members.
Funding from CATHSSETA was used to assist, amongst others, former players and employees identified from our sponsor, Virgin Active to complete a formal qualification in FETC and National Certificate in Fitness.

Ten former players and academy members, all unemployed, completed the qualification, as well as seven Virgin Active employees.

We also provided internship to three interns in the marketing department, courtesy of funding provided by CATHSSETA.

No less than 191 employees were engaged in 2019 with 15 training interventions, with some notable exercises the compulsory workshops in sexual harassment for all staff and a very successful social media training course that was concluded and well received.

We were also requested by CATHSSETA to assist with the scoping of the National Sports Management Diploma, which has a rugby component to it.

**A NEW CONTRACTING MODEL – MEDICAL PROFESSIONALS:**
A change to the HPCSA guidelines resulted in a new contracting model for our medical professionals. Their status changed from employees to consultants and after numerous consultations, new agreements were drawn up.
The recognition agreement signed between SA Rugby and Sport Employees Union was also completed. They reached the relevant threshold of members to justify official recognition and we welcomed them abroad.

**STAFF WELLNESS:**
There was a continuation of the on-site counselling services. Mental illness awareness continued from last year and remained high on the agenda, with a qualified psychologist available to staff once a week for six months (thereafter this moved to an online service).

We also extended the financial well-being of staff with Wellness initiatives. Experts in elements like interest rates and consumer rights assisted staff in making good financial decisions.

We ran a values workshops through focus groups with employees at SARU House as well as the Stellenbosch office. The objective was to create awareness of the values and integrate suggestions from employees on how to live the values.

**LONG SERVICE AWARDS:**
Thirteen employees were awarded Long Service Awards. Four received five-year service awards, six received 10-year awards, one received a 15-year and two 20-year awards.

This reflected well on the loyalty of staff, an important guideline in our industry.
SA Rugby currently have nine associate members, all of whom are closely monitored through the Strategic Performance Management department. Associations need to comply with a set of minimum criteria, as set out in the SARU Constitution, and be subjected to an annual due diligence review process to ensure compliance. Our associations had a very active 2019 and in a historic first, SA Rugby also announced an Associate Member of the Year, with SA Wheelchair Rugby winning the award.
INTRODUCTION
South Africa Wheelchair Rugby (SAWCR) won the SA Rugby Associate Member for the Year Award for 2019. The honour of this award is truly appreciated, and will encourage SAWCR to live up to the standards set as an award-winning member of SA Rugby, striving to improve as an organization, serving our country, members, rugby and national federation.

GOVERNANCE
Wheelchair Rugby in South Africa is governed by an Executive Board, guided by a constitution, structured in accordance with the constitution of SA Rugby. As stipulated in the constitution of SAWCR, the organization hosts an Annual General Meeting as well as Council and Executive Board meetings throughout the year.

EVENTS AND COMPETITIONS
Playing rugby is the main focus of SAWCR. A club competition structure is held throughout the year. The South Africa Wheelchair Rugby League is mainly held at a central venue, to assist in reducing the cost overall cost to clubs and SAWCR.
SAWCR also hosted a National Championship during 2019, won by Free State Wheelchair Rugby and with Blue Bulls Wheelchair Rugby as runners up.

CHALLENGES AND RECOMMENDATIONS
SAWCR has not been able to compete at international level since 2015 due to a lack of funding, resulting in a negative influence in the current world ranking of SAWCR.

CONCLUSION
In an effort to develop wheelchair rugby in South Africa, a new wheelchair rugby competition structure, based on a development programme used in Europe and New Zealand, will be introduced by SAWCR. The Wheelchair Rugby 5s programme is aimed at wheelchair rugby development, and has been successfully used internationally in gaining new members.
SOUTH AFRICAN DEAF RUGBY ASSOCIATION (SADRA)

INTRODUCTION
SADRA is fully focused on developing rugby among the deaf community throughout South Africa. In 2019, SADRA has seen significant growth especially among the provincial unions, culminating in the inaugural Stones Cup Deaf Rugby inter-provincial tournament, which is envisaged to become the primary showcase event for SA's top deaf talent, and a springboard from which the game will grow among the deaf in SA.

GOVERNANCE
SADRA has a fully elected governing structure, with Michael Oosthuyzen at the helm as President, and Phumie Jemane as Vice-President. SADRA has structures in three provinces of South Africa.

EVENTS AND COMPETITIONS
The inaugural Stones Cup Deaf Rugby inter-provincial tournament, held in Bloemfontein, was a huge success. Four teams participated – two teams from Western Province, one from Gauteng, and a SA Deaf Invitational side, comprising players from Border, Free State and KwaZulu-Natal. The Blue Bulls Deaf team was crowned the inaugural champions.

CHALLENGES AND RECOMMENDATIONS
SADRA remains focused on continuing to grow its footprint across South Africa, with an emphasis on establishing roots in all provinces. SADRA's primary challenge is lack of funding, without which it remains difficult to grow the sport among the deaf in South Africa, especially with regards to hosting of tournaments and Tests.

CONCLUSION
SADRA is very well transformed, with 76% of our registered male players and 93% of our registered female players all players of colour. SADRA is growing from strength to strength.

SADRA is also planning various development programmes, inclusive of schools for the deaf, with outreaches to clubs and mainstream schools. There is a strong emphasis also on the development of women’s rugby, as well as Sevens.
INTRODUCTION
Rugby league would remember 2019 as the year that SARLSA became an associate member of SA Rugby, an association that provides SARLSA access to SASCOC and Government recognition.

The SARLSA season runs from the beginning of March to the end of February the following year, but for the purposes of this report, we are only looking at events in 2019.

Highlights in 2019 include the senior men’s club and provincial championships, the first SARLSA Youth Games, and three Derby Days for school learners.

SARLSA presented a fun wheelchair rugby league day with the cooperation of SA Wheelchair Rugby, which was well attended and attracted much attention.

A committee was appointed to investigate the feasibility of women’s rugby league. Although there was a lot of interest shown, nothing sustainable came to the fore at this stage. SARLSA intend to continue pursuing this issue in 2020.

The Middle East Africa Championship bid was awarded to SARLSA in October 2019. This will be without a doubt the highlight for 2020.

GOVERNANCE
The annual activities of rugby league are managed by the board of directors of the company. The strategic planning and constitutional regulations are managed by a board of provincial chairman which meets once a year during the SARLSA AGM.

During the course of a year, strategic decisions are managed by the Exco, consisting of the President, Vice-President, the CEO of the company and one or two provincial chairmen.

EVENTS
The main event annually is the club and provincial championships between Southern Gauteng, Northern Gauteng, Mpumalanga, North West and Limpopo.

Other events during 2019 included Derby Days, Youth Rugby games on club level, a Wheelchair Rugby League fun day, one Community Project, SARLSA AGM, and the attendance of the APRL Annual General Meeting in Sydney Australia.

CHALLENGES
The biggest challenge facing SARLSA is funding and the lack of competent administrators. In 2020, we will face other challenges, such as the hosting of the Middle East Africa Championship, Youth and Women’s Rugby League, Wheelchair Rugby League and providing access to rugby league in all provinces.

CONCLUSION
2019 proved to be one of the best seasons in so far as the development of the code of Rugby League. With the continuing support of SA Rugby, 2020 promises to be a very exiting season for SARLSA.
INTRODUCTION
Rugby is still the leading sports code in the South African National Defence Force (SANDF), in terms of numbers, representation and development.

GOVERNANCE
SANDFRA is constituted in terms of laid down national prescripts. The Chairperson (President) is appointed by Chief of the SANDF. Its finances are managed and overseen by an independent directorate within the SANDF mandated to oversee all sporting activities.

EVENTS AND COMPETITIONS
Rugby Championships: The SANDF held its annual national rugby championship in Kimberley over the period 1-5 July 2019, where teams congregated to determine who would be crowned national champions in the Senior, President and Women’s divisions.

The women’s division was won by Western Province (WP), the President’s Division by Northern Cape (NC), and Western Province (WP) was crowned champions in the Senior Division. A delegation proceeded to Groenpunt Primary School on 4 July 2019 where a cash donation was handed to the Principle on behalf of the players and officials.

SA Forces Rugby Competition: SANDFRA participated in the SA Forces Rugby Competition, and also hosted a touring French Gendarmerie Rugby Team. The participation by the French brought an international flavour to the competition, which saw the visitors narrowly beating the South African Police Services (SAPS) and the Department of Correctional Services (DCS), and playing to a draw against the SANDF.

Chief of the South African National Defence Force Prestige Week: The different Services competed in a sevens competition during the Prestige Week over the period 21-25 October 2019. The SA Army was victorious in the rugby competition, beating the SA Air Force.

CHALLENGES AND RECOMMENDATIONS
The lack of funding not only hampers the development of the sport within the SANDF, but also limits the contribution within the communities its bases are situated. It is strongly recommended that SA Rugby approach the national sporting bodies to possibly assist associated members with their endeavours to promote and enhance the sport.

CONCLUSION
Rugby is essential in the SANDF as it forms part of the fitness development of the members in the SANDF. SANDFRA also contributes towards the communities by means of coaching clinics and community outreach programmes.
SOUTH AFRICAN SCHOOLS RUGBY ASSOCIATION (SASRA)

INTRODUCTION
SASRA have ensured that we have met all the SDTP 2019 requirements and most of the SDTP 2030 requirements both on and off the field. With the time frames given, schools rugby is at the forefront of transformation.

GOVERNANCE
The elected committee (as shown below) served SASRA for the period 2018 and 2019. The committee meet quarterly and attend the various Youth Weeks. Each year an AGM is held where all the provincial associations attend.

2019 SASRA COMMITTEE:
CHAIRPERSON:
Noël Ingle
VICE CHAIRPERSONS:
Granville Josephs (Primary schools)
and Katiso Mosiuoa (High schools)
SECRETARY:
Kervin Grove
TREASURER:
Wikus Naude
SA LSEN REPRESENTATIVE:
Josua du Plessis
ADDITIONAL MEMBERS:
Anton Smith, Barry Wilson, Gerrit Rudolph,
Tinus Didedricks, Ofentse Moeng (co-opted).

EVENTS AND COMPETITIONS
Along with SA Rugby, SASRA hosted the following tournaments: U18 Craven Week, U18 Academy Week, U16 Grant Khomo Week, U13 Craven Week, U17 Sevens, U13 Sevens, SA A and SA Schools Internationals, various inter-provincial school tournaments and matches.

CHALLENGES AND RECOMMENDATION
Schools are still facing major challenges within the game. The number of schools playing rugby is still dropping and the number of teams at schools playing rugby is also dropping. This and the serious financial challenges that schools and rugby in general are facing, is placing rugby under threat.

In the past schools were expected to solve issues on their own, however, to ensure that schools rugby remains healthy, SASRA and the schools, with SA Rugby, the Unions and Government need to work together to find solutions.

The first step is to identify the challenges and together look for solutions. The state of schools rugby is critical to the game in South Africa. It is important that solutions are found. Increased participation is essential to the survival of the game. The development of the game at grass roots is the only sustainable solution to the decreasing numbers of players.

Players are signed up by foreign clubs straight out of school. This could be the biggest challenge we face in the future. There have been some significant losses of human talent at this level to South African rugby.

CONCLUSION
Schools have to be complimented as real transformation has taken place and the evidence is plain for all to see at the Youth Weeks. This needs to be recognized at all levels of rugby administration, including the Government.

The new Strategic Transformation Development Plan signed by all unions, this year, will now take us forward to 2030. SASRA firmly believes that through transformation, the long-term future of the game will be secured. What is of great concern is the programme of transformation – schools cannot drive this process alone. There needs to be a coordinated plan with SA Rugby, SASRA, provincial unions and Government.

Players are signed up by foreign clubs straight out of school. This could be the biggest challenge we face in the future. There have been some significant losses of human talent at this level to South African rugby.
INTRODUCTION
Tag Rugby® has been working in communities since 1994. The association’s programmes are delivered in both underprivileged community schools as well as traditional rugby playing schools. Due to a funding crisis in 2017, Tag Rugby® changed the model of delivery in the underprivileged schools. The Adopt-a-School Programme allows donors to provide funding for the programme at a school in a community they know or one selected by the association in consultation with the local provincial union. The game has developed significantly, and adults are keen to play in social leagues. This is a key for us as we are building toward taking six teams to the next Tag World Cup in Ireland in 2021.

GOVERNANCE
The Financial Committee had regular consultations to discuss the financial challenges that Tag Rugby® face. Due the economic situation in South Africa donations and sponsorships are becoming harder and harder to source.

Stuart McConnell had meetings with Kaiser Sikunana, board member, to improve the reach of the association in the Gugulethu, Nyanga and Philippi areas in Cape Town. This will be a focus going forward in 2020.

EVENTS AND COMPETITIONS
Our Adopt-a-School Programme continues to be very successful and the children on the programme get coaching on a weekly basis. The programme is now active in the Western Cape, KwaZulu-Natal and Gauteng areas.

In 2020 we ran a series of four festivals in the Western Cape in the build-up to and during the Rugby World Cup. The events were sponsored by Spur and saw 80 primary schools teams take part. A lucky team from each of the events got to experience a Springbok RWC game at BokTown at the V&A Waterfront.

Our Tag Coaching programme is growing and we are getting into more and more rugby playing schools to assist in improving rugby skills.

Social adult leagues continue in Cape Town and Port Elizabeth, and we now have staff in Gauteng and will be looking to grow leagues in that region.

Our TagBOK Mixed and Men’s Open teams went on our first overseas Tour (excluding a World Cup) and travelled to Ireland for three Tests. This tour was a vital experience ahead of the Tag World Cup in 2021 in Ireland at the University of Limerick where we played two Tests each.

CHALLENGES AND RECOMMENDATIONS
Challenges include ongoing funding, Lotto applications, and working with current SA Rugby sponsors.

Tag Rugby® recommend that SA Rugby sets up a fund for associates to assist with administrative costs, assist associations with introductions to current sponsors and assist associations with letters of recommendation endorsing programmes.

CONCLUSION
We are looking to expand our Adopt-a-School Programme and deliver Social Tag Leagues in communities on weekends using trained coaches and referees from these communities. A huge challenge is to get enough funding to keep the association and its programmes sustainable.
**INTRODUCTION**

Key issues addressed in 2019 included the creation and adoption of various policies, including jobs responsibilities, and also events management documenting, which assisted in guiding SATA on how to run national and international events.

SATA also successfully participated in the 2019 edition of the Touch World Cup with seven teams. The Men’s 30s team achieved the best performance, with a silver medal finish, followed by the Men’s 45s team with a bronze medal. While the other teams did not finish in the top three, they performed courageously.

**GOVERNANCE**

The SATA Exco is made up of eight elected members to run the organization. Association heads form the governance decision-making body. A two-day Exco meeting was held in January, and another meeting was held before the AGM in June, when SATA also held a strategic planning session.

**EVENTS AND COMPETITIONS**

- FIT Touch World Cup in Malaysia
- Senior Nationals in Johannesburg
- Juniors Nationals in Cape Town
- Gauteng Senior and Junior Regionals in Johannesburg
- Cape Senior and Junior Regionals in Cape Town
- SATA Strategic Planning and AGM in Cape Town
- FIT Workshop in Paris
- National referee and coaching courses roadshow

**CHALLENGES AND RECOMMENDATION**

SATA are struggling in the area of sponsorships, acquiring field space, aligning with the various rugby unions, up-skilling our provincial setups administratively and transporting players from the rural areas, as well as access to quality training programmes and courses to upskill our coaches.

**CONCLUSION**

In 2020, four South African teams were invited to the International Challenge Cup in Nottingham, England, while we have also launched our high performance programme for junior players.

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**INTRODUCTION**

2019 proved to be a watershed year for USSA Rugby, with milestones and remarkable achievements in abundance. Not only did the USSA Women’s 7s tournament play host to a record number of teams, but the SA Men’s 7s team also won silver at the Universiade in Napoli, Italy. The women’s team finished a credible fourth and Tuks showed a clean pair of heels with victories in both the men’s and women’s 7s tournaments, and the men’s 15s.

Kurt-Lee Arendse (2019 student and USSA player) and Herschel Jantjies (2018 student and USSA player) both represented South Africa on the international stage, for the Blitzboks and Springboks respectively. Jantjies progressed from playing in the USSA tournament in 2018 to a Rugby World Cup winner in 2019.

**GOVERNANCE**

USSA Rugby is governed by an Executive Committee consisting of Bongo Nontshinga (Chairman), Quintin van Rooyen (Vice-Chairman), Malcolm Kennedy (General Secretary) and Jimmy Watt (Treasurer).

Additional members of the committee are Clement Trout (Development officer), Bongani Mtshali (Tournaments), Melissa Awu, Tembelihle Yase, Ferdinand Kelly and Bongani Mashiya.

The committee conducted a number of meetings during the period, which included numerous teleconferences with...
the Executive Committee. A full committee meeting was also held on 3 July 2019, following the Annual General Meeting, as well as in Johannesburg on 3 October 2019.

**EVENTS AND COMPETITIONS**

There were a number of competitions that took place in 2019. First up was the USSA Rugby Tournament, which took place at Stellenbosch University from 1-5 July, which produced some thrilling rugby, with Tuks and Maties contesting the final. This was a tightly contested affair, with the hosts, Maties, just being edged out 19-18 by the team from Pretoria.

The Summer Universiade took place in Napoli, Italy from 3-14 July and South Africa were represented by men’s and women’s sevens teams. The men showed immense character to claw their way into the final against a very talented Japanese side after beating France 5-0 in the semi-finals before eventually clinching silver. In the final, the Japanese team held a 5-0 lead at the break and extended that to 10-0 before Kurt-Lee Arendse scored in the corner. Japan got their crucial third try with a minute to play and although Diedrick Oberholzer scored a try, which he converted as well, the time was up on the clock and the Japanese could celebrate.

The women missed out on a medal by the narrowest of margins. They were beaten 12-10 by Russia in the bronze final, so the team coached by Riaan van der Merwe finished fourth overall.

The USSA 7s Championship for men was held in Margate from 21-22 September 2019. Twenty-two teams took part and Tuks improved from their fifth place in 2018 to win the tournament in 2019, beating UJ 7-5 in the Cup Final.

The USSA 7s Championship for women took place at UJ in Johannesburg on 28 September 2019. Sixteen teams took part, making this one of the largest (if not the largest) women’s rugby tournament in SA. There was an incredible atmosphere and the rugby was of a high standard. Once again Tuks reigned supreme, as they overcame the University of Fort Hare 19-17 in extra time to take the Cup Final.

**CHALLENGES AND RECOMMENDATION**

Women’s rugby has grown tremendously within the USSA space and it was very difficult to host the sevens tournament in one day. In 2020, the tournament will be hosted over two days and it is expected to grow even further.

**CONCLUSION**

At the time of writing, the World Student Games, scheduled for September in La Plata in Argentina, was still on course, but as other events had been canceled due to the COVID-19 pandemic, that can still change. We are also looking forward to increased growth in women’s rugby and are hoping to have 20 teams contest USSA 7s in 2020.
SOUTH AFRICAN PARLIAMENTARY RUGBY CLUB

INTRODUCTION
The Parliamentary Rugby Club (PRC) was founded in 1995, on the occasion of South Africa’s hosting of the Rugby World Cup. The inaugural event was addressed by the late former President Nelson Mandela and since then the membership includes a multi-party group of MP’s, former MP’s, support staff, security personnel and departmental staff.

GOVERNANCE
The PRC has a fully elected governing structure, with Cedric Frolick, MP as Chairperson and Greg Schneeman (ex-MP) as Vice-Chairman. The Club Captain is Nic Koornhof (ex-MP) with Eugene Stevens (Parliamentary Staff) as Team Captain.

EVENTS/COMPETITION/MATCHES
The club participates in a local league and also plays a number of friendly matches against visiting teams. The team also participates in and provides logistical support to the annual Legislature Games. Regular weekly practices take place under the guidance of a qualified coach, Ivan Solomons.

The highlight is the Parliamentary Rugby World Cup (PRWC) that takes place every four years in the country that hosts the Rugby World Cup. The event precedes the RWC and teams from New Zealand, Australia, England, France, Argentina, Japan, Ireland and Georgia participated in the 2019 event, that was held at the Fujikawaguchiko Sports Arena, Yamanashi, Japan.

The PRC performs its functions and participates in matches with the support of membership contributions and is self-funded. A number of sponsors such as Sanlam, Santam, Supersport, Edusport and Essity supported the club in the last PRWC. We are also delighted for the support from SA Rugby, who sponsored the players’ kit for the entire squad.

CHALLENGES/RECOMMENDATION
The PRC has a high turn-over of MP’s due to changes in party representation after each general election. The number of MP’s who participate in weekly training sessions and weekend friendly matches varies due to commitments in Parliament and their constituencies. The very loyal staff contingent and playing MP’s must be supplemented with younger players before the next PRWC in France.

Financing remains a challenge and at the 2019 World Cup each player had to pay a minimum of R10,000 to travel to Japan. The Constitution of the Club must be revisited to strengthen the number of guest players who are eligible for selection. Players must regularly play according to the PRWC rules to get familiar with the format of the tournament.

CONCLUSION
The Parliamentary Rugby Club is fully representative of the demographics of our country and includes MP’s and former MP’s from the four largest political parties in Parliament. On and off the field the team is united with no distinction made between MP’s and staff.

In the year ahead the Club will be strengthened with younger players and will venture into other formats of the game, such as sevens and 10s. Outreach events and coaching in disadvantaged communities will receive renewed focus.