



SOUTH AFRICAN RUGBY UNION **ANNUAL REPORT** **2023**







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SOUTH AFRICAN RUGBY UNION ANNUAL REPORT 2023

SA RUGBY PARTNERS IN 2023

PRINCIPAL TEAM PARTNERS



ASSOCIATE TEAM PARTNERS



ASSOCIATE TEAM SPONSORS



OFFICIAL SUPPLIERS



TOURNAMENTS AND REFEREE PARTNERS





Eben Etzebeth, the SA Men's Rugby Player of the Year for 2023, celebrates the Springboks' victory in the Rugby World Cup final in Paris last year.



Eben Etzebeth (above), Canan Moodie and Libbie Janse van Rensburg (left), and Manie Libbok (below) were some of the winners at the annual SA Rugby Awards for the 2023 season.





The Springboks, the SA Deaf Rugby Association, Corne Beets, Ruan Pienaar and Cameron Hufke were also honoured at the SA Rugby Awards for their 2023 performance, while SA Rugby enjoyed a stellar night at the SA Sports Awards, where the sport was honoured with awards in eight categories, for Federation, Administrator, Team, Coach, Sportsman, Newcomer, Sports Star, and People's Choice winner.





PRESIDENT'S REPORT

The past eight years have marked a challenging era in South African rugby's history. In 2016, the sport faced significant setbacks, including failing to meet government transformation targets, issues with team succession planning, sub-par team performances, diminished corporate investor confidence, severe financial strain, and the resignation of the President of South African Rugby. However, following a comprehensive restructuring of our operations, we succeeded in turning the situation around, culminating in a triumphant victory at the 2019 Rugby World Cup.

GOVERNANCE AND INVESTOR CONFIDENCE

Governance concerns were addressed by introducing independent members on the board who chaired all statutory committees. Poor investor confidence was tackled through an extensive roadshow process that addressed investor concerns and outlined the turnaround strategy, resulting in the return of corporate participation. The succession plan for our players was addressed with the introduction of our Players of National Interest (PONI) intervention. The only area not addressed was establishing a reserve fund, which faced

insurmountable odds due to the global pandemic in 2020, just as we believed we had turned our fortunes around.

PANDEMIC AND STRUCTURAL CHANGES

Just as we were riding the wave of success from our 2019 Rugby World Cup campaign, the global pandemic in 2020 dramatically altered our trajectory. This unforeseen crisis necessitated the implementation of an industry-wide mitigation plan to preserve jobs, livelihoods, and the sport itself. Further complicating matters, the restructuring of the Vodacom Super Rugby competition, which excluded teams from Argentina and South Africa, posed a significant challenge to our franchises. Given that our primary revenue stream is participation in international competitions, it became imperative to rapidly identify alternative opportunities for our franchises. Our decision to invest in northern hemisphere competitions brought additional financial strain to the organisation.

Mr Mark Alexander and Ox Nche with the Qatar Airways Cup after the Springboks beat New Zealand in London.





RESILIENCE AND TEAM PERFORMANCE

Despite these disruptions over two RWC cycles, our team's unwavering determination and resilience has been evident. We strived to overcome these pressures and continued inspiring hope amongst hundreds of thousands of South African fans. This journey would not have been possible without the unified support and collective effort of everyone involved in rugby in our country. Our experiences underscore the strength we derive from working collaboratively. We are stronger together.

FINANCIAL CHALLENGES AND RECOVERY

At the onset of 2023, our organisation was confronted with a budget shortfall of R254m, a direct consequence of the enduring impacts of the pandemic, our departure from Super Rugby, and our strategic investments in the north to preserve the professional game at home. Despite these challenges, we have maintained our operations, propelled by an aggressive strategy to bridge this financial gap – a goal we achieved in July 2023.

The financial setbacks experienced in 2020 and 2021 could not be offset through standard trading activities alone, as our

The premature exit from Super Rugby and our investment in the northern hemisphere to save the professional game in South Africa had further impacted our finances. These investments cost R71m in 2020, R208m in 2021, R330m in 2022, R385m in 2023, and an expected expenditure of R410m in 2024.

resources for commercial endeavours had been significantly diminished. The path forward to recuperate these losses lies in securing a substantial cash infusion.

The financial strain on our organisation is a direct result of the COVID-19 pandemic and our inability to fulfil our commercial rights, leading to a reduction of R540m in our projected total income forecast for 2020. The premature exit from Super Rugby and our investment in the northern hemisphere to save the professional game in South Africa had further impacted our finances. These investments cost R71m in 2020, R208m in 2021, R330m in 2022, R385m in 2023, and an expected expenditure of R410m in 2024.

GLOBAL RUGBY LANDSCAPE

Rugby worldwide stands at a critical juncture, with many tier-one nations grappling with significant governance and financial sustainability challenges. The aftermath of the pandemic, coupled with rising costs of event delivery, have intensified these financial pressures. Many nations had to take advances on their annual World Rugby grants to sustain their organisations during COVID-19, resulting in financial gaps and added pressure on their subsequent budgets. Unfortunately, these gaps cannot be easily filled as there are no marketing properties to monetise the shortfall. To safeguard the future of the sport globally, rugby requires a major intervention, disruption, transformation, or innovation—similar to the impact witnessed in LIV Golf.

SA RUGBY'S RESPONSE

South African rugby is one of the countries that took advances from World Rugby to sustain the organisation and support our members during the COVID-19 pandemic. We implemented an industry mitigation plan with key stakeholders to protect livelihoods and franchises. Fortunately, we did not face any closures of structures, unlike some other nations. This outcome is

a testament to our resilience and strength when we work together as an industry.

The financial strain on our organisation persists due to rising costs of event delivery and increasing travel expenses. Unfortunately, the revenue from commercial rights is not keeping pace with these rising costs. Therefore, innovation and the development of alternative revenue streams are essential to sustain our operations and meet our financial requirements.

RESERVE FUND STRATEGY

South African rugby must ensure that we have a reserve fund capable of sustaining the organisation for a minimum of 18 months in the event of any crisis like the pandemic. During such times, we need to support our members, especially when we cannot deliver on our commercial rights sold to sponsors and broadcasters. These organisations now have clauses in their contracts that protect them from making payments in such events, highlighting the necessity of our preparedness.

RUGBY WORLD CUP 2027 STRATEGY

The Springbok management has a well-defined strategy for our journey to the World Cup in Australia. However, the specifics of our business environment at that time are less certain. We have a clear vision for our desired outcomes and the strategies to achieve them, yet we are also pioneering new initiatives and exploring new opportunities beyond the traditional confines of the field.

PLAYER OF NATIONAL INTEREST (PONI) PROGRAMME

The Player of National Interest (PONI) programme was inaugurated with the primary aim of safeguarding a continuous and robust influx of talent within our organisation. This initiative was a direct response to the challenges faced in 2016, a period marked by our team's underperformance attributable to a lack of

Implemented in 2018, the PONI programme has since demonstrated its efficacy in cultivating a sustainable talent pipeline, crucial for our organisation's ongoing success. The programme entrusts the national coach with the pivotal role of scouting and identifying potential talent.

effective succession planning. Previously, the organisation's focus on a limited number of 17 players led to a significant drain on our talent reservoir, hindering the development of a dynamic succession strategy.

Implemented in 2018, the PONI programme has since demonstrated its efficacy in cultivating a sustainable talent pipeline, crucial for our organisation's ongoing success. The programme entrusts the national coach with the pivotal role of scouting and identifying potential talent. This responsibility includes ongoing monitoring of the selected players and facilitating communication with the respective union or franchise coaches to ensure cohesive development strategies.

Through the PONI programme, our organisation commits to a future-proof strategy, ensuring that the pitfalls of past years are not repeated and that we remain at the forefront of nurturing world-class players.

HOSTING TEST MATCHES

Hosting national team events is a responsibility carried out by national bodies worldwide. As a means of supporting our members, we grant franchise unions the opportunity to host these events, thereby enhancing their hosting income. However, it's important to note that hosting international



The crowd at Loftus Versfeld in Pretoria celebrates as Kurt-Lee Arendse goes over for one of his three tries against Australia in the Castle Lager Rugby Championship.

events entails financial costs for the national body, including hosting both international teams and our own national team.

We have certain rights that must be upheld to prevent any infringement by unauthorised parties. We are unique in that we allow our franchise unions to deliver these events of national interest on behalf of our membership. While hosting these tests is a privilege, it is one granted by our collective membership. The home unions rely on these international events as a primary source of income to supplement their organisations' revenue streams.

GLOBAL RUGBY CHALLENGES AND THE FUTURE

Rugby stands at a critical juncture globally, with top-tier nations facing significant financial and governance challenges, as

stated earlier. The sport's current model has become unsustainable, necessitating a radical restructure of the leagues to align with the evolving sports landscape and changing consumption patterns. Prioritising player welfare remains paramount. To safeguard the future of rugby worldwide, it must be emphasised that it is imperative that we undertake substantial disruptions, transformations, or innovations.

NATIONS CUP PROPOSAL – A GAME CHANGER

There has been much reporting of a potential Nations Cup for 12 leading countries. The interest and excitement for the concept continues to build, ahead of

its introduction in 2026. It is too early to speculate or provide more detail on the concept as it is subject to contract, but it has the potential to be a game changer for rugby in South Africa and globally.

THE GREATEST RIVALRY: SPRINGBOKS VS ALL BLACKS – A GAME CHANGER

The storied rivalry between the Springboks and the All Blacks began on 13 August 1921, over a century ago. This fabled rivalry has established itself as the biggest in world rugby since that first drawn series in New Zealand more than a hundred years ago.

Over the years, these matches have consistently been major drawcards for both broadcasters and spectators. In response to the enduring interest in this rivalry and a fresh approach to our annual test programme, the two organisations have agreed to a tour format that could rival or even surpass the British & Irish Lions tours. Starting in 2026 in South Africa, the All Blacks will play eight games over two months, including matches against the franchises, the South Africa A team, and three tests against the Springboks.

This tour has the potential to generate new revenue streams equivalent to or greater than those of the Lions Tours.

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This competition has significant potential financial benefits for the organisations involved, but it would also make a substantial contribution to sports tourism with a significant economic impact for our country. We have signed a memorandum of understanding and are finalising our agreement for 2026.

MARKETING OUR BRANDS

South Africa, as a developing country, has a currency that is weak and potentially undervalued against global financial markets. Despite this, we excel on the international stage, generating revenue through participation in international events involving the Springboks and the URC franchises. To remain competitive and retain most of our players, it is crucial for us to market our brands internationally and earn revenue in stronger currencies.

To achieve this, we have appointed Wasserman (formerly CSM) to market and sell our brands. They have restructured our value proposition to corporates, aligning it with our strategic objectives while addressing the business objectives of potential corporate partners, creating a winning proposition for both parties.

EXCELLENCE IN PERFORMANCE

The Rugby World Cup was more than just another victory; it was an affirmation of the remarkable ethos that has come to define the Springboks—a testament to the power of diversity, teamwork, trust, a lack of personal ego, and a resolute focus on the team's success. This spirit underpins the ethical foundation of the Springboks' achievements.

The team's triumph is not merely about winning back-to-back World Cups; it's about the way we played the game. The team



navigated a challenging pool that included Ireland and Scotland, overcame the hosts, France in the quarterfinals, and defeated England and New Zealand in the semi-final and final, respectively. The victory was a triumph of character, resilience, and a level of commitment that few teams can match.

They have developed a unique approach that prioritises the collective benefit over personal gain. Director of Rugby Rassie Erasmus, despite arguably making controversial decisions along the way, embodies this spirit of selflessness. He and head coach Jacques Nienaber, along with their coaching staff, meticulously analysed every aspect of the game, leaving no stone unturned.

This might seem like an excessive level of oversight, but it all boils down to one thing—winning as a collective and not as individuals. The Springboks embody a team determination to succeed at the highest level. They love our country, their teammates, and their families, and their ultimate objective is not just to play for themselves, but to sacrifice and play for something bigger than themselves - to play for everyone on and off the field. They understand what it is to be South African. The team's ethical commitment to each other allows them to endure and triumph, even in the face of adversity.

They have shown us that diversity, teamwork, trust, and a shared commitment to a greater good can overcome the odds. In a world that often prioritises the self over the team, the Springboks remind us that it's the collective spirit, driven by unwavering determination and ethical unity, that leads to true greatness. The exceptional dedication and unwavering commitment of Rassie, captain Siya Kolisi, and the entire team to South African rugby have not only set a high standard but also left an indelible mark on our sport in South Africa. Thanks to Rassie and his team for creating hope and inspiration for the people of South Africa.

AWARDS RECEIVED

Rugby was honoured in eight categories at the South African Sports Awards, collecting awards for Federation, Administrator, Team, Coach, Sportsman, Newcomer, Sports Star, and People's Choice winner, with Springbok captain Siya Kolisi collecting the latter two awards.

The eight awards exceeded rugby's previous best showing (five awards in 2022) and are believed to be the most collected by a single sport in the history of the 17-year-old awards.

We have worked hard over a long period to reach this point and are now fortunate to be enjoying a golden age. These awards are a reward for all the hard work, dedication and passion that are poured into the sport daily—at every level, from the school fields to the provincial unions and, of course, at the Springbok level.

It is a happy and humbling occasion for our sport. The full list of awards won by rugby was:

- **Federation of the Year** - SA Rugby
- **Sports Administrator of the Year** - Mr Mark Alexander (SA Rugby President)
- **Team of the Year** - Springboks
- **Newcomer of the Year** – Manie Libbok
- **Coach of the Year** - Jacques Nienaber
- **Sportsman of the Year** - Eben Etzebeth
- **People's Choice Award** - Siya Kolisi
- **Sports Star of the Year** – Siya Kolisi

Rugby is truly fortunate to have such exemplary ambassadors and role models among its players and coaches. They fully deserve all the accolades they receive.



The Boland Cavaliers celebrate after they beat the Valke in the Currie Cup First Division final in Wellington, the first time they've won the title since 2011.

CONGRATULATIONS

Through all the turbulence between our back-to-back Rugby World Cup victories, the resilience of our sport and our teams has shone through, and congratulations go to our principal domestic competition winners in that time:

Currie Cup Premier Division:

- 2020 – Vodacom Bulls
- 2021 – Vodacom Blue Bulls
- 2022 – Airlink Pumas
- 2023 – Toyota Cheetahs

Currie Cup First Division:

- 2020 – Not played (COVID-19)
- 2021 – Leopards
- 2022 – NovaVit Griffons
- 2023 – Sanlam Boland Cavaliers

Women's Premier Division:

- 2020 – Not played (COVID-19)
- 2021 – Border Ladies
- 2022 – Border Ladies
- 2023 – Bulls Daisies

SPECIAL ACKNOWLEDGEMENT

Finally, I would like to extend a heartfelt thank you to our corporate partners and our broadcaster, SuperSport, for their unwavering support of rugby in South Africa. Our achievements would not be possible without your partnership, and for that, we are extremely grateful.

To our members, their private equity partners, and staff who have stood by the organisation during the toughest period in the history of rugby in South Africa, your commitment, dedication, and resilience have played a major role in our back-to-back World Cup victories. We deeply appreciate your dedication to rugby in South Africa.

Additionally, I want to express my gratitude to the Executive Council, the CEO, and the staff, who have been the backbone of our organisation. Thank you for your unwavering support, the time you have committed, and your dedication to rugby. And, of course, none of this would have been possible without our loyal fans.

Mark Alexander

President – SA Rugby



CEO'S REPORT

No report on the 2023 rugby year in South Africa can begin or end anywhere other than on the 28th of October at the Stade de France on the outskirts of Paris.

The one-point victory of the Springboks over New Zealand completed an astonishing achievement for the national team as we became the first country to win four Rugby World Cups – from only eight attempts it should not be forgotten – by one of the hardest routes imaginable.

The achievement of the team in negotiating a draw that saw them play each of the five other teams in the top six of the world rankings, held the South African public in thrall and the outpouring of gratitude, admiration and even adulation that followed the team's return, launched rugby into a stratosphere of unprecedented South African public approbation.

It was the highest of highs in a year of similarly unprecedented activity for South African rugby, to which I had the great good fortune to return as CEO in March.

In the following ten months, plans already in place unfolded as South African rugby hosted four international events for World Rugby, four of our seven national teams visited 15 different countries and we made a major step forward in the acquisition of a private equity partner in

what will be a groundbreaking moment for rugby in our country.

Our normal domestic activities continued at their usual pace and all this against a background of on-going financial challenges. Those off-field challenges are ironically impelled on a quadrennial basis by the elevated level of onfield excitement. Rugby World Cup years invariably see costs rise and revenues fall – the first from the investment in the team's preparations and success and the second from the fact that commercial revenue reduces because of the absence of a July Test programme and the truncating of the Castle Lager Rugby Championship.

Despite that, we came desperately close to balancing the books by year end – one of a very small coterie of Tier One rugby nations to do so – although it is an annual challenge, and new strategies are being put in place (principally come into effect from 2025) to provide a more sustainable solution to the yearly battle. More of which later.

Facing the haka in a Rugby World Cup final - only the second time ever for the Springboks.





The breadth and depth of activity in 2023 is most revealingly captured in some statistics: In the 2023 calendar year 69 different national teams from 37 international federations (senior, U20, U18 and sevens, both men and women) were welcomed to South Africa as well as 28 different club sides from 11 countries in the Vodacom United Rugby Championship, European Professional Club Rugby (EPCR) Champions and Challenge Cups and the Mzansi Challenge. Everyone seemed to visit SA in 2023.

It made for an operationally swamping year and while it was a testimony to the capacity of SA Rugby to host events – and the importance of South Africa in the global rugby landscape – it also highlighted that a root-and-branch overhaul of SA Rugby was required to maximise the opportunities as well as navigate the opportunities that the evolving rugby landscape presents.

To that end, in December the General Council approved a recommendation from the executive committee to accelerate conversations with American-based private equity company, the Ackerley Sports Group (ASG), to acquire a minority shareholding (up to 20%) in a new company holding the commercial rights of SA Rugby. The remaining shareholding would be retained by SA Rugby.

Negotiations with ASG have progressed in 2024 and it is hoped that a formal offer and associated terms can be presented to the General Council before the end of the year. Such a deal would achieve several goals. It would provide SA Rugby with the

long-postponed reserve policy (ring-fencing funding to weather financial storms of the scale of the pandemic); it would provide a short-term cash injection to meet 2024's commitments; it would provide a capital fund to launch a new era of fan engagement and digital marketing and unlock new markets, platforms and relationships considering ASG's existing sports portfolio. The company is invested in American sports franchises and partners with another American sports investment company in the English soccer team, Leeds United.

Going together with the embrace of private equity investment is the development of a four-year strategic plan – the first at SA Rugby for many years. It will be properly reported in next year's annual report, but it is important to note here that one of its major pillars is to double sponsorship revenues from the existing level of +/- R450m per annum by 2027 – if not before. That will assist in addressing the financial sustainability of the sport while also closing the gap on our fellow international federations. The commercial revenues for the back-to-back Rugby World Cup champions lag markedly on some of our rivals, with South Africa ranking fifth in income in US dollar terms.

Unlike other nations – notably New Zealand – our sponsor portfolio is under-weighted on global companies and to address that absence and unlock greater value, the UK-based arm of the international commercial agency, Wasserman, was contracted early in 2024 to reset South African rugby's commercial programme.

In the 2023 calendar year 69 different national teams from 37 international federations (senior, U20, U18 and sevens, both men and women) were welcomed to South Africa as well as 28 different club sides from 11 countries in the Vodacom United Rugby Championship, European Professional Club Rugby (EPCR) Champions and Challenge Cups and the Mzansi Challenge. Everyone seemed to visit SA in 2023.



The DHL Stormers almost managed to defend their Vodacom URC title, but they were pipped in a tense final by Munster at a packed DHL Stadium in Cape Town.



As ever, the high-level of 'boardroom' activity was more than matched in excitement and interest by our core business – the playing of rugby. Our members' participation in the Vodacom United Rugby Championship and the competitions of the European Professional Club Rugby was not without its travel (and cost) challenges but the fact that the DHL Stormers hosted the URC final for a second successive season (losing to Munster unfortunately) ensured that interest in the competition continued to accelerate after the COVID interruption.

At the participation level great work was done to workshop and design new laws to make rugby safer at school and club level by lowering of the height at which a tackle

Naka Bulle from Pretoria were crowned champions in the African Rainbow Community Gold Cup in 2023, after they beat Heineken College Rovers from KZN by 56-29 in the final.



may be attempted while also outlawing potentially dangerous ball-carrying techniques. The proposals – an outgrowth of a World Rugby trial period – were approved by the General Council and came into operation on 1 January 2024.

Also at the participation level, it was gratifying to see the return of a national club championship - the African Rainbow Community Gold Cup – with the Naka Bulle of Pretoria winning the title for the first time as the generous sponsorship allowed the competition to take place for the first time since 2019.

It was gratifying too to see an SA Rugby initiative on climate action win an award from the International Olympic Committee (IOC) for a sustainability project run in partnership with World Rugby. The scheme took non-recyclable and recyclable plastic and converted it into bricks for house building as part of the delivery of the Rugby World Cup Sevens in Cape Town in 2022. SA Rugby is charged by World Rugby to align to the mother body's Environmental Sustainability Plan 2030 and one of the strategic goals for the next four years is to deliver world-class competitions that are financially and environmentally sustainable.

The international growth and rising profile of women's rugby is also being mirrored in South Africa with the Women's Sevens team earning core status on the HSBC Sevens Series – courtesy of winning the Challenger Series event in Stellenbosch – while an Under-20s women's week was held for the first time. The highlight of the year, however, was hosting WXV2 (women's fifteens) for the six teams ranked between seventh and 12th in the world. The Springbok Women finished third – to retain their place in the second division of women's teams – having earlier won the African Championship in Madagascar.

Meanwhile in men's rugby, the Sevens team scooped the Team of Year Award at the annual SA Sports Awards, recognised

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for their 2022 achievements, during which they won four straight tournaments on the World Series before they brought home the gold medal at the Commonwealth Games in England.

At international level a SANZAAR Under-20 competition for men was agreed for kick off in 2024.

All-in-all it made for an exciting but remarkably busy year for the organisation with resourcing for the on-field activities proving an on-going challenge that the developments planned for in 2024 and beyond are designed to address.

On the 2nd of November 2023, the Springboks arrived back in South Africa to be met by an adoring public and tens of thousands of fans lining the highways and byways of South Africa for a trophy tour to major cities.

The stock of the sport has never been higher in South Africa, the job now is to take that asset globally and realise its full commercial value.

Rian Oberholzer
CEO – SA Rugby

A sustainability project run by SA Rugby in partnership with World Rugby called "The Bag that Builds" won an International Olympic Committee climate action award in 2023.





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 the constitution, all of SARU's affairs shall be governed by the Executive Council, which may exercise all such powers and perform all such functions which 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 the main and ancillary objects.

- 8.7** The provisions in the Act and the rules of the 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 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 - 2016 King IV, as augmented and amended from time to time, shall apply as a guideline to the governance of SARU.



The Junior Springbok Women faced their U20 counterparts from Zimbabwe and won the match by 29-10 in East London.



GOVERNANCE STRUCTURES

1. MEMBERS OF THE EXECUTIVE COUNCIL (“EXCO”)

NAME	POSITION	DATE OF APPOINTMENT
Mark Alexander	President	Elected 6 April 2018
Francois Davids	Deputy President	Elected 5 June 2020
Hennie Baartman	Union Representative	Elected 29 April 2022
Pat Kuhn	Union Representative	Elected 5 June 2020
Randall September	Union Representative	Elected 29 April 2022
Peggy-Sue Khumalo	Independent Member	Tenure end: 15 September 2023
Faffa Knoetze	SARPA Representative	Resigned: 9 September 2023
John Smit	SARPA Representative	Appointed 17 October 2023
Mary-Anne Musekiwa	Independent Member	Re-appointed 16 August 2022
Melody Lekota	Independent Member	Appointed 13 October 2022
Jannie Louw	Union Representative	Elected 5 June 2020
Mimi Tau	Independent Member	Re-Appointed 21st July 2023
Tryphosa Ramano	Independent Member	Appointed 6 September 2022
COMPANY SECRETARY		
Chantal du Pisani	Company Secretary	Appointed 1 January 2023
INVITED MEMBER		
Andy Colquhoun	GM: Communications	Appointed April 2008

2. SARU SUB-COMMITTEES

AUDIT & RISK COMMITTEE

Mary-Anne Musekiwa	Chairperson
Mary-Anne Musekiwa	Chairperson
Professor Edna van Harte	Independent
Sinoxolo Jodwana	Independent
Raymond Fenner	Independent

INVITED MEMBERS

Rian Oberholzer	CEO
Abubakar Saban	CFO
Chantal du Pisani	Company Secretary
Sophy Kleovoulou	External auditor, Nexia SAB&T
Yoliswa Madlingozi	External auditor, Nexia SAB&T
Gareth Farrell	Internal auditor, KPMG

FINANCE COMMITTEE

Tryphosa Ramano	Chairperson
Jannie Louw	Member
Mark Alexander	President
Francois Davids	Deputy President

INVITED MEMBERS

Rian Oberholzer	CEO
Abubakar Saban	CFO
Chantal du Pisani	Company Secretary

HUMAN RESOURCES & REMUNERATION COMMITTEE

Melody Lekota	Chairperson
Evelyn Motsatsing	Independent
Lloyd Fortuin	Independent
Lwanda Jongilanga	Independent

INVITED MEMBERS

Rian Oberholzer	CEO
Abubakar Saban	CFO
Ingrid Mangcu	GM:HR
Chantal du Pisani	Company Secretary

JUDICIAL COMMITTEE

Judge Lex Mpati	Chairperson
Peter Ingwersen	Independent
Deker Govender	Independent
Nozipho Mngomezulu	Independent
Andre May	Independent

INVITED MEMBERS

Chantal du Pisani	Company Secretary, Head of Legal and Compliance
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FRANCHISE COMMITTEE

Mark Alexander	President
Francois Davids	Deputy President
Franchise Committee,	CEO's

comprising of not fewer than six (6) unions and not more than eight (8) unions

INVITED MEMBERS

Rian Oberholzer	CEO, SARU
Rassie Erasmus	Director of Rugby
Charles Wessels	GM: Rugby and Secretary

NON-FRANCHISE COMMITTEE

Francois Davids	Deputy President, Chairperson
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Mark Alexander	President
Boland Rugby Union (Pty) Ltd	CEO's

Border Rugby Union (Pty) Ltd

Valke Rugby Union (Pty) Ltd

Griffons (Pty) Ltd

Leopards (Pty) Ltd

SWD Rugby Football Union (SWDRFU)

INVITED MEMBERS

Rian Oberholzer	CEO, SARU
Ian Schwartz	GM: SPM, Secretary

TRANSFORMATION COMMITTEE

Mimi Tau	Independent EXCO Member, Chairperson
Mark Alexander	President
Francois Davids	Deputy President
Pat Kuhn	EXCO Member
Zilungile Ntombela	Independent Member

Devendra Easthorpe
Independent Member

Gloria Sullivan
Independent Member

All 14 Provincial Union Presidents
Presidents / in accordance with SARU Constitution

INVITED MEMBERS

Rian Oberholzer	CEO
Ian Schwartz	GM: SPM
Samantha McDonald	Strategic Performance Management Administration, Secretary
Morne Nortier	Project Manager: SPM

3. SARU AD HOC COMMITTEES

CONSTITUTIONAL COMMITTEE

Mark Alexander	Chairperson
Francois Davids	Deputy President
Mervyn Taylor	Leopards (Non-Franchise representative)

Willem Strauss

Neville Jardine

BBRU (Franchise representative)

GLRU (Franchise representative)

INVITED MEMBERS

Rian Oberholzer	CEO, SARU
Chantal du Pisani	Company Secretary



WOMEN'S RUGBY COMMITTEE

	POSITION
Patrick Kuhn	Exco Member (Chairperson)
Mark Alexander	President
Francois Davids	Deputy President
Mimi Tau	Independent Exco Member
Mary-Anne Musekiwa	Independent Exco Member

All 14 Union Women's Rugby Representatives

INVITED MEMBERS

Rian Oberholzer	CEO
Charles Wessels	GM: Rugby
Rassie Erasmus	Director of Rugby
Ingrid Mangcu	GM: HR
Lynne Cantwell	High Performance Manager: Women's Rugby (Secretary)

NATIONAL TEAMS STEERING COMMITTEE

	POSITION
Mark Alexander	President (Chairperson)
Francois Davids	Deputy President
Pat Kuhn	Exco Member
INVITED MEMBERS	
Rian Oberholzer	CEO, SARU
Rassie Erasmus	Director of Rugby
Jacques Nienaber	Springbok Coach (Resigned, October 2023)
Samantha McDonald	Strategic Performance Management
Charles Wessels	GM: Rugby (Secretary)

AGENTS COMMITTEE

Nozipho Mngomezulu	Independent Member (Chairperson)
Hennie Baartman	SARU Representative
Barend van Graan	SAREO Representative
Mandisi Tshonti	SARPA Representative
James Adams	Representative Player Agent

INVITED MEMBERS

David de Villiers	SARPA Representative
Chantal du Pisani	Company Secretary

AMATEUR COMMITTEE

	POSITION
Mark Alexander	President
Francois Davids	Deputy President
All 14 Union Representatives	CEOs
INVITED MEMBERS	
Rian Oberholzer	CEO
Yusuf Jackson	GM: Operations
Ian Schwartz	GM: Strategic Performance (Secretary)

TRANSFORMATION ADVISORY COMMITTEE

	POSITION
Mary-Anne Musekiwa	Independent Exco member (Chairperson)
Mimi Tau	Independent Exco member
Evelyn Motsatsing	Independent Member
Judge Johan van der Westhuizen	Independent Member
INVITED MEMBERS	
Abubakar Saban	CFO
Chantal du Pisani	Legal & Compliance
Ian Schwartz	GM: Strategic Performance & Transformation
Samantha McDonald	Strategic Performance Management

COMPANY SECRETARY & CFO

Chantal du Pisani was appointed as the Head of Legal and Compliance on 1 January 2023 and (interim) Company Secretary from 1 January 2023. Chantal du Pisani continues to fulfil both Positions within the SA Rugby Union structure.

CFO

Abubakar Saban is the CFO of SA Rugby Union.

CERTIFICATE

In my capacity as the (interim) Company Secretary I can confirm that the information provided herein for the year ended 31 December 2023, is indicative of all governance structures in operation in line with the requirements of the Union's Constitution. In addition, all minutes of the General Council Meetings, Executive Council and Sub-Committee meetings have been kept electronically, for record purposes.

SARU VISION



VISION

To be the leading rugby nation, inspiring all South Africans



VALUES

Excellence, Inclusivity, Innovation, Ethical, Collaboration



MISSION

High performing people, process and systems providing sustainable, well-governed world class innovative sporting entertainment to make South Africa to be the leading Rugby Nation.

SARU LEGAL, COMPLIANCE, RULES, AND REGULATIONS:

The SARU Legal Team's vision is to enable the successful delivery of SARU's strategic objectives as set out in SARU's Destination 2027 and legal department is there to support SARU's commercial interests, delivery requirements such as reporting to its stakeholders and to enable SARU to deliver a world-class rugby business on and off the field of play. The SARU legal team, is a resource requirement to provide legal guidance and a wide range of support services to SARU.

SARU CONSTITUTION

SARU comprises nine (9) provincial members made up of 14 constituent unions' members with Limpopo participating as a non-voting member. Limpopo RU was accepted as a development union at the SARU AGM on 29 April 2022.

Members designate three persons from their constituent unions to represent them at general meetings of which one member has to a female. The member having a female representative qualifies for a third vote at General Council.

Western Province Rugby Football Union remains under the administration of SARU.



SA Rugby Deputy President Mr Francois Davids hands over the Sanlam Boland Top 12 Cup to winner, Safcol Roses United, after the final in Wellington.

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.

The composition of Executive Council members for the period 2021 – 2025 shall include no less than 3 women. The Executive Council oversaw the organisation's management and business strategies. SARU continued to have strengthened oversight through independent members on the Executive Council and in 2023 had five (5) independent members, all of whom were women. They brought an independent, business expertise and objective view distinct from that of members and management and acted as a balancing element in governing body discussions.

SARU acknowledges their value and experience in navigating financial, social and ethics, transformation and risk related matters. Their agility and responsive decision making supported the organisation in navigating through uncharted waters. With significant developments in the both the URC and SANZAAR landscape and the pursuit of

opportunities in Europe, they provided rigorous review of SARU's strategic options.

In addition, they have been invaluable in their guidance through navigating equity offers from both identified parties. Their continued tenure ensured that there was creativity and flexibility in adjusting the focus areas to ensure the ongoing sustainability of the business. Although various strategic priorities had to be adapted, key focus areas were retained to support management in focusing on the long-term goals. The potential equity partner engagements commenced and finality on this is expected to be achieved in the new financial year.

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 behaviour 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 Executive Council members, through the Social and Ethics Committee, had reviewed through a rigorous process with the assistance of external professionals the declarations relating to the Executive Council members. A conflict management framework was developed and the independent members, who participate had reviewed all such matters.

SUSTAINABILITY FOCUS

SARU's responsibilities as a national sporting federation cover all aspects of the playing of the game. World Rugby has introduced targets relating to environmental and sport sustainability by 2030 and the SARU SPM team are currently reviewing the requirements outlined in these targets.

In addition, financial sustainability is paramount in the role that SARU plays within the South African rugby ecosystem.

Achievements such as the winning of the Rugby World Cup in 2023, boost the attractiveness of the whole rugby proposition and justify the investment in team campaigns. Viewership and support in South Africa, through teams' participation in the North is reaping rewards.

The identification of a preferred equity partner in 2023 General Council, pursuing the financial strategy to identify a strategic equity partner for SARU remains an important part of the overall sustainability.

EXECUTIVE COUNCIL 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. These Terms of References can be found on the SARU website through the following link: www.sarugby.co.za/general/governance-and-documents/



Nadine Roos was one of the Springbok Women's Sevens team's best performers as they sealed core status on the HSBC SVNS circuit.



EXECUTIVE COUNCIL REPORT

In compliance with Section 12.1 of the Constitution, the General Council of SARU assembled for its Annual General Meeting on 2 May 2023; two (2) Special General Meetings on (10 August 2023 and 1 September 2023) and one (1) Ordinary General Meeting on 8 December 2023.

In addition, as a result of SARU not presenting a balanced budget and in line with Clause 13.2 of the SARU Constitution, the General Council could not approve SARU's annual budget for 2024 at the meeting held in December 2023.

EXECUTIVE COUNCIL

As per the requirement of Clause 15.1 of the SARU Constitution, the SARU Executive Council attended nine (9) meetings. All Special EXCO meetings were held via MS Teams facility. The attendance of the Executive Council was as follows for the period 1 January 2023 to 31 December 2023.

Exco Member	08-Feb	23-Feb	18-Apr	17-May	22-Jun	03-Jul	13-Aug	01-Oct	22-Nov
M Alexander	✓	✓	✓	✓	✓	✓	✓	✓	✓
F Davids	✓	✓	✓	✓	✓	✓	✓	✓	✓
F Knoetze	✓	✓	✓	✓	✓	✓	-	-	-
P Kuhn	✓	✓	✓	✓	✓	✓	✓	✓	✓
H Baartman	✓	✓	✓	✓	✓	✓	✓	✓	✓
A Saban	✓	✓	✓	✓	✓	✓	✓	✓	✓
M Musekiwa	✓	✓	✓	✓	✓	✓	✓	✓	✓
R September	✓	✓	✓	✓	✓	✓	✓	✓	✓
J Louw	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mimi Tau	✓	✓	-	-	-	-	✓	✓	✓
P-S Khumalo	✓	✓	✓	✓	✓	✓	✓	✓	✓
T Ramano	✗	✗	✗	✓	✓	✗	✓	✓	✓
M Lekota	✓	✗	✗	✓	✗	✓	✓	✓	✓
J Smit	-	-	-	-	-	-	-	-	✓
L Mtiki							✓	-	-
INVITED MEMBERS									
L Mtiki							✓		
C du Pisani	✓	✓	✓	✓	✓	✓	✓	✓	✓
A Colquhoun	✓	✓	✓	✓	✓	✓	✗	-	✓

DHL Western Province clinched the SA Rugby U21 Cup after winning all seven their pool matches and beating the Fidelity ADT Lions in the Final in Cape Town.

SUB-COMMITTEES and AD HOC COMMITTEES

SARU Constitution provides for the establishment of SARU Sub-committees and ad hoc Committees. These committees are, in principle reflective of the best practice recommendations as set out in the Code of Governance Principles for South Africa – 2009 King IV.

Audit and Risk Committee

Attendance and meeting details

Audit and Risk	4-Apr	17-Jul	16-Nov
M Musekiwa	✓	✓	✓
T Ramano	✓	-	✓
Prof E van Harte	✓	✓	✓
S Jodwana	✓	✓	✓
R Fenner	✓	✓	✓
INVITED MEMBERS			
R Oberholzer	✓	✓	✓
A Saban	✓	✓	✓
C du Pisani	✓	✓	✓
L Mtiti	-	✓	-

Human Resources and Remuneration; Social and Ethics Committee

Attendance and meeting details

HR REMCO	30-May	26-Jun	20-Nov
M Lekota	✓	✓	✓
P-S Khumalo	✓	✓	-
L Fortuin	✓	✓	✓
L Jongilanga	✓	✓	✓
E Motsatsing	✓	✓	✓
INVITED MEMBERS			
R Oberholzer	✓	✓	✓
A Saban	✓	✓	✓
C du Pisani	✓	✓	✓
A Colquhoun	✓	✓	✓
I Mangcu	✓	✓	✓
I Schwartz	✓	-	-

Finance Committee

Attendance and meeting details

Fincom	08-Feb	31-Mar	28-Apr
T Ramano	-	✓	✓
M Alexander	✓	✓	✓
F Davids	✓	✓	✓
J Louw	✓	✓	✓
INVITED MEMBERS			
R Oberholzer	✓	✓	✓
A Saban	✓	✓	✓
C du Pisani	✓	✓	✓
A Colquhoun	-	✓	✓
S Samsodien	-	✓	-
J Roux	-	✓	-
L Mtiti	-	-	-





AUDIT AND RISK COMMITTEE

For the year ended 31 December 2023:

The Chairperson of the Audit and Risk Committee hereby submits the Audit and Risk Report for the year under review:

Terms of Reference

The Audit and Risk Committee's Terms of Reference is available on SARU's website.

The Terms of Reference is reflective of the delegation to it by the Executive Council. The Audit and Risk Committee has discharged the functions in terms of its charter and ascribed as follows:

- Reviewed the annual financial statements of the South African Rugby Union and Group-
 - Recommended to the Executive Council to recommend to the Annual General Meeting to adopt the financial statements;
 - Reviewed the annual financial statements of SA Rugby Events Services (RF) (Pty) Ltd for the year ended 31 December 2023-
- ◆ Recommended to its board of directors for adoption.
- Reviewed the external audit reports on the annual financial statements;
- Recommended the appointment of the external auditors.

In addition, the Audit and Risk Committee evaluated the effectiveness of risk management, controls and the information technology governance process and in so doing reviewed the insurance portfolio and the IT Action Plan and Business Continuity; and

- Recommended the audit fees, the engagement terms of the external auditor and the audit plan for approval to the executive council.

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

The Audit and Risk Committee is a sub-committee of the Executive Council and therefore reports to them, directly.

Sevens rugby was not the only entertainment on display at the HSBC SVNS Cape Town last year.



ATTENDANCE

The internal and external auditors, in their capacity as auditors to the entity, attended and reported at meetings of the Audit and Risk Committee. The CEO, CFO and relevant senior managers attended meetings by invitation.

ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has discharged the functions in terms of its terms of reference as follows:

In the course of its review and recommendation to the Annual General Meeting to adopt the annual financial statements of the South African Rugby Union and Group for the year ending 31 December 2023 the committee:

- took appropriate steps to ensure that the annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board;
- considered, and, where appropriate, made recommendations on internal financial controls; and
- dealt with items raised by the External Auditors about the accounting policies, the auditing process, the content of the annual financial statements and internal financial controls.
- Reviewed the external audit reports on the annual financial statements.

Springbok lock Salmaan Moerat interacts with a bunch of children at a Get Into Rugby Festival in Cape Town.



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.

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 combined assurance model allows for assurance providers to be indicated and categorized between management, committees and external service providers such as external and internal auditors.

The services of KPMG as appointed Internal Auditors of SARU, had recommenced during 2022. The committee noted that updated strategic and operational risk registers as prepared by the internal auditors, forming the basis for the audit plan to be executed during 2024.

A total of twelve strategic risks and thirty-two operational risks were identified and presented to the committee as part of the SARU risk assessment and overall combined assurance model.

EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

Nexia SAB&T continued their third year of engagement as SARU's designate External Auditors for the 2023 financial year. The Audit and Risk Committee has reviewed the independence guidelines applied of Nexia SAB&T 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. 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 that management had secured a robust architecture that allowed for SARU to operate effectively with minimal to no business interruption. The monthly reporting provided by EOH, and the appointment of a full-time staff member within SARU, provides significant level of assurance around the management of vulnerabilities, hardware maintenance, disaster recovery and loadshedding.

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. 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.



OPERATIONS & FINANCE

OPERATING RESULTS

The 2023 financial year has been an extraordinarily challenging year off the field whilst the country celebrated the success of the Springbok team winning the 2023 Rugby World Cup in France.

As the fixtures of the Springboks changes significantly during a Rugby World Cup year, so does the ability to recognise revenue from broadcasters and sponsors during such time.

The non-participation in a traditional inbounds and outbound series and a truncated Castle Lager Rugby Championship effectively contributes to the decline of overall revenues as per International Financial Reporting Standard (IFRS) revenue recognition criteria. The contractual commitment towards Rugby World Cup player and management win bonuses is softened through the adequate provisioning of a performance-based insurance product and a sponsorship incentive arrangement.

The loss of a Currie Cup sponsor was offset against better-than-expected revenues from merchandise royalties, securing a product licensing agreement and test guarantees for Rugby World Cup warm-up matches against Wales and New Zealand respectively.

The investment into Northern Hemisphere competitions – the Vodacom United Rugby Championship and EPCR Champions and Challenge Cups – cost a collective R385 million whilst player image rights and player insurance cost a collective R124 million.

As per above explanations, group revenues decreased by 7% from R1.54 billion in 2022 to R1.44 billion in 2023. Furthermore, the change in the commercial model applied by World Rugby for the HSBC Sevens Series meant that SA Rugby received a delivery fee for hosting the Cape Town Sevens leg of such series rather than the previously reported total event revenue.

Group grant income recognized from World Rugby increased significantly from R36.4 million in 2022 to R290.6 million during the current year because of the timing of such receipt and obligations underpinning such allocation. Grant income is not reported as revenue, but rather as other operating income as required by IFRS 15.

The Union's loss before taxation of R6.7 million includes expenditure of R385 million attributable to URC and EPCR participation and team travel, R347 million funding to member unions, player image rights and insurance of R124 million and direct management and team Rugby World Cup costs of R133 million.

The Toyota Cheetahs celebrate after beating the Airlink Pumas in the Currie Cup Premier Division final.





The SA Rugby Girls Weeks delivered some high-quality rugby yet again.

The Commercial Department expenditure includes commitments towards broadcasting and sponsorship rights delivery, participation fees and team travel for the URC and EPCR, SANZAAR head office and travel costs as well as the funding of the Youth Week tournaments.

The expenditure in the Rugby Department increased significantly as a result of the 2023 Rugby World Cup participation. Rugby expenditure thus increased from R347 million in 2022 to R459 million.

We continued to work closely with the Finance Committee to navigate a challenging financial environment and to ensure that sufficient financial resources were made available to fund critical operational requirements whilst always maintaining a position of solvency.

FINANCIAL POSITION

The Union and Group is reported on a factual solvency basis with equity of R5.3 million reported in the annual financial statements for the Union and R32 million for the Group.

As previously reported, a material right-of-use asset is disclosed under non-current asset as a result of recognition in terms of IFRS 16. Such basis being that the right of use of the current office space and corresponding lease liability was calculated on the discounted future payments required under such lease arrangement.

The R28.7 million carrying value of total assets includes a R16 million building held under a lease arrangement and reported in the annual financial statements as required by IFRS. An amount of R4.7 million is reflected as motor vehicles and mainly attributable to the capitalisation of sponsorship vehicles received from Toyota South Africa where full vehicle ownership was transferred to SA Rugby.

The improvement in the group equity position from R24 million in 2022 to R32 million

in 2023 is mainly attributable to the increase in the deferred taxation asset with a year-end balance of R17.9 million. This can be recognized as an asset if there is a reasonable expectation that there will be future taxable income against which the deferred tax asset can be used. A significant portion of the deferred tax asset arose as a result of income received in advance and as such had resulted in a release of the deferred tax asset over time as the balance of income received in advance is unwound.

Based on cash forecasts, the required bank overdraft facilities with ABSA were in place as required to fund operations with the year-end overdraft position of R39 million. The engagement with senior officials and the credit risk team at ABSA was ongoing with detailed forecasting and financial information being provided to ensure that access to short term funding was made available as and when required to fund operations and working capital.

A significant percentage of year end trade receivables were collected after year end with adequate provisions being made for possible asset impairments.

The year-end accounts reflect a position of factual solvency and after the review of future cashflows, we concluded on the ability of the group to operate as a going concern into the foreseeable future.

PROSPECTS FOR 2024 AND BEYOND

The proposed investment by a private equity consortium is expected to realise significant commercial growth in our sport over time and a significant cash windfall during 2024 and the years to follow. SA Rugby will remain the majority shareholder and will continue to be responsible for the management and selection of all national teams. Outside of the initial capital injection, such relationship is expected to unlock commercial opportunities in the form of access to new markets and platforms.

SA Rugby's commercial activities (of



selling broadcast and sponsorship rights and running events) will continue as before, only in partnership with a UK-based company with international experience who believe that our revenues are capable of meaningful increase if marketed globally.

The guaranteed participation of South African international franchises in the Vodacom United Rugby Championship and European Professional Club Rugby competitions together with the participation of the Springboks in the SANZAAR-owned Rugby Championship creates the commercial opportunities required to generate a significant amount of revenue into the foreseeable future.

We are fast approaching the agreed timelines set around becoming a shareholder in the United Rugby Championship with significant financial upside envisaged from being a competition participant to becoming a shareholder.

A significant percentage of broadcasting and sponsorship revenues have been secured up until 2025 whilst World Rugby continues to provide financial support to member unions by way of guaranteed union funding towards the development of rugby at all

levels. SARU continues to hold a 33% share in SANZAAR where the Rugby Championship remains a significant commercial asset.

World Rugby is engaged on the timely release of guaranteed member union funding. Continuous monitoring of working capital requirements and expenditure reporting allows for proactive measures to be implemented as and when required to mitigate risks to solvency.

The adopted strategies and ultimate realization of commercial opportunities presented from back-to-back Rugby World Cup wins will ensure the future financial sustainability of SA Rugby.

STRUCTURE

The Operations and Finance Department consists of finance and asset care as its core functions, 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 functions are provided by reputable outsourced service providers and reporting into the operations and finance structure.



SOUTH AFRICAN RUGBY UNION

VOLUNTARY ASSOCIATION OF PERSONS

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

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

Mark Alexander (President)

Francois Davids (Deputy President)

Rian Obelholzer (Chief Executive Officer)

Abubakar Saban (Chief Financial Officer)

Hennie Baartman

Jannie Louw

John Smit

Mary-Anne Musekiwa

Melody Lekota

Mimi Tau

Pat Kuhn

Randall September

Tryphosa Ramano

Belia Karsten

STATUTORY INFORMATION

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

Postal address PO Box 15929, Panorama, 7506
Cape Town

Bankers ABSA Bank Limited

Auditor Nexia SAB&T
Registered Auditors

Level of assurance These consolidated and separate annual financial statements have been audited.

Preparer The consolidated annual financial statements were internally compiled under the supervision of:
S Sekhosana
Senior Finance Manager

INDEX

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

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EXECUTIVE COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Executive Council is required in terms of the Constitution of The South African Rugby Union 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 the 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 IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Executive Council acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and the Union and place considerable importance on maintaining a strong control environment. To enable the Executive Council 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 the Union and all employees are required to maintain the highest ethical standards in ensuring the Group and Union'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 and the Union. While operating risk cannot be fully eliminated, the Group and the Union endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

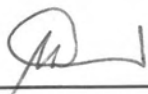
The Executive Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any 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 2024 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

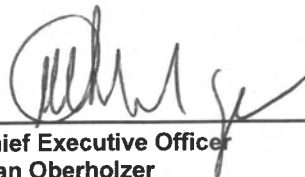
The external auditors are responsible for independently auditing and reporting on the Group and Union's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the Group's external auditors and their report is presented on pages 7 to 9.

The consolidated and separate financial statements set out on pages 10 to 50, which have been prepared on the going concern basis, were approved by the Executive Council on 20 June 2024 and were signed on their behalf by:

Approval of financial statements



President
Mark Alexander



Chief Executive Officer
Rian Oberholzer



EXECUTIVE COUNCIL'S REPORT

The Executive Council's has the pleasure in submitting their report on the consolidated and separate financial statements of The South African Rugby Union and the Group for the year ended 31 December 2023.

1. Nature of business

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

There have been no material changes to the nature of the group and union's business from the prior year.

2. Review of financial results and activities

The operating results and financial position of the Group and Union are fully set out in the attached consolidated and separate financial statements.

The Groups separate and consolidated financial statements comprise those of the South African Rugby Union, SA Rugby Event Services Proprietary Limited, The Rugby Educational Foundation NPC and investments in SANZAR Proprietary Limited, SANZAR Europe S.a.r.l, Malmason DAC and SA Rugby Travel.

Net profit / loss for the Group for the year was R8 246 906 (2022: loss R15 283 606). The figures for the Union for the year were R3 247 547 (2022: loss R12 055 189).

3. Executive Council

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

Executive Council	Changes
Mark Alexander (President)	
Francois Davids (Deputy President)	
Rian Obelholzer (Chief Executive Office)	Appointed 01 March 2023
Abubakar Saban (Chief Financial Officer)	
Hennie Baartman	
Jannie Louw	
John Smit	Appointed 01 October 2023
Mary-Anne Musekiwa	
Melody Lekota	
Mimi Tau	Resigned 18 April 2023 and re-appointed 4 July 2023
Pat Kuhn	
Peggy-Sue Khumalo	Resigned 30 September 2023
Randall September	
Tryphosa Ramano	
Belia Karsten	Appointed 01 January 2024
Faffa Knoetze	Resigned 30 September 2023

EXECUTIVE COUNCIL'S REPORT (continued)

4. Subsidiaries, associates, joint operation and Trust

The Union has the following interests:

A 100% shareholding in SA Rugby Event Services Proprietary Limited, whose main objective the organisation of SA Rugby events.

A 33.3% shareholding in SANZAR Proprietary Limited which manages 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 as at 31 December 2023 was R5 559 153 (2022: R5 334 395).

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 as at 31 December 2023 was R7 480 704 (2022: R5 832 526).

A 50% interest in Lions Tour to South Africa Designated Activity Company Cup, an Ireland based company which is established to manage, control, direct and administer the exploitation of the commercial rights in relation to the British and Irish Lions Tour. The Union's share of accumulated profits at 31 December 2023 was RNil (2022: R2 115 573). The company changed its name to Malmason Designated Activity Company during the year under review and was dissolved on 14 October 2023 by the Companies Registrations Office of Ireland.

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.

A 100 % 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.

Further details relating to these entities are given in notes 5 and 6 of the consolidated and separate financial statements.

5. Events after the reporting period

SA Rugby is engaged in conversations with a private equity consortium, which wishes to invest in the future commercial growth of our sport. If the equity deal is approved by the General Council of SA Rugby, it will entail a company investing in a minority shareholding in the commercial rights to SA Rugby's activities in a newly created Commercial Rights Company (CRC). SA Rugby will remain the majority shareholder. CRC will not be responsible for the management or selection of any national teams nor for the management of competitions as rugby administration remains the responsibility of SARU. It will be SA Rugby's commercial arm, a subsidiary to the mother body.

The SA Rugby's commercial activities of selling broadcast and sponsorship rights and running events will continue as before, only in partnership with a company with international experience who believe that our revenues are capable of meaningful increase.

6. 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.

The proposed investment by a private equity consortium is expected to realize significant commercial growth in our sport over time and a potential significant cash windfall during the medium term and upon the successful conclusion of an equity deal. SA Rugby will remain the majority shareholder and will continue to be responsible for the administration of Rugby which includes the management and selection of any national teams. The SA Rugby's commercial activities of selling broadcast and sponsorship rights and running events will continue as before, only in partnership with a company with international experience who believe that our revenues are capable of meaningful increase.

The guaranteed participation of South African international franchises in the United Rugby Championship and European Professional Club Rugby competitions together with the participation of the Springboks in the Sanzar owned Rugby Championship creates the commercial opportunities required to generate a significant amount of revenue into the foreseeable future. We are fast approaching the agreed timelines set around becoming a shareholder in the United Rugby Championship with significant financial upside envisaged from being a competition participant to becoming a shareholder. Such shareholding is dependent on meeting specific subscription conditions.

A significant percentage of broadcasting and sponsorship revenues have been secured up until 2025 whilst World Rugby continues to provide financial support to member unions by way of guaranteed union funding towards the development of rugby at all levels. World Rugby is engaged on the timely release of guaranteed member union funding.

Continuous monitoring of working capital requirements and expenditure reporting allows for proactive measures to be implemented as and when required to mitigate risks to solvency.

To address short term potential liquidity risks, banking facilities will continue to be secured as required on the basis of a long-standing relationship with ABSA, subject to regular credit risk reviews and on the basis of thorough cashflow forecasting.

7. Auditors

Nexia SAB&T was appointed in office as auditors for the Union and its subsidiaries for the 2023 financial year.

8. Membership control

The Group and the union are controlled by its fifteen member unions operating across 9 provinces. Limpopo is included as a development union but has no voting rights. Each Union has the right to designate three persons to represent them at general meetings with each such representative having one vote. The only other person entitled to vote at general meetings of members is the President, who, in the case of an equality of votes, shall be entitled to a second or casting vote, provided that he has used his deliberate vote. The Union's business and activities are overseen by the members in general meeting, which has the ultimate authority in respect of, and responsibility for, its affairs.

SOUTH AFRICAN RUGBY UNION

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023



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INDEPENDENT AUDITOR'S REPORT

To the Members of the South African Rugby Union and its subsidiaries

Opinion

We have audited the consolidated and separate financial statements of A the South African Rugby Union and its subsidiaries set out on pages 10 to 50, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

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 and its subsidiaries as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Constitution of the South African Rugby Union.

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 are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The members are responsible for the other information. The other information comprises the information included in the document titled "The South African Rugby Union Consolidated Annual Financial Statements for the year ended 31 December 2023", which includes the Executive Council's Report as required by the Constitution of the South African Rugby Union. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Audit. Tax. Advisory.

Chairperson: Mrs A Ramasike
Chief Executive Officer: Mr B Adam
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
SAB&T Chartered Accountants Incorporated is a member of Nexia, a leading, global network of independent accounting and consulting firms.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.
* A full list of directors is available for inspection at the company's registered office or on request.

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 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 members are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the members determine 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 members are 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 members either intend to liquidate the group and / or 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 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 members.

SOUTH AFRICAN RUGBY UNION

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

- Conclude on the appropriateness of the members' 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 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 the 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 members 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.

Nexia SAB&T

Nexia SAB&T

Sophocles Kleovoulou

Director

Registered Auditor

20 June 2024



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note(s)	Group		Union	
		2023 R	2022 R	2023 R	2022 R
Assets					
Non-Current Assets					
Property, plant and equipment	2	11,500,707	13,368,520	11,492,352	12,591,927
Right-of-use assets	3	16,320,577	21,347,709	16,320,577	21,347,709
Intangible assets	4	903,067	1,331,474	903,067	1,331,474
Investments in associates	5	13,039,857	13,282,493	-	-
Trade and other receivables	6	49,822,725	34,164,817	49,822,725	34,164,817
Deferred tax	7	17,992,805	12,821,755	17,992,805	12,821,755
		109,579,738	96,316,768	96,531,526	82,257,682
Current Assets					
Inventories	8	4,219,729	4,977,723	4,219,729	4,977,723
Trade and other receivables	6	262,622,934	252,415,765	231,672,162	196,902,677
Cash and cash equivalents	9	3,613,039	17,809,508	33,507	109,875
		270,455,702	275,202,996	235,925,398	201,990,275
Total Assets		380,035,440	371,519,764	332,456,924	284,247,957
Equity and Liabilities					
Equity					
Post retirement actuarial reserve		17,095,000	17,095,000	17,095,000	17,095,000
Retained income		15,317,589	7,070,683	(11,703,185)	(8,455,639)
		32,412,589	24,165,683	5,391,815	8,639,361
Liabilities					
Non-Current Liabilities					
Lease liabilities	3	23,554,121	29,188,607	23,554,121	29,188,607
Post employment healthcare benefits	12	22,317,000	19,854,000	22,317,000	19,854,000
Deferred income	10	1,769,059	7,133,005	1,769,059	7,133,005
		47,640,180	56,175,612	47,640,180	56,175,612
Current Liabilities					
Trade and other payables	13	138,209,740	208,023,835	117,651,998	136,278,350
Other financial liabilities	11	40,817,335	-	40,817,335	-
Lease liabilities	3	6,801,126	5,538,415	6,801,126	5,538,415
Post employment healthcare benefits	12	847,000	738,000	847,000	738,000
Deferred income	10	72,597,046	54,495,962	72,597,046	54,495,962
Current tax payable		1,662,562	-	1,662,562	-
Bank overdraft	9	39,047,862	22,382,257	39,047,862	22,382,257
		299,982,671	291,178,469	279,424,929	219,432,984
Total Liabilities		347,622,851	347,354,081	327,065,109	275,608,596
Total Equity and Liabilities		380,035,440	371,519,764	332,456,924	284,247,957

SOUTH AFRICAN RUGBY UNION

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	Group		Union	
		2023 R	2022 R	2023 R	2022 R
Revenue	14	1,440,205,945	1,547,860,956	1,349,801,908	1,344,885,724
Other operating income	15	372,380,527	69,657,073	380,380,527	69,502,942
Other operating gains (losses)	16	1,349,405	(758,994)	663,437	(646,656)
Other operating expenses		(1,816,225,514)	(1,621,250,150)	(1,743,499,230)	(1,418,404,091)
Operating (loss) profit	17	(2,289,637)	(4,491,115)	(12,653,358)	(4,662,081)
Finance income	18	11,114,465	9,263,199	9,732,825	8,918,033
Finance costs	19	(3,835,503)	(3,943,031)	(3,835,503)	(3,650,602)
Loss from equity accounted investments		(250,908)	(3,452,120)	-	-
Profit (loss) before taxation		4,738,417	(2,623,067)	(6,756,036)	605,350
Taxation	20	3,508,489	(12,660,539)	3,508,489	(12,660,539)
Profit (loss) for the year		8,246,906	(15,283,606)	(3,247,547)	(12,055,189)



STATEMENT OF CHANGES IN EQUITY

	Post retirement benefit actuarial reserve R	Retained earnings R	Total equity R
Group			
Balance at 01 January 2022	17,095,000	22,354,289	39,449,289
Loss for the year	-	(15,283,606)	(15,283,606)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(15,283,606)	(15,283,606)
Balance at 01 January 2023	17,095,000	7,070,683	24,165,683
Profit for the year	-	8,246,906	8,246,906
Total comprehensive income for the year	-	8,246,906	8,246,906
Balance at 31 December 2023	17,095,000	15,317,589	32,412,589
Union			
Balance at 01 January 2022	17,095,000	3,599,548	20,694,548
Loss for the year	-	(12,055,187)	(12,055,187)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(12,055,187)	(12,055,187)
Balance at 01 January 2023	17,095,000	(8,455,638)	8,639,362
Loss for the year	-	(3,247,547)	(3,247,547)
Total comprehensive Loss for the year	-	(3,247,547)	(3,247,547)
Balance at 31 December 2023	17,095,000	(11,703,185)	5,391,815

SOUTH AFRICAN RUGBY UNION

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

STATEMENT OF CASH FLOWS

	Note(s)	Group		Union	
		2023 R	2022 R	2023 R	2022 R
Cash flows from operating activities					
Cash used in operations	22	(115,356,244)	(25,309,909)	(99,168,538)	(37,120,046)
Interest income	18	11,114,465	9,263,199	9,732,825	8,918,033
Finance costs	19	(1,868,559)	(3,943,031)	(1,868,559)	(3,650,602)
Net cash from operating activities		(106,110,338)	(19,989,741)	(91,304,272)	(31,852,615)
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(3,358,903)	(7,991,522)	(3,358,903)	(7,894,893)
Proceeds from sale of property, plant and equipment	2	59,064	11,197	59,067	-
Purchases of intangible assets	4	(116,206)	-	(116,206)	-
Net cash from investing activities		(3,416,045)	(7,980,325)	(3,416,042)	(7,894,893)
Cash flows from financing activities					
Repayments of borrowings		1,420,321	-	734,353	-
Proceeds from financial liabilities	11	40,817,335	-	40,817,335	-
Repayment of lease liabilities	3	(4,371,775)	(3,460,324)	(4,371,775)	(3,460,324)
Advances related to other financial Liabilities		40,798,428	-	40,798,428	-
Net cash from financing activities		78,664,309	(3,460,324)	77,978,341	(3,460,324)
Total cash movement for the year		(30,862,074)	(31,430,390)	(16,741,973)	(43,207,832)
Cash and cash equivalents at the beginning of the year		(4,572,752)	26,857,638	(22,272,381)	20,935,451
Cash and cash equivalents at the end of the year	9	(35,434,826)	(4,572,752)	(39,014,354)	(22,272,381)



ACCOUNTING POLICIES

1. Significant accounting policies

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") and related International Financial Reporting Standards Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Constitution of The South African Rugby Union.

The consolidated and separate annual financial statements have been prepared on the historic cost basis with the exception of certain financial instruments that are recognised at fair value, and incorporate the material accounting policies set out below. They are presented in 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 the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the financial statements of the Union and all entities which are controlled by the Group.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the date of obtaining control until the date that control is lost.

Adjustments are made when necessary to the consolidated annual 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 companies 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 Statement 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.

ACCOUNTING POLICIES (continued)

1.3 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 statement 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 company 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.



1.4 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 Statement 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.

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.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual 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

Trade Receivables

The Union assesses its trade receivables for the impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Union makes judgments 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.

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.

Taxes

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final 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.

ACCOUNTING POLICIES (continued)

1.6 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.

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:

Item	Depreciation method	Average useful life
Office furniture and equipment	Straight line	3 - 8 years
Motor vehicles	Straight line	3 - 5 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	Period of lease

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.



1.7 Intangible assets

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Trademarks	Straight line	20 years
Computer software	Straight line	3 years

1.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.9 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); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost.

Note 28 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.

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

ACCOUNTING POLICIES (continued)

1.9 Financial instruments (continued)

Classification

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 method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

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 method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 18).

The application of the effective interest 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 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).

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 not have a significant financing component, the Group considers whether there has been a significant increase in the risk of 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.



1.9 Financial instruments (continued)

Measurement and recognition of expected credit losses

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

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 6).

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 6) and the financial instruments and risk management note (note 28).

Trade and other payables

Classification

Trade and other payables (note 13), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

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 method.

The effective interest 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 method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

ACCOUNTING POLICIES (continued)

1.9 Financial instruments (continued)

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 its 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.

1.10 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).

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.



1.11 Leases

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.

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 17) 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 3 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 17).

The lease liability is presented as a separate line item on the Statement 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 method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

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

ACCOUNTING POLICIES (continued)

1.11 Leases (continued)

- 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 Statement 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.

1.12 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.

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 and Union at the end of each 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.

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

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

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

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

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

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

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

1.14 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ACCOUNTING POLICIES (continued)

1.15 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 contributions 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 in 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-lines 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.

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.



1.15 Employee benefits (continued)

Defined benefit plans

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.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling and return on plan assets (excluding interest) are recognised immediately to the statement of financial position and to other comprehensive income in the period they occur. The amount recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Current service costs are recognised as an expense in the period in which the related services are performed.

Net interest income or expense are recognised in investment income and finance costs respectively.

1.16 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. Contingencies are disclosed in .

1.17 Grants

Grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

ACCOUNTING POLICIES (continued)

1.18 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Ticket sales
- 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.

Ticket sales

Revenue from sale of tickets is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the tickets, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the tickets sold, the amount of revenue can be measured reliably, 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 terms 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 an asset. However where the benefit relates only to the current period, the product is expensed (i.e. the net effect on the accounting records is nil).

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods, or within 6 months for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are within 6 months.

Sale 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 or 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.



1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

1.20 Translation of foreign currencies

Functional and presentation currency

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

The consolidated and separate financial statements are presented in Rand which is the Group's functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, 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 annual 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.

SOUTH AFRICAN RUGBY UNION

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

	Group		Union	
	2023 R	2022 R	2023 R	2022 R

2. Property, plant and equipment

Group	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	7,643,853	(4,874,762)	2,769,091	7,565,313	(4,575,821)	2,989,492
Office furniture and equipment	13,381,232	(12,604,300)	776,932	12,824,178	(11,461,009)	1,363,169
Motor vehicles	7,158,814	(2,454,529)	4,704,285	6,564,605	(1,175,829)	5,388,776
Computer equipment	12,748,528	(9,509,598)	3,238,930	11,005,908	(7,554,438)	3,451,470
Assets not yet brought into use	11,469	-	11,469	175,613	-	175,613
Total	40,943,896	(29,443,189)	11,500,707	38,135,617	(24,767,097)	13,368,520

Union	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	7,643,853	(4,874,762)	2,769,091	7,565,313	(4,575,821)	2,989,492
Office furniture and equipment	11,122,092	(10,345,160)	776,932	10,565,038	(9,960,117)	604,921
Motor vehicles	7,158,814	(2,454,529)	4,704,285	6,564,605	(1,175,829)	5,388,776
Computer equipment	12,463,287	(9,232,712)	3,230,575	10,700,687	(7,267,562)	3,433,125
Assets not yet brought into use	11,469	-	11,469	175,613	-	175,613
Total	38,399,515	(26,907,163)	11,492,352	35,571,256	(22,979,329)	12,591,927

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Leasehold improvements	2,989,492	78,540	-	-	(298,941)	2,769,091
Office furniture and equipment	1,363,169	595,328	(38,274)	-	(1,143,291)	776,932
Motor vehicles	5,388,776	594,209	-	-	(1,278,700)	4,704,285
Computer equipment	3,451,470	2,090,826	(116,047)	164,144	(2,351,463)	3,238,930
Assets not yet brought into use*	175,613	-	-	(164,144)	-	11,469
	13,368,520	3,358,903	(154,321)	-	(5,072,395)	11,500,707

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Leasehold improvements	3,240,153	45,131	-	-	(295,792)	2,989,492
Office furniture and equipment	1,543,496	592,534	-	-	(772,861)	1,363,169
Motor vehicles	-	5,954,460	-	-	(565,684)	5,388,776
Computer equipment	3,646,884	1,223,784	(96,628)	952,493	(2,275,063)	3,451,470
Assets not yet brought into use	952,493	175,613	-	(952,493)	-	175,613



	Group		Union	
	2023 R	2022 R	2023 R	2022 R

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Union - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Leasehold improvements	2,989,492	78,540	-	-	(298,941)	2,769,091
Office furniture and equipment	604,921	595,328	(23,926)	-	(399,391)	776,932
Motor vehicles	5,388,776	594,209	-	-	(1,278,700)	4,704,285
Computer equipment	3,433,125	2,090,826	(106,057)	164,144	(2,351,463)	3,230,575
Assets not yet brought into use*	175,613	-	-	(164,144)	-	11,469
	12,591,927	3,358,903	(129,983)	-	(4,328,495)	11,492,352

Reconciliation of property, plant and equipment - Union - 2022

	Opening balance	Additions	Transfers	Depreciation	Total
Leasehold improvements	3,240,153	45,131	-	(295,792)	2,989,492
Office furniture and equipment	333,420	592,534	-	(321,033)	604,921
Motor vehicles	-	5,954,460	-	(565,684)	5,388,776
Computer equipment	3,546,881	951,542	1,128,106	(2,193,404)	3,433,125
Assets not yet brought into use	175,613	-	-	-	175,613
	7,296,067	7,543,667	1,128,106	(3,375,913)	12,591,927

* - The transfer relates to computer software that were included in the previously acquired computer equipment. In the current financial year under review the carrying value of the computer software was transferred from Property, plant and equipment to intangible assets.

3. Leases (group as lessee)

The Group leases office properties with an average lease term of 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:

Office buildings	16,320,577	21,347,709	16,320,577	21,347,709
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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 17).

Buildings	5,027,132	5,027,132	5,027,132	5,027,132
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Other disclosures

Interest expense on lease liabilities	2,516,915	3,245,114	2,516,915	3,245,114
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SOUTH AFRICAN RUGBY UNION

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	Group		Union	
	2023 R	2022 R	2023 R	2022 R

3. Leases (group as lessee) (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	8,699,756	8,055,330	8,699,756	8,055,330
Two to five years	24,172,406	32,485,030	24,172,406	32,485,030
	<u>32,872,162</u>	<u>40,540,360</u>	<u>32,872,162</u>	<u>40,540,360</u>
Less finance charges component	(2,516,915)	(5,813,338)	(2,516,915)	(5,813,338)
	<u>30,355,247</u>	<u>34,727,022</u>	<u>30,355,247</u>	<u>34,727,022</u>
Non-current liabilities	23,554,121	29,188,607	23,554,121	29,188,607
Current liabilities	6,801,126	5,538,415	6,801,126	5,538,415
	<u>30,355,247</u>	<u>34,727,022</u>	<u>30,355,247</u>	<u>34,727,022</u>

Exposure to liquidity risk

Refer to note 28 Financial instruments and risk management for the details of liquidity risk exposure and management.



	Group		Union	
	2023 R	2022 R	2023 R	2022 R

4. Intangible assets

Group	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Trademarks	2,000,000	(1,358,521)	641,479	2,000,000	(1,258,590)	741,410
Computer software	16,702,660	(16,441,072)	261,588	16,586,455	(15,996,391)	590,064
Total	18,702,660	(17,799,593)	903,067	18,586,455	(17,254,981)	1,331,474

Union	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Trademarks	2,000,000	(1,358,521)	641,479	2,000,000	(1,258,590)	741,410
Computer software	16,702,660	(16,441,072)	261,588	16,586,455	(15,996,391)	590,064
Total	18,702,660	(17,799,593)	903,067	18,586,455	(17,254,981)	1,331,474

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Amortisation	Total
Trademarks	741,410	-	(99,931)	641,479
Computer software	590,064	116,205	(444,681)	261,588
	1,331,474	116,205	(544,612)	903,067

Reconciliation of intangible assets - Group - 2022

	Opening balance	Amortisation	Total
Trademarks	841,342	(99,932)	741,410
Computer software	2,769,264	(2,179,200)	590,064
	3,610,606	(2,279,132)	1,331,474

Reconciliation of intangible assets - Union - 2023

	Opening balance	Additions	Amortisation	Total
Trademarks	741,410	-	(99,931)	641,479
Computer software	590,064	116,205	(444,681)	261,588
	1,331,474	116,205	(544,612)	903,067

Reconciliation of intangible assets - Union - 2022

	Opening balance	Amortisation	Total
Trademarks	841,342	(99,932)	741,410
Computer software	2,769,264	(2,179,200)	590,064
	3,610,606	(2,279,132)	1,331,474

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	Group		Union	
	2023 R	2022 R	2023 R	2022 R

5. Investments in associates

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

Group

Name of company	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023	Carrying amount 2022
SANZAR Proprietary Limited	33.30 %	33.30 %	5,559,153	5,334,395
SANZAR Europe S.a.r.l	33.30 %	33.30 %	7,480,704	5,832,526
Malmason Designated Activity Company*	- %	50.00 %	-	2,115,572
			<u>13,039,857</u>	<u>13,282,493</u>

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

Summarised financial information of material associates

2023

Summarised statement of profit or loss and other comprehensive income

	Revenue	Profit (loss) from continuing operations
SANZAR Proprietary Limited	35,838,376	(668,794)
SANZAR Europe S.a.r.l	259,985,829	2,564,048
Malmason Designated Activity Company*	(80,717)	(80,717)
	<u>295,743,488</u>	<u>1,814,537</u>

Summarised statement of financial position

	Assets	Liabilities	Total net liabilities
SANZAR Proprietary Limited	43,166,503	26,499,191	(69,665,694)
SANZAR Europe S.a.r.l	656,702,820	598,926,942	(1,255,629,762)
	<u>699,869,323</u>	<u>625,426,133</u>	<u>(1,325,295,456)</u>

*-The company changed its name to Malmason Designated Activity Company during the year under review and was dissolved by the Companies Registration Office of Ireland on 14 October 2023.



	Group		Union	
	2023 R	2022 R	2023 R	2022 R

5. Investments in associates (continued)

2022

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss)
SANZAR Proprietary Limited	36,123,545	831,881
SANZAR Europe S.a.r.l	233,680,938	6,242,857
Lions Tour to South Africa Designated Activity Company	5,229,824	(16,755,245)
	275,034,307	(9,680,507)

Summarised statement of financial position	Assets	Liabilities	Total net liabilities
SANZAR Proprietary Limited	32,188,726	16,345,654	(48,534,380)
SANZAR Europe S.a.r.l	810,386,686	760,826,547	(1,571,213,233)
Lions Tour to South Africa Designated Activity Company	5,246,767	5,246,767	(10,493,534)
	847,822,179	782,418,968	(1,630,241,147)

6. Trade and other receivables

Financial instruments:

Trade receivables	47,939,584	50,041,497	36,766,136	34,176,877
Loan receivable from Provincial Unions	117,694,128	84,715,701	117,694,128	84,715,701
Trade receivables from Provincial Unions	6,227,824	2,015,633	6,227,824	2,015,633
Loss allowance	(12,827,266)	(5,649,570)	(12,827,266)	(5,649,570)
Trade receivables at amortised cost	159,034,270	131,123,261	147,860,822	115,258,641
Accrued sponsorship income	101,877,373	84,859,570	101,877,373	84,859,570
Other receivables	10,912,293	2,743,300	1,093	-
SA Rugby Travel	8,114,876	7,596,871	-	-

Non-financial instruments:

VAT	4,468,840	292,801	4,170,885	-
Prepayments	28,038,007	59,964,779	27,584,714	30,949,283
Total trade and other receivables	312,445,659	286,580,582	281,494,887	231,067,494

Split between non-current and current portions

Non-current assets	49,822,725	34,164,817	49,822,725	34,164,817
Current assets	262,622,934	252,415,765	231,672,162	196,902,677
	312,445,659	286,580,582	281,494,887	231,067,494

Other than the matter referred to in note 11 below, all non-current receivables relate to loan receivables from Unions which are due over an agreed period of time. These loan receivables are unsecured, due within a specified period 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.

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

At amortised cost	279,938,812	226,323,002	249,739,288	200,118,211
Non-financial instruments	32,506,847	60,257,580	31,755,599	30,949,283
	312,445,659	286,580,582	281,494,887	231,067,494

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

	Group		Union	
	2023 R	2022 R	2023 R	2022 R

6. Trade and other receivables (continued)

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.

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.

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.

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

The potential for credit losses from loans provided to Provincial Unions is mitigated through the ability to recovery such amounts from broadcasting rights and other allocations made to such Unions.

Reconciliation of loss allowances

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

Opening balance	(5,649,570)	(12,575,789)	(5,649,570)	(12,575,789)
Allowance reversed / (raised) on new trade receivables	(7,177,696)	6,926,219	(7,177,696)	6,926,219
Closing balance	(12,827,266)	(5,649,570)	(12,827,266)	(5,649,570)

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.

Rand Amount				
Rand	205,995,847	226,323,002	175,796,324	200,118,211
Australian Dollar	5,635,829	-	5,635,829	-
Great British Pound	68,307,136	-	68,307,136	-
	279,938,812	226,323,002	249,739,289	200,118,211

Fair value of trade and other receivables

The carrying value of trade and other receivables approximates the fair value.

7. Deferred tax

Deferred tax liability

Right of use asset	(4,406,556)	(5,763,881)	(4,406,556)	(5,763,881)
Accrued income	(7,697,645)	-	(7,697,645)	-
Prepayments	(7,447,873)	(8,356,306)	(7,447,873)	(8,356,306)
Total deferred tax liability	(19,552,074)	(14,120,187)	(19,552,074)	(14,120,187)



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
7. Deferred tax (continued)				
Deferred tax asset				
Accounts receivable	881,743	1,225,864	881,743	1,225,864
Lease liability	8,195,917	9,376,296	8,195,917	9,376,296
Deferred revenue	18,980,487	6,352,334	18,980,487	6,352,334
Provisions	3,232,452	4,427,608	3,232,452	4,427,608
Post employment healthcare benefit	6,254,280	5,559,840	6,254,280	5,559,840
Total deferred tax asset, net of valuation allowance recognised	37,544,879	26,941,942	37,544,879	26,941,942
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	(19,552,074)	(14,120,187)	(19,552,074)	(14,120,187)
Deferred tax asset	37,544,879	26,941,942	37,544,879	26,941,942
Total net deferred tax asset	17,992,805	12,821,755	17,992,805	12,821,755
Reconciliation of deferred tax asset				
At beginning of year	12,821,755	25,482,295	12,821,755	25,482,295
Charge to profit or loss	5,171,050	(12,660,540)	5,171,050	(12,660,540)
	17,992,805	12,821,755	17,992,805	12,821,755
8. Inventories				
Consumables	4,219,729	19,732,223	4,219,729	19,732,223
Provision for obsolete stock	-	(14,754,500)	-	(14,754,500)
	4,219,729	4,977,723	4,219,729	4,977,723
9. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	20,498	33,806	20,498	33,806
Bank balances	3,592,541	17,775,702	13,009	76,069
Bank overdraft	(39,047,862)	(22,382,257)	(39,047,862)	(22,382,257)
	(35,434,823)	(4,572,749)	(39,014,355)	(22,272,382)
Current assets	3,613,039	17,809,508	33,507	109,875
Current liabilities	(39,047,862)	(22,382,257)	(39,047,862)	(22,382,257)
	(35,434,823)	(4,572,749)	(39,014,355)	(22,272,382)

General deed of cession by the Union of its rights and claims to all receivables.

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	2023 R	2022 R	2023 R	2022 R
9. Cash and cash equivalents (continued)				
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 (if available) or historical information about counterparty default rates:				
Credit rating				
ABSA (A-1)	<u>(35,455,321)</u>	<u>(4,606,555)</u>	<u>(39,034,853)</u>	<u>(22,306,188)</u>
Exposure to currency risk				
Refer to note 28 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.				
10. Deferred income				
Sponsorships	12,807,282	15,436,854	12,807,282	15,436,854
Broadcasting rights	51,855,186	703,701	51,855,186	703,701
Government Grants	4,500,000	2,057,167	4,500,000	2,057,167
World Rugby Grants	5,203,637	43,431,245	5,203,637	43,431,245
	<u>74,366,105</u>	<u>61,628,967</u>	<u>74,366,105</u>	<u>61,628,967</u>
Split between non-current and current portions				
Non-current liabilities	1,769,059	7,133,005	1,769,059	7,133,005
Current liabilities	72,597,046	54,495,962	72,597,046	54,495,962
	<u>74,366,105</u>	<u>61,628,967</u>	<u>74,366,105</u>	<u>61,628,967</u>
11. Other financial liabilities				
Red Disa Investments (Pty) Ltd	40,817,335	-	40,817,335	-
	<u>40,817,335</u>	<u>-</u>	<u>40,817,335</u>	<u>-</u>

Red Disa Investments (Pty) Ltd ("Red Disa") made available a R40 million loan facility to SARU for the exclusive purpose and use of on lending it as working capital funding to Western Province Professional Rugby (Pty) Ltd ("WPPR"). This loan liability is offset by a back-to-back loan receivable of same value, due from WPPR, reported as part of trade and other receivables (refer Note 6). The loan bears interest at the Prime Lending Rate, compounded monthly in arrears, and was further lent to WPPR at the same interest rate. The settlement of these back-to-back loans were linked to the completion of the suspensive conditions of the WPPR equity transaction. Following completion of these suspensive conditions, WPPR settled its loan due to SARU on 19 March 2024, with the loan liability due to Red Disa settled on the same day.



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
12. Post employment healthcare benefits				
Carrying value				
Post employment healthcare benefits - Current portion	847,000	738,000	847,000	738,000
Post employment healthcare benefits - Non-current portion	22,317,000	19,854,000	22,317,000	19,854,000
	23,164,000	20,592,000	23,164,000	20,592,000
Non-current liabilities	22,317,000	19,854,000	22,317,000	19,854,000
Current liabilities	847,000	738,000	847,000	738,000
	23,164,000	20,592,000	23,164,000	20,592,000

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 2023 is 44 (2022:53)

A full actuarial valuation was performed for the Union as at 31 December 2021, using the projected unit credit method.

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

Movements for the year

Opening balance	20,592,000	18,282,000	20,592,000	18,282,000
Net expense recognised in profit or loss	2,572,000	2,310,000	2,572,000	2,310,000
	23,164,000	20,592,000	23,164,000	20,592,000

Net expense recognised in profit or loss

Current service cost	825,000	735,000	825,000	735,000
Interest cost	2,485,000	2,209,000	2,485,000	2,209,000
Benefits paid	(738,000)	(634,000)	(738,000)	(634,000)
	2,572,000	2,310,000	2,572,000	2,310,000

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	2023 R	2022 R	2023 R	2022 R

12. Post employment healthcare benefits (continued)

Key assumptions used

Assumptions used on last valuation on .

Discount rate	12.30 %	12.30 %	12.30 %	12.30 %
Health care inflation	9.60 %	9.60 %	9.60 %	9.60 %

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

	2023 R		2022 R	
	Decrease	Increase	Decrease	Increase
Effect on the aggregate of the current service cost and interest cost due to a 1% change in health care cost inflation	2,526,000	2,526,000	2,526,000	3,464,000
Effect on defined benefit obligation due to healthcare cost inflation	18,282,000	18,282,000	18,282,000	22,371,000
Effect on defined benefit obligation due to a change in the discount rate	21,523,000	21,523,000	21,523,000	15,909,000
Effect on defined benefit obligation due to a 1 year change in the expected retirement age	17,359,000	17,359,000	17,359,000	17,359,000

13. Trade and other payables

Financial instruments:

Trade payables	34,453,118	60,662,558	22,616,798	35,444,868
Trade payables - related parties	11,105,526	46,146,022	2,547,250	-
Other payables	5,339,811	9,104,817	5,267,139	9,104,817
Accrued expenses	87,311,285	88,721,606	87,220,811	88,339,833
	138,209,740	204,635,003	117,651,998	132,889,518

Non-financial instruments:

VAT	-	3,388,832	-	3,388,832
	138,209,740	208,023,835	117,651,998	136,278,350

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

At amortised cost	138,209,740	204,635,003	117,651,998	132,889,518
Non-financial instruments	-	3,388,832	-	3,388,832
	138,209,740	208,023,835	117,651,998	136,278,350

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for trade payables.

Fair value of trade and other payables

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



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
14. Revenue				
Revenue from contracts with customers				
Broadcasting rights	731,047,093	827,809,121	731,944,093	827,809,121
Sponsorships	425,969,097	396,133,630	421,520,097	391,753,630
Overseas Test	44,717,825	27,021,087	44,717,825	27,021,087
Merchandising royalties	30,119,893	11,519,359	30,119,893	11,519,359
British and Irish Lions tour delivery	-	24,134,751	-	24,134,751
World Rugby Cape Town Sevens Events	16,500,000	62,647,776	16,500,000	62,647,776
Product licensing	105,000,000	-	105,000,000	-
SARES	76,211	176,062,023	-	-
SA Rugby Travel	86,775,826	22,533,209	-	-
	1,440,205,945	1,547,860,956	1,349,801,908	1,344,885,724
Disaggregation of revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Timing of revenue recognition				
At a point in time				
Merchandising Royalties	30,119,893	11,519,359	30,119,893	11,519,359
Over time				
Broadcasting rights / sponsorships and other	1,410,086,052	1,536,341,597	1,319,682,015	1,333,366,365
Total revenue from contracts with customers	1,440,205,945	1,547,860,956	1,349,801,908	1,344,885,724
15. Other operating income				
Other income	74,281,591	26,887,449	74,281,591	26,887,449
Grants from World Rugby	290,622,565	36,465,733	290,622,565	36,465,733
Government grants	7,057,167	5,511,139	7,057,167	5,511,139
SA Rugby Travel	-	154,131	8,000,000	-
Grants - other	419,204	638,621	419,204	638,621
	372,380,527	69,657,073	380,380,527	69,502,942
16. Other operating gains (losses)				
Loss on disposal of assets				
Property, plant and equipment	2 (70,916)	(85,431)	(70,916)	(85,431)
Foreign exchange gains (losses)				
Net foreign exchange gains (losses)	1,420,321	(673,563)	734,353	(561,225)
Total other operating gains (losses)	1,349,405	(758,994)	663,437	(646,656)

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	Group		Union	
	2023 R	2022 R	2023 R	2022 R
17. Operating profit (loss)				
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
External audit fees	902,500	1,369,764	902,500	1,153,000
Employee costs				
Salaries	335,235,406	302,554,391	332,323,824	229,903,320
Operating lease charges				
Premises	763,260	1,516,306	763,260	686,590
Equipment	339,682	307,633	339,682	307,633
	1,102,942	1,823,939	1,102,942	994,223
Depreciation and amortisation				
Depreciation of property, plant and equipment	5,096,733	3,909,400	4,328,495	3,375,913
Depreciation of right-of-use assets	5,027,132	5,027,132	5,027,132	5,027,132
Amortisation of intangible assets	544,613	2,279,132	544,613	2,279,132
Total depreciation and amortisation	10,668,478	11,215,664	9,900,240	10,682,177
Operating expenses				
Broadcasting rights and other allocations to provinces	347,981,247	285,745,155	347,981,247	285,745,155
Commercial	581,342,458	429,343,401	584,250,116	427,186,014
Communications	28,808,066	27,328,792	28,808,066	27,328,792
Strategic Performance Management	26,587,446	23,385,875	26,587,446	23,385,785
Governance	9,413,100	7,836,799	9,413,100	7,836,799
Rugby	459,957,696	347,019,610	459,957,696	347,019,610
Human Resources	16,037,513	16,010,216	16,037,512	16,010,216
Office of the CEO	33,199,667	26,527,729	33,199,667	26,527,729
Operations and Finance	77,499,776	70,915,883	77,499,776	70,915,884
Referees	35,440,205	28,215,158	35,440,205	28,215,155
World Rugby Cape Town Sevens Event	-	54,189,871	-	54,189,871
Image rights and player insurance	124,324,399	104,043,077	124,324,399	104,043,077
SARES	925,697	176,305,120	-	-
SA Rugby Travel	74,708,244	22,514,012	-	-
	1,816,225,514	1,619,380,698	1,743,499,230	1,418,404,087
18. Finance income				
Interest income				
Investments in financial assets:				
Bank and other cash	4,330,926	3,265,763	2,949,286	2,920,597
Trade and other receivables	6,783,539	5,997,436	6,783,539	5,997,436
Total interest income	11,114,465	9,263,199	9,732,825	8,918,033



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
19. Finance costs				
Lease liabilities	2,516,915	3,245,114	2,516,915	3,245,114
Loans	817,306	-	817,306	-
Bank overdraft	501,282	697,917	501,282	405,488
Total finance costs	3,835,503	3,943,031	3,835,503	3,650,602

20. Taxation

Major components of the tax (income) expense

Deferred

Originating and reversing temporary differences	(3,508,489)	12,660,539	(3,508,489)	12,660,539
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Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit (loss)	4,738,417	(2,623,067)	(6,756,036)	605,350
Tax at the applicable tax rate of 27% (2022: 28%)	1,279,373	(734,459)	(1,824,130)	169,498

Tax effect of adjustments on taxable income

Deferred tax effect income	(7,537,185)	(9,961,075)	(4,433,682)	(9,961,076)
Non-deductible expenses	2,749,323	23,356,073	2,749,323	22,452,117
	(3,508,489)	12,660,539	(3,508,489)	12,660,539

21. 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 scheme 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 2023, using the projected unit method.

The Trustees of the Rugby Pension Fund ("the Fund") approved the conversion of the active members in the defined benefit section of the fund to the defined contribution section of the fund, effective 30 June 2023. All the defined benefit members accepted their conversion values. The Company therefore no longer has a liability towards the Rugby Pension Fund ("the fund").

Principal actuarial assumptions at the reporting date:

Discount rate	n/a	13.00%	n/a	13.00%
Inflation rate	n/a	7.60%	n/a	7.60%
Salary increase rate (excluding merit increases)	n/a	8.60%	n/a	8.60%
Expected return on scheme's assets	n/a	13.00%	n/a	13.00%
Pension increase allowance	n/a	6.08%	n/a	6.08%

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	Group		Union	
	2023 R	2022 R	2023 R	2022 R

21. Retirement benefits - Rugby Pension Fund (continued)

Mortality pre-retirement: None

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

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

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

Beginning of the year	959,000	925,000	959,000	925,000
Current service cost	26,000	55,000	26,000	55,000
Member contributions	7,000	13,000	7,000	13,000
Interest cost	62,000	118,000	62,000	118,000
Benefits paid	-	-	-	-
Expenses	(11,000)	(26,000)	(11,000)	(26,000)
Risk premiums	(4,000)	(7,000)	(4,000)	(7,000)
Actuarial gain	(131,000)	(119,000)	(131,000)	(119,000)
Settlement cost	578,000	-	578,000	-
Conversion to defined contribution section	(1,486,000)	-	(1,486,000)	-
At the end of the year	-	959,000	-	959,000

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

Beginning of the year	3,620,000	2,101,000	3,620,000	2,101,000
Expected return on the scheme's assets	374,000	259,000	374,000	259,000
Actuarial loss	(1,664,000)	1,254,000	(1,664,000)	1,254,000
Expenses	(11,000)	(26,000)	(11,000)	(26,000)
Member contributions	7,000	13,000	7,000	13,000
Employer contributions	14,000	26,000	14,000	26,000
Risk premiums	(4,000)	(7,000)	(4,000)	(7,000)
Conversion to defined contribution section	(1,486,000)	-	(1,486,000)	-
At the end of the year	850,000	3,620,000	850,000	3,620,000



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
21. Retirement benefits - Rugby Pension Fund (continued)				
Contributions as follows:				
Employer contributions	14,000	25,000	14,000	25,000
Member contributions	7,000	13,000	7,000	13,000
Risk premiums	(4,000)	(7,000)	(4,000)	(7,000)
Expenses	(11,000)	(26,000)	(11,000)	(26,000)
	6,000	5,000	6,000	5,000
The assets the Rugby Pension Fund were invested as follows:				
Cash	1.10%	0.50%	1.10%	0.50%
Equity	36.00%	34.50%	36.00%	34.50%
Bonds	24.60%	35.70%	24.60%	35.70%
Property	3.60%	4.80%	3.60%	4.80%
International	31.90%	24.50%	31.90%	24.50%
Other	2.80%	0.00%	2.80%	0.00%
	100%	100%	100%	100%
The amounts not recognised in the statement of comprehensive income are as follows				
Current service cost	26,000	55,000	26,000	55,000
Net interest on defined benefit	(141,000)	(86,000)	(141,000)	(86,000)
	(115,000)	(31,000)	(115,000)	(31,000)
Fund status				
Defined benefit obligation	-	(959,000)	-	(959,000)
Asset at fair value	850,000	3,620,000	850,000	3,620,000
Asset not recognised on the statement of financial position	850,000	2,661,000	850,000	2,661,000
22. Cash used in operations				
Profit (loss) before taxation	4,738,417	(2,623,070)	(6,756,036)	605,352
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	10,668,478	11,215,664	9,900,240	10,682,177
Losses on sale of assets and liabilities	70,916	85,431	70,916	-
Movement in retirement benefit asset	2,572,000	2,310,000	2,572,000	2,310,000
Gains on exchange differences	(1,420,321)	-	(734,353)	-
Share of profit of equity accounted investments	250,910	3,452,120	-	-
Adjust for items which are presented separately:				
Interest income	(11,114,465)	(9,263,199)	(9,732,825)	(8,918,033)
Finance costs	1,868,559	3,943,031	1,868,559	3,650,602
Changes in working capital:				
(Increase) decrease in inventories	757,994	8,499,774	757,994	8,499,774
(Increase) decrease in trade and other receivables	(65,299,037)	(73,659,255)	(91,225,822)	(32,242,913)

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 IAS19 "Employee benefits".

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	Group		Union	
	2023 R	2022 R	2023 R	2022 R
22. Cash used in operations (continued)				
Increase (decrease) in trade and other payables	(71,186,833)	118,580,589	(18,626,349)	66,143,989
Increase (decrease) in deferred income	12,737,138	(87,850,994)	12,737,138	(87,850,994)
	(115,356,244)	(25,309,909)	(99,168,538)	(37,120,046)

23. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2023

	Opening balance	Additions	Interest	Repayment	Closing balance
Other financial liabilities	-	40,817,335	-	-	40,817,335
Lease liabilities	34,727,022	-	2,516,915	(6,888,690)	30,355,247
Total liabilities from financing activities	34,727,022	40,817,335	2,516,915	(6,888,690)	71,172,582

Reconciliation of liabilities arising from financing activities - Group - 2022

	Opening balance	Interest	Repayment	Closing balance
Lease liabilities	38,187,346	3,245,114	(6,705,438)	34,727,022
Total liabilities from financing activities	38,187,346	3,245,114	(6,705,438)	34,727,022

Reconciliation of liabilities arising from financing activities - Union - 2023

	Opening balance	Additions	Interest	Repayment	Closing balance
Other financial liabilities	-	40,817,335	-	-	40,817,335
Lease liabilities	34,727,022	-	2,516,915	(6,888,690)	30,355,247
Total liabilities from financing activities	34,727,022	40,817,335	2,516,915	(6,888,690)	71,172,582

Reconciliation of liabilities arising from financing activities - Union - 2022

	Opening balance	Interest	Repayment	Closing balance
Lease liabilities	38,187,346	3,245,114	(6,705,438)	34,727,022
Total liabilities from financing activities	38,187,346	3,245,114	(6,705,438)	34,727,022



	Group		Union	
	2023 R	2022 R	2023 R	2022 R
24. Related parties				
Relationships				
Subsidiaries		Refer to note 5		
Associates		Refer to note 5		
Executive Council		Refer to Executive Council's Report		
Related party balances				
Amounts received from Provincial Unions				
Included in trade and other receivables	6,227,824	2,015,633	6,227,824	2,015,633
Loans receivable from Provincial Unions				
Included in trade and other receivables	117,694,128	84,715,701	117,694,128	84,715,701
Amounts payable to Provincial Unions				
Included in trade and other payables	(2,547,250)	(131,100)	(2,547,250)	(131,100)
Related party transactions				
Distributions to Unions				
Distributions of broadcasting rights to provinces	347,981,246	285,745,155	347,981,246	285,745,155
25. Directors' emoluments				
Non-executive				
Fees	3,398,852	3,349,170	3,398,852	3,028,219
Allowances	376,427	216,232	376,427	216,232
	3,775,279	3,565,402	3,775,279	3,244,451
Executive				
Salaries	8,390,099	7,745,862	8,390,099	7,745,862
Medical aid contributions	41,652	66,765	41,652	66,765
Pension fund contributions	376,629	1,012,340	376,629	1,012,340
	8,808,380	8,824,967	8,808,380	8,824,967

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Group		Union	
2023 R	2022 R	2023 R	2022 R

26. 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.

The proposed investment by a private equity consortium is expected to realize significant commercial growth in our sport over time and a potential significant cash windfall during the medium term and upon the successful conclusion of an equity deal. SA Rugby will remain the majority shareholder and will continue to be responsible for the administration of Rugby which includes the management and selection of any national teams. The SA Rugby's commercial activities of selling broadcast and sponsorship rights and running events will continue as before, only in partnership with a company with international experience who believe that our revenues are capable of meaningful increase.

The guaranteed participation of South African international franchises in the United Rugby Championship and European Professional Club Rugby competitions together with the participation of the Springboks in the Sanzar owned Rugby Championship creates the commercial opportunities required to generate a significant amount of revenue into the foreseeable future. We are fast approaching the agreed timelines set around becoming a shareholder in the United Rugby Championship with significant financial upside envisaged from being a competition participant to becoming a shareholder. Such shareholding is dependent on meeting specific subscription conditions.

A significant percentage of broadcasting and sponsorship revenues have been secured up until 2025 whilst World Rugby continues to provide financial support to member unions by way of guaranteed union funding towards the development of rugby at all levels. World Rugby is engaged on the timely release of guaranteed member union funding.

Continuous monitoring of working capital requirements and expenditure reporting allows for proactive measures to be implemented as and when required to mitigate risks to solvency.

To address short term liquidity risks, banking facilities will continue to be secured as required on the basis of a long standing relationship with ABSA, subject to regular credit risk reviews and on the basis of thorough cashflow forecasting.

27. Event after the reporting period

SA Rugby is engaged in conversations with a private equity consortium, which wishes to invest in the future commercial growth of our sport. If the equity deal is approved by the General Council of SA Rugby, it will entail a company investing in a minority shareholding in the commercial rights to SA Rugby's activities in a newly created Commercial Rights Company (CRC). SA Rugby will remain the majority shareholder. CRC will not be responsible for the management or selection of any national teams nor for the management of competitions as rugby administration remains the responsibility of SARU. It will be SA Rugby's commercial arm, a subsidiary to the mother body.

The SA Rugby's commercial activities of selling broadcast and sponsorship rights and running events will continue as before, only in partnership with a company with international experience who believe that our revenues are capable of meaningful increase.



28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	279,938,812	279,938,812	279,938,812
Cash and cash equivalents	9	3,613,039	3,613,039	3,613,039
		283,551,851	283,551,851	283,551,851

Group - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	226,323,002	226,323,002	226,323,002
Cash and cash equivalents	9	17,809,508	17,809,508	17,809,508
		244,132,510	244,132,510	244,132,510

Union - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	249,739,288	249,739,288	249,739,288
Cash and cash equivalents	9	33,507	33,507	33,507
		249,772,795	249,772,795	249,772,795

Union - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	200,118,211	200,118,211	200,118,211
Cash and cash equivalents	9	109,875	109,875	109,875
		200,228,086	200,228,086	200,228,086

Categories of financial liabilities

Group - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Leases	Total	Fair value
Trade and other payables	13	-	138,209,742	-	138,209,742	-
Finance lease obligations	3	-	-	30,355,247	30,355,247	-
Other financial liabilities	11	40,817,335	-	-	40,817,335	40,817,335
Bank overdraft	9	-	39,047,862	-	39,047,862	39,047,862
		40,817,335	177,257,604	30,355,247	248,430,186	79,865,197

Group - 2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	13	204,635,001	-	204,635,001	204,635,001
Lease liabilities	3	-	34,727,022	34,727,022	34,727,022
Bank overdraft	9	22,382,257	-	22,382,257	22,382,257
		227,017,258	34,727,022	261,744,280	261,744,280

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28. Financial instruments and risk management (continued)

Union - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Leases	Total	Fair value
Trade and other payables	13	-	117,652,000	-	117,652,000	-
Lease liabilities	3	-	-	30,355,247	30,355,247	30,355,247
Other financial liabilities	11	40,817,335	-	-	40,817,335	40,817,335
Bank overdraft	9	-	39,047,862	-	39,047,862	39,047,862
		40,817,335	156,699,862	30,355,247	227,872,444	110,220,444

Union - 2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	13	132,889,518	-	132,889,518	132,889,518
Finance lease obligations	3	-	34,727,022	34,727,022	34,727,022
Bank overdraft	9	22,382,257	-	22,382,257	22,382,257
		155,271,775	34,727,022	189,998,797	189,998,797



29. New Standards and Interpretations

29.1 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:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	The impact of the amendment is not material.
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the amendment is not material.
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
• IFRS 17 Insurance Contracts	01 January 2023	The impact of the amendments is not material.

29.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 January 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment has been deferred indefinitely until further notice	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact





RUGBY DEPARTMENT

SPRINGBOKS RETAIN THE WEBB ELLIS CUP AS CHEETAHS AND BOLAND RULE THE CURRIE CUP ROOST

The Springboks gave South Africans of all walks of life hope and joy in a thrilling 2023 season as they were crowned Rugby World Cup champions for the second time in a row, becoming the first nation to claim the title four times since the inception of the tournament in 1987.

Making the triumphant campaign even more memorable, the Boks had to overcome four of the top five teams in the world during their campaign, including RWC hosts France in the quarter-final in front of a very intimidating crowd at the Stade de France.

The Boks were drawn in the so-called 'pool of death', which featured Ireland, the top-ranked team in the world before the tournament, as well as the fifth-ranked Scotland. They opened their campaign with a 18-3 victory against Scotland, before thumping Romania 76-0. Unfortunately for coach Jacques Nienaber and his team, they went down 13-8 against Ireland, but they made a strong comeback in their final pool game against Tonga, registering a 49-18 victory.

The Springboks lifted the Webb Ellis Cup for a second time in a row when they defeated New Zealand in the Rugby World Cup final in Paris - for their fourth title overall.

This saw the Boks book a quarter-final spot against France in Paris, and despite the pressure of facing the hosts in front of a vocal 80 000 strong crowd, they delivered a gutsy performance for a 29-28 victory to secure a place in the semi-final against England.

It was a similarly tense match, with the Springboks edging through 16-15 and this lined up a final against their arch-rivals New Zealand at Stade de France.

Neither team held back in the final, and despite the All Blacks receiving red and yellow cards and the Springboks two yellows, Siya Kolisi's men gave everything until the final whistle to clinch a 12-11 victory – their third in a row by one point – to successfully defend their title.

In the Castle Lager Rugby Championship, the Boks defeated Australia 43-12 in

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Jesse Kriel in action against Wales during a RWC warm-up clash in Cardiff.

Pretoria, before going down 35-20 against New Zealand in Auckland, but they staged a good comeback in the abbreviated version of the tournament by edging Argentina 22-21 in Johannesburg.

This paved the way for their build-up to the international extravaganza where they registered three key victories in a row

– beating Argentina 24-13 in Buenos Aires before registering two record victories on the bounce, by 52-16 over Wales in Cardiff before South Africa’s biggest win ever against New Zealand, by 35-7 at Twickenham.

The Boks then travelled to the Mediterranean island of Corsica for a RWC-training camp, before making their way to their base in France in Toulon by boat.

It was also a rewarding season for Springbok centurion Eben Etzebeth, who became only the second player in history to win the SA Rugby Men’s Player of the Year Award for the second successive year, while Nienaber was named the Coach of the Year, and the Springboks – who finished the season as the top ranked team in the world – were crowned the Team of the Year.



Toyota Cheetahs captain Victor Sekekete with the Currie Cup after the Free Staters beat the Airlink Pumas in the 2023 final.



The Springbok Women celebrate a try against Samoa in their final WXV 2 clash in Cape Town. They finished the tournament in third position.

On the domestic front, the DHL Stormers dropped out at the last hurdle in their quest to build on their success in the inaugural Vodacom United Rugby Championship as they went down 19-14 against Munster in a humdinger of a final in Cape Town.

The Toyota Cheetahs, meanwhile, clinched the Currie Cup Premier Division title as they defeated the Airlink Pumas 25-17, while the Sanlam Boland Cavaliers were crowned the Currie Cup First Division champions with a 43-21 victory over the Valke – who won the new Mzansi Challenge – in Wellington.

SIGNIFICANT SEASON FOR SPRINGBOK WOMEN

It was a full yet rewarding season for the Springbok Women, with the team playing 10 Tests and winning seven in their first season under the guidance of head coach Louis Koen and his newly appointed assistant coaches, Laurian Johannes-Haupt and Franzel September.

The team started their season with two Tests in Madrid, going down against Canada in the opener before beating Spain at home.

Their next assignment was the Rugby Africa Women's Cup at Stade Maki in Antananarivo, where they beat Cameroon, Kenya and hosts Madagascar, which not only earned them the title as champions of Africa, but also an automatic entry into WXV 2 – a new World Rugby competition – in September and October.

The team played warm-up Test matches against Kenya and Samoa, with the second outing marking an historic occasion for women's rugby in South Africa as Nolusindiso Booie became the most capped Springbok Women's player of all time.

The Springbok Women dropped their opening WXV 2 match at Danie Craven Stadium, 31-17 to Scotland, and were beaten 36-18 by Italy a week later.

They ended the tournament on a high by beating Samoa 33-7 to finish third overall (out of six teams), and to the team's delight, Springbok Women's flyhalf Libbie Janse van Rensburg finished the tournament as top points and try-scorer.



ENCOURAGING SEASON AS JUNIOR SPRINGBOKS SECURE BRONZE

The Junior Springboks had the advantage of playing at home during the 2023 World Rugby Under-20 Championship hosted in Paarl, Stellenbosch and Cape Town in June and July, where they were captained by DHL Western Province flanker Paul de Villiers. Vodacom Bulls centre Katlego Letebele was named as his deputy, with the duo being two of seven players to represent the SA Under-20s for a second year running.

The Junior Boks outplayed Georgia 33-23 at the Danie Craven Stadium in their opening game but went down 34-26 to Italy in a rainswept Paarl in their second match.

They kept their play-off hopes alive with a hard-fought 24-16 victory over Argentina at Athlone Stadium, which set them up for a semi-final clash against Ireland.

Unfortunately for Bafana Nhleko's charges, they were defeated 31-12 by the Irish, but they finished the tournament on a positive note bouncing back with a 22-15 win over England in the bronze final.

On the coaching front, Nhleko welcomed Lumumba Currie as his assistant, with the former Border Bulldogs mentor joining as forwards coach in March.



MIXED EMOTIONS FOR MEN'S AND WOMEN'S SEVENS TEAMS

The Springbok Women's Sevens team enjoyed a ground-breaking 2023 season, which featured numerous notable achievements, the most telling being their victory in the World Rugby Challenger Series held in Stellenbosch, with the back-to-back tournament wins in May earning them core status for the 2024 HSBC SVNS.

They also secured a significant tournament victory in the Rugby Africa Women's Sevens Cup in Tunisia, with that result booking them a spot at the 2024 Olympic Games in Paris, where they will compete for the first time.

Renfred Dazel was also confirmed as the head coach following the Challenger Series (he was appointed on an interim basis in



Paul de Villiers, on the rampage here against England, captained the Junior Springboks to a third place in the World Rugby U20 Championship in Cape Town last year.

Zintle Mpupha and Eloise Webb with the two trophies won by the Springbok Women's Sevens team after they were victorious in both World Rugby Sevens Challenger Series tournaments in Stellenbosch last year.

November 2022), with Cecil Afrika named as his assistant coach.

Unfortunately, the Springbok Sevens men's team had a disappointing season, which consisted of 11 tournaments, with the Blitzboks winning the Dubai leg (the second tournament of the series), while they finished runners-up in Sydney (the fourth leg), as they experienced a mixed bag of results for the rest of the season.

Ultimately, the team finished seventh on the overall log, and missed out on automatic Olympic Games qualification, as only the top four sides gained automatic entry to Paris 2024.

South Africa had another opportunity to qualify for the Olympics at the Rugby Africa's Sevens Cup hosted in Zimbabwe, but disappointment followed again as they were beaten by Kenya in the final. Their second-place finish, however, was enough to qualify for the Olympic repechage tournament to be played in Monaco in 2024.

SA REFEREES KEEP FLAG FLYING HIGH ON THE INTERNATIONAL STAGE

It was a rewarding year for the SA Rugby Referees department as several top officials carried the whistle with distinction on the international stage, with one of the main highlights being Jaco Peyper and Marius Jonker representing South Africa at the 2023 Rugby World Cup in France.

Unfortunately for Peyper his campaign ended abruptly after he suffered an injury in quarter-final between Wales and Argentina.

The year started with AJ Jacobs and Morne Ferreira being appointed to the referee panel for the HSBC SNVS from January to May, which featured tournaments in Hamilton, Los Angeles, Sydney, Singapore, Hong Kong, Toulouse and London, while Ferreira and Aimee Barrett-Theron held the whistle in the U20 Six Nations tournament.

Peyper – who was named the 2023

OUTsurance Referee of the Year – also officiated the senior Six Nations match between Ireland and England in Dublin. In addition to this, he excelled in the Investec Champions Cup, handling the semi-final between Stade Rochelais and Exeter Chiefs, before taking charge of the final between Leinster and Stade Rochelais.

Barrett-Theron, meanwhile, also flew the flag at WXV 1, handling the final match between New Zealand and England, while Zoe Naude and Giana Viljoen made a strong statement at the World Rugby Sevens Challenger Series hosted in Stellenbosch, which led to their appointment at Junior Olympics in Trinidad & Tobago.

Jacobs and Ferreira brought down the curtain on the season with solid performances at the HSBC SNVS tournaments in Dubai and Cape Town.



Top referee Aimee Barrett-Theron flew the South African flag on the world stage. She was also named the OUTsurance Referee of the Year for 2022.



KEY OBJECTIVES ACHIEVED IN SUCCESSFUL YEAR FOR COACHING EDUCATION

The Coaching Education department continued to follow a blended approach to coaching education and training programmes, with the key focus by 2023 being the completion of the Elite Coaches Programme (ECP) and the introduction and launch of the SA Rugby Rugby Leadership Development Programme (RLDP) together with the development of the training and education workforce.

The focus of the RLDP was to develop the capacity and capability of the participants to become intentional leaders within their organisational field of expertise. The ECP concluded with a professional review in January, with the graduation ceremony in July.

A World Rugby Educator course also was delivered to the provincial educator workforce in Pretoria and Cape Town respectively, as well as phase two of the World Rugby Level 3 accreditation course to the Elite Player Development (EPD) school coaches in Cape Town.

The department also engaged in the assessment and interaction with provincial coaches at the SA Rugby U18 Craven Week hosted in George. In addition to this, the department participated in various consultation workshops on the SA Rugby skills development framework and tackle height adjustment regulations.

The World Rugby Training & Education conference was held in October in Bordeaux, France, where the latest development trends pertaining to training and education were deliberated, while the department also continued with the ongoing mentoring and support to the entire coaching education workforce.



Eleven coaches completed an intensive 18-month programme of learning, mentoring, practical sessions and testing during the Elite Coaching Programme run by SA Rugby.

TECHNICAL DEPARTMENT STRIVES TO DELIVER WORLD CLASS ANALYSIS AND SUPPORT TO NATIONAL TEAMS

SA Rugby's Technical Department built on its commitment to deliver state-of-the-art and world-class analysis and support to the various national teams, with one of its main objectives in 2023 being to develop a fully aligned analytical programme that redefines the role of the analyst to provide metrics that underpin the coaching framework and deliver insights that translate to performance on the field.

Their main priorities were **analysis delivery** to ensure timely and accurate analysis to support coaching and player development; **project work** by undertaking special projects to enhance team performance and strategic initiatives; **game insights** to providing in-depth insights into game trends, opponent analysis, and tactical strategies; **player profiling** through developing comprehensive player profiles to optimise talent identification and long-term development; **analyst development** by investing in the development of analysts to ensure they are equipped with the latest skills and tools; and **technology development** by continuously improving its technological infrastructure to support analysis and innovation.

These objectives were directed towards achieving a series of overarching goals, including **'how we play'**, a model that is ingrained, utilised, and measured across all South African national teams; **the South African player** by profiling players and understanding their positional demands to optimise talent development and identification; **a competitive advantage** through providing in-depth analysis of the current game demands, evolution, opponents, and tournaments to give our teams a competitive edge, and **research** by conducting internal research to address coaches' questions, identify trends, and

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deliver up-to-date research published in international journals.

While a handful of challenges presented themselves, there were notable rewards with the appointment of Irishman Paddy Sullivan to assist Lindsay Weyer during the Springboks' triumphant Rugby World Cup campaign in France; the appointment of Zwonaka Mbedzi as the Springbok Women's analyst, as well as the implementation of referee communication for all broadcasted games and non-broadcasted local provincial competitions. In addition to this, Mobii initiatives enhanced its analytical capabilities.

Despite numerous challenges, the Technical Department remains committed to driving performance excellence and innovation within SA Rugby.

MEDICAL DEPARTMENT PLACES BIG EMPHASIS ON PLAYER SAFETY

The main focus area of the medical department was to continue providing health, welfare and safety interventions based on scientifically acceptable and best-practice evidence to the provincial unions,



Vodacom United Rugby Championship franchises, and medical staff of the respective national teams.

In terms of training the department aimed to educate and improve the skill set among team and match day doctors countrywide to guarantee their competency in managing injured players. Union and national team medical staff were invited to attend the World Rugby Level 3 Advanced Immediate Care in Rugby Course, hosted by SA Rugby through its AICIR Training faculty which comprised five specialised World Rugby-accredited trainers and eight specialised World Rugby educators. Two courses were hosted in 2023 with 30 medical staff trained, while training was also extended to the Varsity Cup teams early in 2024.

In terms of international representation, the SA Rugby medical department was an active participant in the World Rugby Anti-Doping Advisory Group.

RESEARCH:

- The SA Rugby Injury and Illness Surveillance and Prevention Project for the Currie Cup continued in 2023, with the process involving the analysis of data gathered to provide a safe environment for all players. The 2014 to 2022 data was published in the South African Journal of Sports Medicine - a respected peer review journal.
- The Youth Week Injury Surveillance project was re-introduced at all the tournaments in 2023, and the data gathered resulted in a number of peer review research papers being published. This information will be utilised to drive coach and referee education regarding player safety, as well as assisting SA Rugby to implement safety initiatives and strategies to enhance player safety and wellbeing.
- In collaboration with the University of Pretoria, SA Rugby continued with the Injury Incidence and Severity Research Project for the Women's Premier Division competition, with the goal of enhancing safety and the wellbeing of players in the women's game.

Springbok hooker Bongi Mbonambi went down injured early in the Rugby World Cup final against New Zealand.



WORLD RUGBY

- SA Rugby and World Rugby worked closely with the medical staff of the Currie Cup teams to implement the “Rugby Readiness and Rehabilitation Enhanced and Personalized (RREP) Study”.
- The study comprised three separate projects:
 1. Rugby Readiness and Rehabilitation Enhanced and Personalized (RREP) Study
 2. Instrumented Mouthguards Study (iMG)
 3. Concussion in Rugby Union through Micro-RNAs (SCRUM) Study
- This work is aligned with SA Rugby and World Rugby’s Player Welfare strategy to “Put the player first and rely on an evidence-based approach for all decisions” and to “add to the information available to make the game as safe as possible for all”.

SAFEGUARDING

Following the implementation of the SA Rugby Safeguarding Policy at the end of 2022, the organisation together with its safeguarding partner, The Guardian, focused on the operational requirements to ensure a successful rollout of the policy requirements in 2024. SA Rugby and SASRA, together with The Guardian, ensured that all coaches, team managers and team medical staff who attended the 2023 SA Rugby Youth Week tournaments were vetted and educated on the matters relating to safeguarding and their responsibilities. All SA Rugby Youth Week Tournaments in 2023 also had a dedicated designated safeguarding officers to oversee the events in addition to the launch of the Safeguarding Anonymous Reporting Application.

BOKSMART MEDICAL PROFESSIONAL CERTIFICATION SYSTEM (BMPCS) PROJECT PLAN

In conjunction with SportsCap – BokSmart’s official software partner - and World Rugby, the department aims to have an active Medical Professional Certification System within the next two years. This project will see the creation of an accreditation platform for all medical staff working in rugby in South Africa. Through this process, all medical staff working in South Africa will have the relevant training and education on rugby safety and player wellbeing in order to work at their required level.

BOKSMART PROGRAMME MAKES SIGNIFICANT STRIDES

As of December 2023, a total of 183,951 individuals had participated in BokSmart training since it first launched in July 2009, with at least 111,716 first time exposures to BokSmart training and 72,235 individuals with multiple exposures to the programme. BokSmart 7 was launched on 1 August 2022 and will terminate on 31 July 2024.

In 2023, a total of 9,130 people were trained and BokSmart certified by completing the online BokSmart Cycle 7 course, which included 3,710 coaches and 977 referees, while 1,881 participants performed both roles - 44% of these were certifications and 56% recertifications.

SportsCap helped the department transition into the digital space, and their continued support and altruistic approach to assist in making the game safer for players has proven to be invaluable.

BokSmart created three different online Service Providers, **BokSmart**, **MyBokSmart Medical**, and **SA Rugby**, who each cater for a different audience although they all have same focus - making the game safer and providing education on injury prevention strategies. An example of a rugby-safety focused module on the **SA Rugby** service provider was the recent creation of a **Tackle Height Change Educational Module**.

With the BokSmart programme offering



switching fully online with the bespoke **MyBokSmart Learning Management System (LMS)**, more people have been reached than before, and by the end of 2023, a total of 46,290 **MyBokSmart** online registrations were completed.

With the current three Service Providers in play, the following modules and participant numbers were recorded:

BOKSMART:

Breakdown 2023:

- 18890 participants on the online BokSmart 7 Rugby Safety Course.

MYBOKSMART MEDICAL:

Breakdown 2023:

- Total number of course participation of 12933 individuals.
- Concussion Management in the professional game: 1831.
- Concussion education: 4196.
- Emergency Action Plan: 82.
- Head, neck, and spine injury management: 1481.
- Referees pre-match checklist: 1192.
- Rugby safety messaging with a bit of humour: 965.
- Safety in the playing environment and EAPs: 969.
- Saying no to banned substances: 963.
- The Concussion Blue Card System: 1254.

SA RUGBY:

Breakdown 2023:

- Tackle Height Change Educational Module participation numbers:
 1. Registered: 1411.
 2. Completed: 867.

SA Rugby responded to World Rugby's request that their member unions implement law variations to the tackle at the community level of the game so that, by using a research and an evidence based approach, decisions could be made to



enhance player safety and to stay true to the core values of the game.

A Tackle Height Player Safety Task Team (THPSTT) was established by SA Rugby CEO Rian Oberholzer, with Clint Readhead chairing the committee, and Dr Wayne Viljoen serving as the secretariat. After 11 meetings, the creation of a Tackle Height Change Educational Module was established following a lengthy consultation process, with resulted in recommendations for law changes to the amateur game played within South Africa being drafted, documents compiled, and subsequently submitted to SA Rugby's Executive Committee and General Council, and were ratified, with implementation beginning in January in the FNB Varsity Cup and Varsity Shield, followed later by SA Rugby's Youth Weeks tournaments for boys and girls at U16 and U18 levels.

In 2023, 16 serious injuries and medical events across South Africa were recorded:

- ASCI (Near Misses) (Tackle event) (3 x Tackler, 3 x Ball Carrier).
- ASCI (Near Misses) (Scrum Collapse) (x 2).
- ASCI (Quadriplegics) (Tackle event) (Tackler x 2).

- Cardiovascular events (Fatal) (x 3).
- TBI (Tackle event) (2 x Ball Carrier, 1 x tackler – unfortunately 2 of these were fatalities).

The Medical Department has published 61 research papers and scientific publications since the inception of the BokSmart programme.

- The main paper from 2023 was **SA Rugby Injury and Illness Surveillance and Prevention Project (SARIISPP): The Currie Cup Premiership Competition Injury Surveillance Report 2022**

Lara Paul; Clint Readhead; Wayne Viljoen; Mike Lambert

- South African Journal of Sports Medicine 2023;35:1-45 | Journal article: DOI: 10.17159/2078-516X/2023/v35i1a16880 <https://doi.org/10.17159/2078-516X/2023/v35i1a16880>

Links to our research publication outputs are continually updated onto the BokSmart website on our research portal.

The Department was represented at the 4th International Rugby Charities

and Community Game Player Welfare Conference hosted in London late in June 2023, thanks to the **Chris Burger Petro Jackson Players' Fund**, and at the SASMA Rugby Medicine Symposium held in August 2023 at the Sports Science Institute of South Africa (SSISA). Presentations were made on catastrophic tackle-related Injury patterns, injury prevention initiatives such as MyBokSmart, and various tackle-height law change research to both local and international audiences.

The **Blue Card Concussion System** registered 209 Blue Card events onto Footprint, which was up from previous years. This is a positive sign that more people are accessing concussion information and utilising the portal to log concussions at community level. 39 % of these were reported by referees, with an overwhelming 59% of them caused by tackling alone.

The BokSmart website (www.BokSmart.com) generates continuous visits, while on the social media front, BokSmart's three main channels, **Facebook**, and **X** (@BokSmart), and **YouTube** (BokSmartSA) have 16936, 3188 and 16723 subscribers respectively.



Manie Libbok of the DHL Stormers was the highest points' scorer in the 2022/23 Vodacom United Rugby Championship.





STRATEGIC PERFORMANCE MANAGEMENT

The commencement of the transformation audit for **Strategic Transformation Development Plan 2030 (STDP2030)** in 2023 marked the first year of cycle three, signalling the ongoing commitment to achieving self-determined targets and bridging gaps by 2030. The STDP2030 mandates Provincial Unions to establish self-determined targets to ensure inclusivity, gender equity, non-racial representation, performance improvement, community engagement, and effective governance.

The launch of STDP2030 represented a significant milestone for SARU, involving key steps such as agreements, risk identification, contract amendments, incentive policy approval, audits, and the appointment of an advisory panel. SARU oversees the implementation of STDP2030, ensuring monitoring and evaluation to measure progress towards the Transformation Charter targets. As Mandela once said, "After climbing a great hill, one only finds that there are many more hills to climb." This ongoing assessment reflects the commitment to enduring change and

the pursuit of transformation goals.

The annual period covered by this annual status report spans from January 1 to 31 December 2023. This period corresponds to year one of cycle 3, as outlined in the STDP2030, marking the fifth year of the STDP2030.

1. MONITORING AND EVALUATION - SARU AUDITS

In the context of the annual report, all references to Provincial Unions inherently encompass their commercial companies. A Commercial Company, in this context, refers to the entity responsible for conducting the commercial activities and overseeing professional rugby within a union.

In the pursuit of continuous monitoring and evaluation, a series of meetings transpired with all Provincial Unions throughout 2023. The significance of monitoring and evaluation is underscored by paragraph 10.1 of the STDP2030, acknowledging that without measurement and knowledge of results, improvement remains elusive.

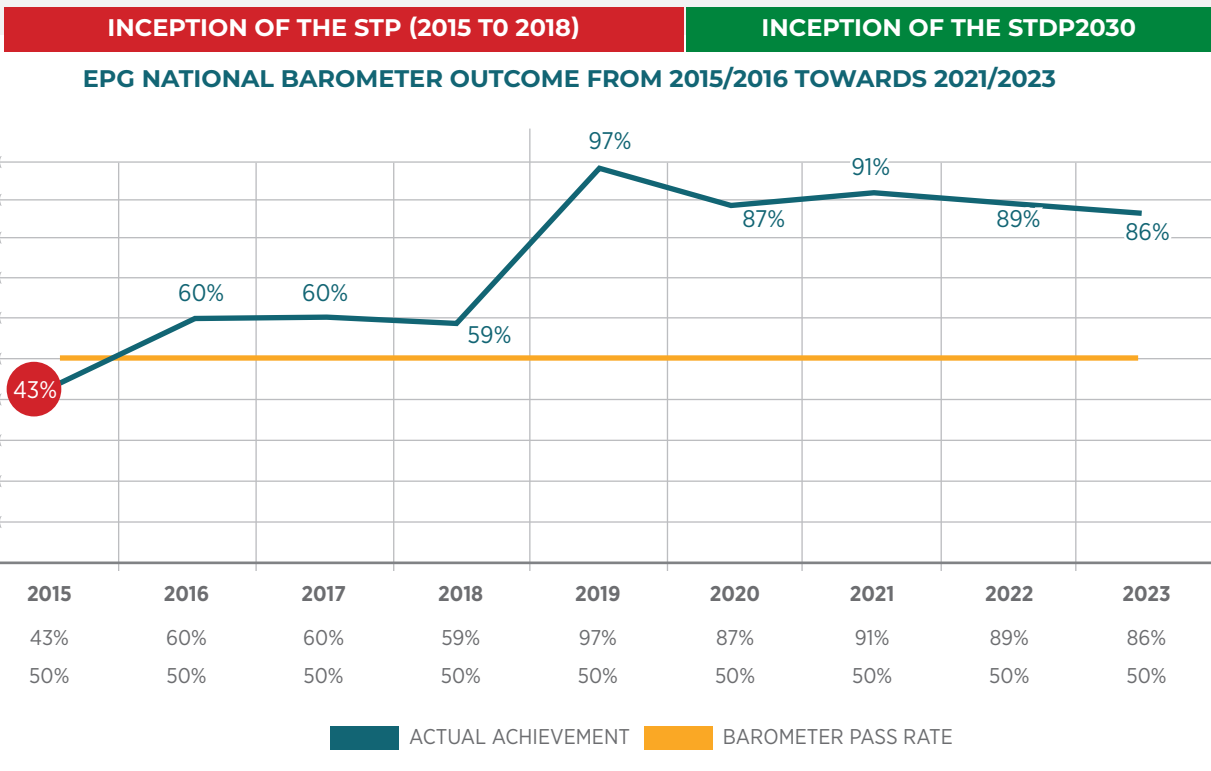


2. EPG NATIONAL BAROMETER

The National Barometer is designed for annual completion from 2019 to 2030, featuring 12-yearly rolling projections comprising Selected Transformation Charter Dimension Forecasts and Actual Performance.

2.1.1. Overall EPG National Barometer performance outcome since 2015

The diagram below illustrates the comparative percentage achievement across the 43 categories endorsed with DSAC/SASCOC from 2016 to 2023. While there is a slight decrease in the EPG national Barometer performance, it aligns consistently with the performance of the previous three years, which is a positive indication, particularly when considering the heightened targets.



The Vodacom Bulls won the SA Rugby U19 Cup competition in 2023.



Action from the match between the Griffons and Pumas at the SA Rugby U16 Girls Week.

2.2. Provincial Barometer

The Provincial Unions received a provincial status audit report, which incorporates their Provincial Barometer - a pivotal document that ultimately determines the success or failure of the Provincial Unions. The Barometer serves the purpose of fostering collective accountability within SARU structures, promoting a more informed, strategic, and forward-looking approach to transformation.

2.3. Provincial Transformation Barometer Outcome

The Provincial Transformation Barometer aims to instil greater collective accountability within provincial and national structures, fostering a more informed, strategic, and forward-looking approach to transformation. As the king pin of the entire audit process, this document holds paramount importance, as it serves as the litmus test determining whether Provincial Unions have met the crucial threshold of 60% self-determined targets. The results of the audit show that all the Provincial Unions met the threshold of 60% of their self-determined targets of their Provincial Barometer.

2.4. EPG Provincial and National Datasheets

The data presented in the EPG Provincial and National data sheets for the period 2023/2024 underwent thorough verification, utilizing the SARU Footprint and e-Filing systems. These systems are instrumental in streamlining the input, collection, and analysis of data and information, ensuring accuracy and reliability where possible.

To further authenticate the integrity of the information, rigorous verification processes were employed. This involved cross-referencing the submitted data and validating the accuracy and completeness of the details provided.

Subsequently, the EPG Provincial and National Data sheets received official validation through the approval and sign-off process. All respective presidents and CEOs, as key stakeholders in this data submission, undertook the responsibility of reviewing and endorsing the accuracy of the information contained in these sheets. Their collective approval reinforces the reliability and authenticity of the data, instilling confidence in the veracity of the reported figures.

3. NATIONAL TEAMS PERFORMANCES 2023

3.1. National Teams Overall

In reflecting on all the national teams successes of 2023, it's imperative to acknowledge the positive strides made in aligning team compositions with the objectives outlined in the Sports Transformation Charter. The continuous commitment to these targets has contributed to a more inclusive and representative national rugby landscape.

The Springboks' accomplishments in 2023 extend beyond the field, reflecting the commitment of the team and management to fostering an environment that embraces the principles of transformation. As we celebrate the successes of 2023, it remains



crucial to build on these achievements, furthering the journey towards a more inclusive and representative future for South African rugby.

3.2. National Teams Performances

The table below shows the overall performances of all the national teams.

TEAM	PLAYED	WON	DRAWN	LOST	WINNING %
Springboks	13	11	0	2	85%
Springbok Women	12	7	1	4	58%
Springbok Sevens	55	31	2	22	56%
Springbok Women Sevens	22	16	1	5	73%
Junior Springboks	4	4	0	0	100%
Junior Springboks Women	1	1	0	0	100%
SA U18	3	3	0	0	100%
SA U18 Sevens	6	4	0	2	67%
SA Schools	1	1	0	0	100%
SA Schools A	1	0	0	1	0%



Bongi Mbonambi and Canan Moodie were all smiles after the Springboks beat New Zealand to claim the Qatar Airways Cup in London.

4. PROVINCIAL TEAMS PERFORMANCES

The performances of the Provincial Unions are evaluated against self-determined targets rather than national benchmarks.

4.1. Provincial Unions: Male Teams vs Self-Determined Targets

Progress was made by most Provincial Unions. Efforts will be made to address and rectify shortcomings through appropriate channels and communication.

OBSERVATIONS

- There are mitigating factors to be taken into consideration, especially regarding senior competitions. For instance, national players resting policy, national teams' selections, injuries, and player management.
- Essential adherence to self-determined targets by Provincial Unions.
- Importance of prioritizing team demographics.
- Success depends on recruiting a group reflecting South Africa's demographics.
- Smaller Provincial Unions, schools, universities, and clubs form the game's core.
- Imperative communication of targets to coaches and selectors.

4.2. Provincial Unions: Female Teams vs Self-Determined Targets

OBSERVATIONS

- All Provincial Unions made and exceeded their self-determined targets.
- It is time to build capacity and grow the game to ensure more competitive teams.

5. SARU PROVINCIAL YOUTH WEEKS

The provincial Youth Weeks have long been governed by targets. The school system serves as a robust source of talent, drawing players from diverse backgrounds.



The SA Rugby Youth Weeks remain an important development pipeline in South African rugby.



However, there is a notable decline in demographic representation from the Under 18 Craven Week to the provincial Under 19 Competition and junior structures, with an even more pronounced decrease in the percentage of Black players securing professional contracts.

The Girls Week for U16 and U18 teams is reflective of the demographic of South Africa.



6. 2023 CONTRACTED PLAYERS AT SARU AND PROVINCIAL UNIONS

A comparative analysis was conducted and discussed with the Provincial Unions during the audits conducted in February 2024. The individual Provincial Union data was analysed, and the following observations emerge:

- **Overall Demographic Split**
 - Nearly 52/48 split in favour of Black Players
 - Demonstrates inclusion and equitable opportunities
- **Provincial Union Analysis**
 - Tables illustrate disparities among Provincial Unions.
 - Higher competition levels correlate with lower numbers of contracted black players.
 - Minority show lack of inclusion in higher-level competition
- **Contracting Patterns**
 - Only six Provincial Unions signed development players as per SARICA.
 - All signed provincial or semi-professional contracts
- **Development Contracts**
 - 44% contracted black players signed
 - Highlights need for better understanding and alignment with transformation goals
- **Pathway Inclusion**
 - Improved demographics in some entities' development pathways
 - Commendable adjustment towards inclusion
- **National Contracts**
 - Reflects commitment to inclusion and transformation
 - BlitzBoks face challenges with Black African demographics
- **Conclusion**
 - Continued focus on diversity and inclusion needed

7. SCHOOLS

Schools serve as the cornerstone of SARU's development framework, playing a crucial role in fostering transformation and providing avenues for players to showcase their talent against elite competition in their respective age categories.

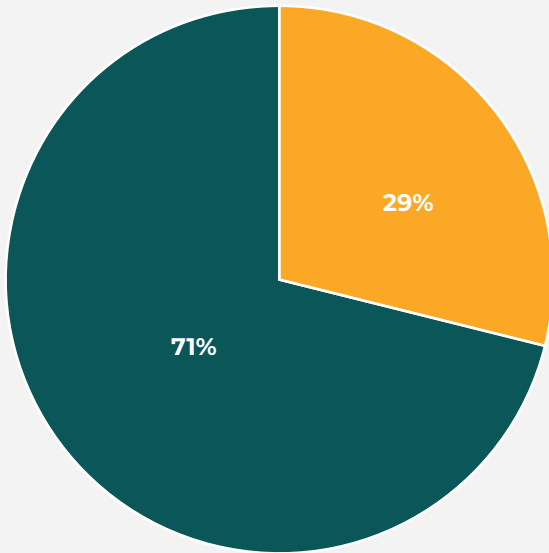
School rugby is fundamental to our elite player pipeline, recognized globally for its high quality. It's crucial to keep events like Youth Weeks for both boys and girls going to ensure rugby stays important in the future. Although there's been continuous growth in school rugby, it's really important to have accurate and reliable data, verified by Presidents and CEOs. It's a fact that including GIR data for girls inflates the numbers for Primary Schools significantly. It is important to note that 93% of the reported numbers for girls participating in primary schools are from the GIR program.

The traditional Youth Weeks have evolved with the involvement of a commercial partner, STADIO, alongside support from SASRA and provincial school structures. However, the reliance on selected players to fund their own participation presents challenges, potentially excluding those who cannot afford it. This exclusivity goes against SARU's ethos and could bring about reputational risks. Therefore, interventions such as securing commercial partnerships are crucial for the sustainability of the Youth Weeks.

The reliability of data regarding rugby-participating schools, primarily sourced from Provincial Unions, has been inconsistent and unreliable over the past nine years. Future efforts will focus on improving data quality, particularly concerning school player statistics. Addressing discrepancies and ensuring compliance with data protection regulations like the POPIA Act is imperative for accurate tracking and evaluation.

7.1. Primary Schools

The February 2024 SARU audit uncovered that approximately 29% (4,219) of the estimated 14,661 Primary Schools in South Africa actively participate in rugby.



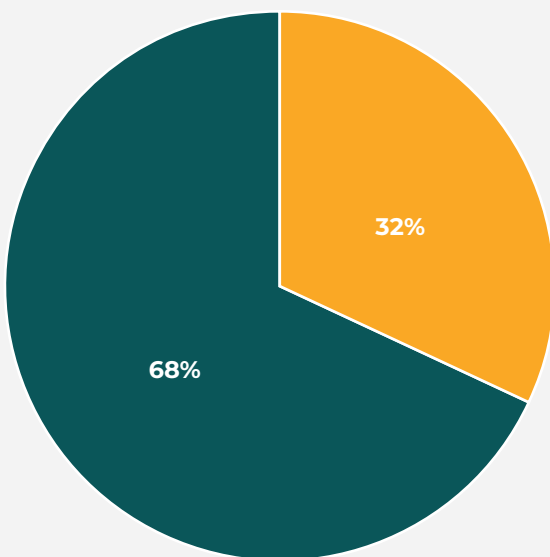
■ RUGBY PLAYING SCHOOLS ■ UNTAPPED SCHOOLS

The 71% estimated untapped market presents an exciting opportunity for rugby, emphasizing the importance of continuing development programs such as Get Into Rugby.

The report indicates a notable contrast in rugby participation between primary and senior schools. In 2023, primary schools boasted a total of **436 112 participants**, with a gender breakdown of **296 342 boys (68%)** and **139 770 girls (32%)**.

7.2. Senior Schools

The data pertaining to senior schools indicates that roughly **27% (2,861) out of an estimated 10,681 senior schools** actively participate in rugby. This leaves a substantial 73% of the market untapped, representing a promising opportunity for growth and expansion within the sport.



■ GIRLS ■ BOYS

If the reported data accurately reflects the current situation, the stark gender disparity within senior school rugby participation, with **only 9% of participants being girls compared to 91% boys**, highlights a significant issue: the stagnation of growth in girls' rugby at the high school level.

8. CLUBS

The recent audit unveiled that the quality of data concerning the number of clubs and participants remained consistent with previous reporting years. This stability is likely attributable to the oversight of Provincial Unions and the migration of data to Footprint.

A comparative analysis of verified data for 2022 and 2023 highlights a marginal decline of 1% in the number of female players, declining from 6,801 to 6,723. Additionally, the total number of players demonstrates an 8% decrease, dropping from 96,172 to 88,828. The decline is not a concern and is likely attributed to club data transitioning to the centralized data system, Footprint.

The total number of clubs remains consistent, with a marginal increase of 1% from 1,161 to 1,167.

8.1. African Rainbow Community Gold Cup 2023

The African Rainbow Community Gold Cup 2023 tournament, which featured 32 teams from clubs across South Africa, commenced in September after a four-year hiatus. Fourteen Provincial Unions each nominated two clubs, while the Griffons nominated one club to participate in this highly anticipated competition. Additionally, three other clubs received wildcard invitations, further enhancing the diversity and competitiveness of the tournament.

Congratulations to Naka Bulle Rugby Club, who clinched victory with an impressive score of 56-29 and earned the title of champions in the African Rainbow Community Gold Cup.



The game of rugby can't exist without match officials.

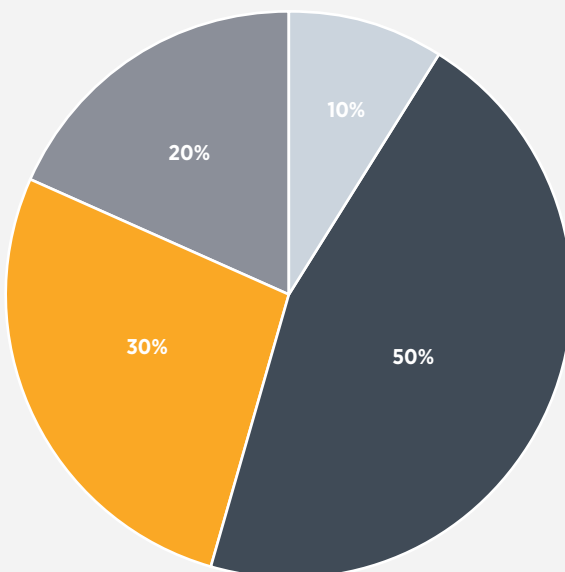
9. REFEREES

The role of rugby referees is paramount in upholding the integrity and fairness of the game. The audits revealed the declining number of referees, an aging referee population, and the need for demographic and gender inclusion within refereeing ranks need to be addressed.

10. ALL NATIONAL COACHES

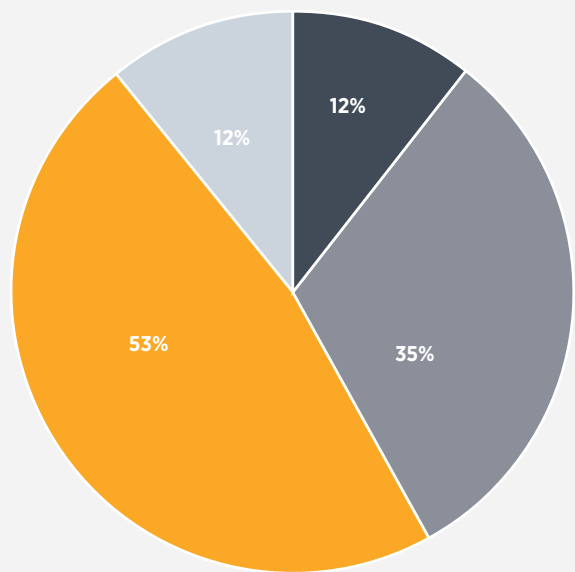
The graphs below show the breakdown of coaches involved with the National Teams.

HEAD COACHES



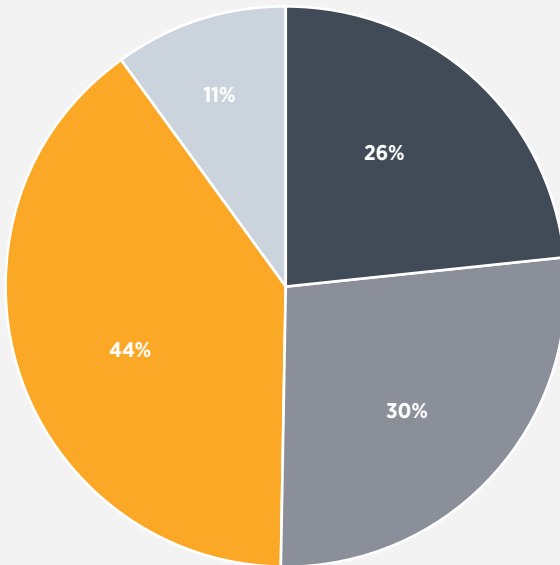
■ 5 Black African ■ 2 Coloured ■ 3 White ■ 1 Female

ASSISTANT COACHES



■ 2 Black African ■ 6 Coloured ■ 9 White ■ 2 Female

HEAD & ASSISTANT COACHES



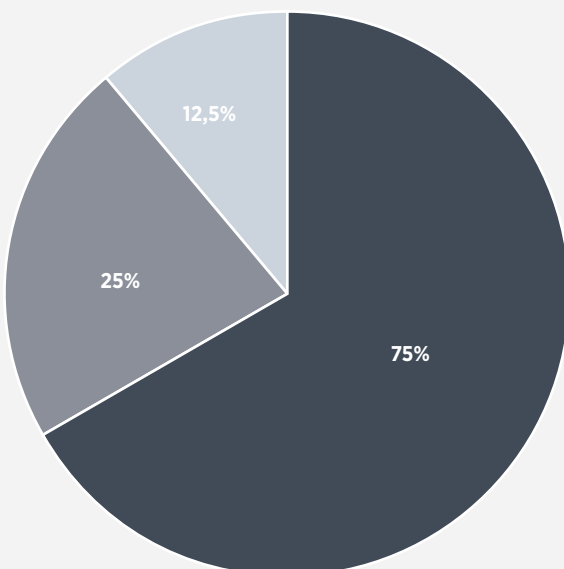
■ 7 Black African ■ 8 Coloured ■ 12 White ■ 3 Female

All nationally appointed coaches, including all coaches appointed by SARU at the Youth Training Centres, are reflected in graph below.



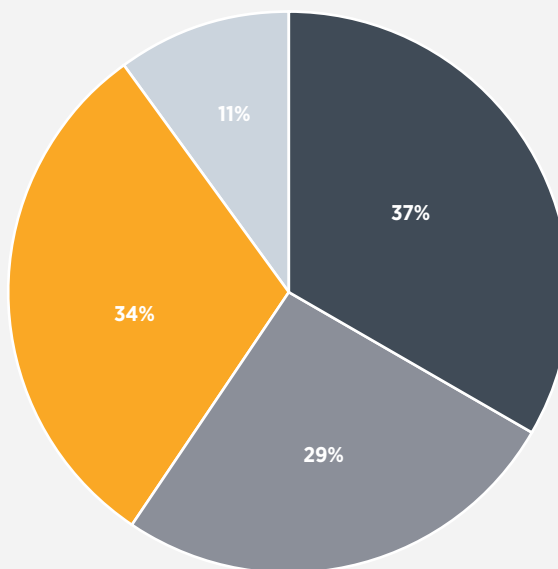
Lumumba Currie was appointed as Junior Springbok assistant coach in 2023.

YTC COACHES APPOINTED NATIONALLY



■ 6 Black African ■ 2 Coloured ■ 0 White ■ 1 Female

ALL NATIONAL APPOINTED TEAM AND YTC COACHES



■ 13 Black African ■ 10 Coloured ■ 12 White ■ 4 Female



11. COACHING EDUCATION

Coaching education has become a significant concern for SARU, with budget constraints leading to neglect in training efforts. Consequently, the number of qualified coaches and educators has significantly declined. The workforce data for 2023 reveals SARU only has three Master Trainers, five Trainers, and a mere 106 educators. Considering the vast number of schools playing rugby and the 1067 clubs, it becomes challenging to meet the demand for trained coaches and educators.

Furthermore, nominations made by Provincial Unions do not reflect gender inclusivity, and nominations do not always adhere to the required criteria. Potential World Rugby Educators are expected to be nominated by the Provincial Union and possess appropriate rugby knowledge, skills, and experience to deliver specific courses.

The table below reflects a review of the data for the 2023 audit period.

PROGRAMME	MALE	FEMALE	TOTAL
WR LEVEL 1	1028	99	1127
WR LEVEL 2	233	9	242
WR LEVEL 3	21 + 6	0	27
WR EDUCATOR	35 (23)	1 (0)	36 (23)
SARU Elite			
Coaches Programme	17 (11)	1 (0)	18 (11)
SARU Rugby Leadership			
Development Programme	22	16	38

12. ASSESSING THE STATE OF WOMEN IN SARU

The recent audit conducted on the state of women involved in rugby within SARU paints a nuanced picture of both progress and persistent challenges. While there are encouraging signs of growth in on-field participation, particularly at the grassroots level, significant barriers still hinder the full inclusion of women in all aspects of rugby.

Furthermore, the audit underscores the

pressing need for more female coaches and referees within rugby, highlighting a significant gender gap that persists in these roles. While the aim is not merely to achieve parity between male and female coaches and referees, but rather to build capacity and create opportunities for both genders to excel, the lack of qualified female coaches is particularly concerning.

Moreover, the underrepresentation of women in leadership positions within SARU and Provincial Unions is a glaring issue that demands attention. While efforts have been made to address this imbalance, with targets set to increase female representation, progress has been slow. The inclusion of women on EXCO/Boards of the Provincial Unions is particularly concerning, as growth in this area has been minimal, and there appears to be a lack of commitment to fostering gender diversity at the decision-making level.

13. DEVELOPMENT PROGRAMMES

13.1. Get Into Rugby (GIR)

The GIR managers went above and beyond expectations to once again deliver projects of which they can be immensely proud; notwithstanding the disappointment of most projects still being unable to transition to the Play phase due to a lack of funding.

Special projects – GIR For Girls

All three GIR for Girls projects successfully completed their fifteen-week programmes and are bearing fruit. The special project for ages 11–13 was funded by the DSAC and rolled out across three regions. This has once again been an extraordinarily successful year for the girls' programme.

Safeguarding clearance and workforce training

Vetting and awareness training of GIR personnel were mandated to ensure clearance at the start of the 2023 GIR season. Out of the fourteen unions, nine complied with these safeguarding criteria, while five did not. This issue was thoroughly discussed during the audits, and strict monitoring of compliance will be



enforced moving forward. The data shows that 244788 children participated in GIR programmes, of which 130 507 were girls.

Close to 250,000 children were introduced to the game last year through the Get Into Rugby programme.

13.2. Vuka Programme

The Vuka program for 2023 was rolled out by the SARU Legends at all Provincial Unions, including Limpopo who participated for the first time ever.

The year 2023 saw the continuation of the Vuka and Iqhawe Week programs. The program has shown commendable growth, with a total of 24 800 participants and 566 schools actively engaging in its activities every Wednesday afternoon.

SARU contributes to the program with DSAC Funding only, which will hopefully be a two-way street when the financial position at SARU recovers.

13.2.1. Girls Tournament - Iqhawe Week

The Hollywood Foundation Iqhawe Week's Girls U16 Sevens Tournament, now in its second year, continues to showcase the talents of young female rugby players.

Six teams competed in the Girls U16 Sevens Tournament, with each metro from

Johannesburg, Tshwane, and Ekurhuleni contributing two teams. Notably, Tshwane 1 and Johannesburg 1 displayed strong performances, contributing to a competitive and spirited tournament atmosphere.

13.3. ClubWise

In 2023, SARU faced budgetary constraints that prevented the organization from offering SA Rugby supported Clubwise training opportunities to unions. This limitation posed a challenge to the continuity of training initiatives crucial for the development of club administrators across the country.

14. FOOTPRINT AND E-FILING SYSTEMS - OPERATIONAL AND ADMINISTRATIVE ADVANCEMENT

SA Rugby witnessed a significant leap forward in its operational and administrative capabilities through the implementation of the Footprint and



E-filing systems. These digital platforms streamlined processes, enhanced efficiency, and facilitated seamless interactions across the rugby landscape. The audit conducted on SA Rugby's Operational and Administrative systems, focusing on Footprint and E-Filing integration, reveals significant progress and enhancements made during the year 2023. These developments are pivotal in streamlining administrative processes, improving data accuracy, and extending the reach of SA Rugby's systems to the various stakeholders.

15. NATIONAL LOTTERY COMMISSION

SARU applied for funding from the National Lottery Commission (NLC) on 11 August 2023 and the outcome is pending. Upon publication by the NLC, the focus areas and application process were shared internally, with all General Managers as well as to all Provincial Unions, commercial entities, and our twelve associate members for their consideration to apply. SARU's application focussed on Women's Rugby and to support the SA Rugby leadership program.

16. GOVERNANCE

16.1. Governance of Provincial Unions

The principles and the best practice recommendations set out in the Code of Governance Principles for South Africa - King IV as augmented and amended from time to time must apply as a guideline to the governance of SARU.

All Provincial Unions have to conduct their business affairs in such a way that, at all times, comply with the laws of the Republic and adhere to the requirements of good governance inter alia as expounded in the King Report on Governance for

South Africa, 2009 ("the King Report") and the King Code of Governance for South Africa, 2009 ("the King Code") which came into effect on 1 March 2010 and to ensure that their commercial companies, if any, similarly conduct their business affairs in such a way that, at all times, they are in a sound financial position, comply with the laws of the Republic and be guided by the requirements of good governance.

16.2 SARU and Provincial Unions B-BBEE outcomes for 2023

B-BBEE holds a crucial position as a strategic focal point and a potential risk area for SARU. Compliance is not merely a regulatory obligation but also a prerequisite set by sponsors and industry bodies seeking to engage in business with the organization.

Ensuring a minimum B-BBEE level 4 status is vital, and this requirement extends to the Provincial Unions. All but one of our entities were compliant with the minimum requirements.

17. FUNDING

Through the assistance of the Department of Sport, Arts and Culture, SARU was able to roll out rugby development projects which target governments vulnerable groupings in the areas of previously disadvantages individuals, women, children, and people living with disabilities.

SARU has prioritised the following projects and ensure that these are well governed through regular reporting and monitoring:

- 1.** Women's - SA U20 National Competition
- 2.** Junior Women's Rugby - YTC School League
- 3.** Elite Coaches Programme
- 4.** Get into Rugby Girls Programme
- 5.** Vuka Rugby Development
- 6.** SA Rugby Wheelchair
- 7.** Deaf Rugby Provincial and Club Development

18. ASSOCIATE MEMBERS

As part of our commitment to transparency and accountability, our Associations undergo annual audits to uphold the highest standards of governance, as mandated by Clause 10 of the SARU Constitution.

The following aspects are covered in the audit:

- 1) Governance
- 2) Administration
- 3) Development & Transformation
- 4) Performance
- 5) Finance & Commercial

Below is a summary of the year in review for each association in 2023.

18.1. SA Schools Rugby Association

SASRA (South African Schools Rugby Association) stands as a beacon of good governance within our structures, playing a vital role in our player pathway. Led by Chairperson Noël Ingle, they actively contribute to the Amateur Rugby Committee, ensuring robust representation of schools rugby. Their involvement extends to providing valuable insights on schools and Youth Week tournaments.

18.2. University Sports of SA

USSA (University Sports South Africa) serves as the official unified national umbrella sports structure for overseeing student sports activities across regional, provincial, and national levels within the tertiary education sector.

18.3. SA Deaf Rugby Association

SADRA (South African Deaf Rugby Association) demonstrated commendable performance by participating in the 2023 World Deaf Rugby Sevens World Cup, hosted in Cordoba, Argentina from 5-9 April, ultimately securing a fourth-place finish. Under the joint leadership of Lauren Terras as Chairperson and Roelof Kotze as Deputy Chairperson, SADRA has undergone a remarkable transformation in both growth and effectiveness.

18.4. SA Wheelchair Rugby Association

The South African Wheelchair Rugby Association (SAWCRA) demonstrates a strong commitment to upholding the stipulations outlined in the Memorandum of Agreement established between SARU and SAWCRA. They receive funding from the Department of Sport, Arts and Culture (DSAC) and diligently adhere to reporting deadlines pertaining to external funding.

18.5. TAG Rugby Association

Tag Rugby has established a notable presence across various Provincial Unions, emerging as a popular non-contact variant of rugby. Their participation in the International Tag Federation 2023 World Cup Tournament, held at the University of



Limerick, Ireland from 1-5 August 2023, showcased commendable representation with three teams competing.

18.6. SA Touch Association

SATA (South African Touch Association) remains a significant concern regarding governance and compliance matters. Despite previous assurances, they have failed to meet deadlines and provide evidence of adherence to governance standards. Regrettably, since the last audit, no improvements have been observed, and the association has not fulfilled its commitments regarding supporting documents.

18.7. SA Parliamentary Rugby Club

The Parliamentary Rugby Club, although locally based and not possessing a footprint within SARU's provincial landscape, participated in the Parliamentary Rugby World Cup in France from 1 September 2023. SARU extended support to the club through a donation of redundant Asics kit as part of our Corporate Social Investment (CSI).

18.8. South African National Defence Force Rugby Association

SANDFRA (South African National Defence Force Rugby Association) operates within the structures of the SA National Defence Force, aligning all governance and financial support processes with their mother body. Operating independently from SARU, SANDFRA generally demonstrates sound governance practices.

18.9. SARU League Sport Association

SARLSA (South African Rugby League South Africa) is recognized as a well-governed association operating independently from SARU, adhering to the rules and regulations of Rugby League. SARU acknowledges SARLSA's commitment to cooperation and compliance.

18.10. SARU Referees Association

SARRA (South African Rugby Referees Association) receives financial and operational support from SARU's referee's department, operating within the framework of SARU's procedures. As a result, they do not possess independent governance processes such as a BEE certificate, transformation plan, development and high-performance plans and strategies, or financial reporting and budgets.

18.11. SA Police Services Rugby Association

SAPSRA (South African Police Services Rugby Association) operates within the structures of the SA National Police Services, aligning all governance and financial support processes with their mother body. As such, they are required to align their plans and policies within this structure.

18.12. SA Correctional Services Rugby Association

SACSRA (South African Correctional Services Rugby Association) operates within the structures of the SA Correctional Services, aligning all governance and financial support processes with their mother body. Consequently, they are required to align their plans and policies within this structure.



The Bulls Daisies won the Women's Premier Division for the first time since 2006.

19. CONCLUSION

As we reflect on our collective efforts, let us be guided by the words of Nelson Mandela, who aptly said, "Action without vision is only passing time, vision without action is merely day dreaming, but vision with action can change the world."





COMMERCIAL REPORT

Nothing underlines the fact that rugby is a cyclical and transactional business better than a Rugby World Cup year. The public perception is that the focus and attention on a national team in such an intense year must lead to a proportional increase in rands and cents, it could not be further from the truth.

Rugby World Cup years are, in the commercial sense, fallow years for South African rugby (and other national federations) as the normal playing schedule is reduced while expenses in terms of team preparation reach a four-year high.

Therefore, revenue from broadcast and sponsorships declined in 2023 to R1,164m from R1,239m 12 months previously – due entirely to a decline in broadcast revenues – which fell by a hefty R95,9m to R731,9m (from R827,8m). The 11,6% decline reflects the reduction in the home test match programme in such a year to two matches from the normal six.

The Springbok Women, under Louis Koen, not only won the African Cup, but also finished third in the inaugural WXV 2 tournament, hosted in South Africa.

One area in which a Rugby World Cup year does deliver significant uplift is in merchandising royalties which rose from R8,5m in 2022 to R24,5m in the year under review – the first year in which Nike's role as technical partner to the team came into effect.

Test match income also received a boost in the prevailing model to R44,7m (R25,5m in 2023) through the participation in a sold out matches against Wales (in Cardiff) and New Zealand (at Twickenham) as preparations for the Rugby World Cup.

The impact on broadcast income was helpfully negated by an eight-year licensing agreement (R105m), forged with broadcast partner SuperSport, permitting the application of South African rugby intellectual property to broadcast hardware.

Meanwhile, sponsorship income reached record levels for a second successive year, increasing by 5% to R432,2m (from R411,7m). This increase was despite the absence of a sponsor for the Currie Cup competition – following the decision not to renew by South African Breweries at the end of 2022 – but was more than made up by the burgeoning portfolio of national team sponsors.

Two new partners were onboarded in 2023 to swell the family of Springbok partners to 30. Chinese mobile handset maker OPPO, one the world's leading



technology brands, signed on in March and was followed in June by braai spice makers, Freddy Hirsch, as the official braai partner of the Springboks – a first such sponsor and long overdue to create such a category.

The attraction of the long-standing Craven Week also found a suitor and a good fit with an associate partner coming from the educational section of business with STADIO Higher Education joining as the official partner of the Under-18 tournament.

Also, at the participation level of the game, the hibernating Gold Cup (the national club rugby championship) came out of its slumber thanks to the support of African Rainbow Capital who put their name to the tournament and provided the funding to allow 32 teams from around South Africa to fight out the title and end a four-year hiatus.

One other notable change on the commercial landscape was a change to the hosting model of the HSBC Cape Town Sevens. Since the Series' inception in the late 1990s the hosting entity has carried the costs and retained the rights to commercialise most of the event inventory (such as tickets and hospitality and catering) in return for carrying the travel and landed costs of the teams. This had invariably been at a loss to SA Rugby.

The event had only moved into annual profit for the events held in Cape Town



The hibernating Gold Cup (the national club rugby championship) came out of its slumber thanks to the support of African Rainbow Capital who put their name to the tournament and provided the funding to allow 32 teams from around South Africa to fight out the title and end a four-year hiatus.

since 2015 (either side of the pandemic) but a World Rugby decision to re-imagine the Series led to a change in the model for 2023 and beyond. Henceforth hosts receive a fixed delivery fee – linked to KPIs – while World Rugby retained 100% of the commercial inventory and carried all costs. The nett effect for SA Rugby on an annual basis is likely to be a loss of income of the order of R20m pa, subject to the event's annual success and attractiveness.

The robust health of the Springbok brand and its commensurate attractiveness to corporate South Africa was not matched in other areas of available sponsorship inventory.

FNB confirmed their support of women's rugby as the principal sponsor of the XV's but were a lone trailblazer in what is a burgeoning area of the sport. The national VII's team – which gained status as a core team on the Sevens Series circuit – remains without a partner, a fate shared by the Junior Springboks while associate packages for all national teams – other than the Springboks – remain available.

All national teams had a good “story” to tell, but the general state of the South African economy and the challenges faced by corporate SA were not felt just by rugby.

STADIO Higher Education has joined SA Rugby's family of sponsors as an official partner of the Under-18 Craven Week in 2023.



The Springboks played the All Blacks for the Qatar Airways Cup in a Rugby World Cup warm-up clash at Twickenham.



COMMUNICATIONS 2023

In Chasing the Sun 2, which aired early in 2024, Rassie Erasmus spoke about how South Africans didn't congratulate the Springboks for their Rugby World Cup victory – as they did in 2019 – but actually *thanked* the team for lifting the Webb Ellis Cup yet again – an expression, perhaps, at a nation's gratitude for a good news story out of South Africa.

Similarly, the Communications Department could thank the Boks for their success in France, as it directly manifested in our various channels, with social media and website statistics going through the roof, breaking records and expanding SA Rugby's digital footprint, as the Communications Department continued to provide support to all of the national teams and various competitions and tournaments for a large number of teams – from age-group to senior professional.

Apart from the Springboks, all other national teams were in action and were promoted and reported through multiple digital platforms in what was probably the busiest playing calendar in the history of South African.

The Springbok Women featured in the inaugural WXV 2 tournament, hosted in South Africa; the Springbok Women's Sevens team won HSBC SVNS core status by clinching the World Rugby Challenger Series in Stellenbosch; the Blitzboks placed a disappointing seventh in the world series; and the Junior Boks finished third in the World Rugby U20 Championship, hosted in the Western Cape.



Capetonians flocked to the streets in their thousands to celebrate the Springboks' Rugby World Cup triumph during the Trophy Tour in November.





On international franchise level, the Vodacom United Rugby Championship's popularity increased, while five local sides completed their first foray into the two European Professional Club Rugby competitions, the Champions Cup and EPCR Challenge Cup.

Locally, the Toyota Cheetahs beat 2022 champions, the Airlink Pumas, in the Currie Cup Premier Division final, and the Valke (Mzansi Challenge) and Boland Kavaliers (Currie Cup First Division) ruled the roost amongst the non-franchise unions.

The Communications Department also provided extensive coverage for the Women's Premier and First Divisions, won by the Bulls Daisies and Free State Women respectively, provincial age-group competitions and the SA Rugby Youth Weeks.



BOKSQUAD

In July 2022, SA Rugby and MTN launched a digital fan portal called BokSquad, and with the RWC success in France, it went from strength to strength in 2023.

Functionality was enhanced on the web-based portal and the subscriber base fluctuated between approximately 160,000 to 1,17m per month during the year, with the peak months coinciding with the Rugby World Cup in September and October.

MEDIA RELEASES, EVENTS AND INTERACTIONS

The Communications Department issued 567 media releases in 2023, slightly lower than in 2022, but more content was pushed out on the SA Rugby website. The year also saw a move away from the COVID-impelled virtual media events, and a return to "in-person" press conferences and media interactions as far as possible, although there were occasional exceptions.

The biggest media events were around the Rugby World Cup, namely the squad announcement at Multichoice City, the departure from Johannesburg, and the team's return to South Africa, all of which were attended by tens of thousands of supporters, as well as a very strong media contingent.

WEBSITE STATISTICS

The continued growth in website usage stats was another strong reminder of the effect across the board a successful Springbok team can have. A full season of international rugby for all our national teams, as well as strong international and local competitions,

The Bulls Daisies were crowned champions of the Women's First Division after beating DHL WP in the final in Pretoria - their first title since 2006.

4,222,208 UNIQUE USERS

were the major contributing factors to the increase in numbers.

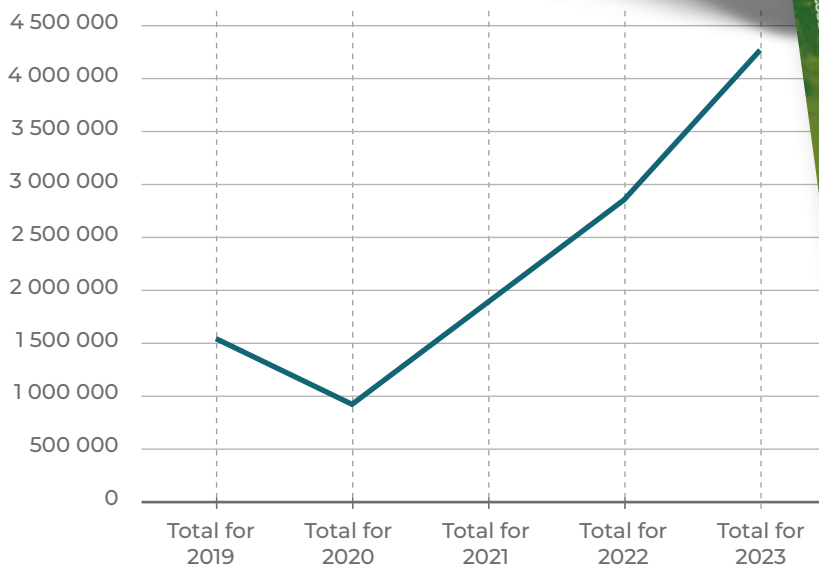
In 2022, we had 2.775m unique users on the website, but last year this went up to 4,222,208 unique users, who had a combined total of 7,550,375 page views and 5,825,362 user sessions.

October was understandably the biggest month with 1,213,590 unique users. Compared to the user stats for the old website (pre-2019), where we had an average of 17,000 monthly visitors, this would equate to more than 71 months' – almost six years – worth of website traffic.

The big news items for the year were also obvious when reviewing the website data – on four days in 2023, we had more than 100k unique users on site: Thursday 13 September, when news about Malcolm Marx's injury was confirmed; Friday 13 October with the Bok team announcement for the RWC quarter-final; Thursday 26 October, the RWC final team announcement; and Sunday 29 October, the day after the final.



SPRINGBOKS.RUGBY: UNIQUE USERS PER YEAR





SOCIAL MEDIA

SA Rugby's main social media channels - @Springboks on Facebook and Twitter, @bokrugby on Instagram and @springboks.rugby on TikTok – all performed phenomenally well, with the Boks the main driver to success. For the purposes of this report, the focus will be on growth and performance before, during and after the Rugby World Cup.

We again used a digital agency to assist with the creation of engagement posts across all our national teams' properties, and locally we did the same for the Currie Cup.

We also consolidated a few of our other key social media accounts across Facebook, Twitter, Instagram and TikTok, to cover the Blitzboks, women's rugby (national teams and competitions), junior rugby (U20 and younger), and the Currie Cup (as well as other provincial competitions), taking into consideration the overlapping of team activities and tournament schedules to ensure consistency in content throughout most of the year.



INSTAGRAM:

During the period, the account witnessed a growth of 54.9%, equating to a total of 486K new followers. This surge increased the account's overall following to 1.2 million. The growth is attributed to a substantial rise in reach, resulting in a total reach of 8.3 million accounts. Notably, content formats contributing to the reach included reels reaching 6.3 million accounts, organic posts reaching 4.2 million accounts, and stories reaching 493 000 accounts.



FACEBOOK:

During the specified period, the Springboks' Facebook account accumulated an additional 519K followers. This brought the total following of the account to more than 2 million,

accompanied by 1.5 million page likes. A total of 34 million accounts were reached, with the success behind this increased reach primarily attributed to linked posts, followed by organic posts and video content. The content engagement rate surged by 541%, and link clicks increased by 113%.



TWITTER:

Historic Twitter stats are not easily obtained, but over the last month of the Rugby World Cup and during the Trophy Tour alone, the account accrued 63.6K new followers, and during the tournament, we had 93.4 million impressions. Video content emerged as the top-performing content, with seven of the top ten performing pieces being videos.



TIKTOK:

The TikTok account is fairly new, but the popularity of the platform and the content produced saw the channel double in size during the Rugby World Cup to 447.8K followers, with a total video view count of 38.2 million. TikTok stands out as our most engaging platform, with the greatest potential for further expansion.

CONCLUSION

With the dark days of COVID consigned to the past (for now), the hunger for rugby, especially a successful Springbok team, manifested in our digital communications channels. A full season of Tests, including the Rugby World Cup, proper international action for all our national team, and a full local season for men, women and age-group teams, were concluded without any major issues, celebrating great successes in the digital world.



Springbok captain Siya Kolisi poses for a selfie with a fan after the Rugby World Cup pool match against Tonga.



HUMAN RESOURCES

SA Rugby's Human Resources department enjoyed a busy year in 2023, with the launch of a new programme aimed at future leaders in the industry, while a project for coaches at elite level also bore fruit.

LEARNING AND DEVELOPMENT BENEFITS

The SA Rugby Leadership Development Programme (RLDP) launched on 01 August 2023 and was targeted at employees who show leadership promise and have been identified by their line managers through development and succession plan conversations.

The programme is aimed at upskilling candidates on how to do leadership in the rugby landscape. Candidates are exposed to business modules which provide a constant compass to ensure learning is executed through the lens of rugby.

It is a one-year programme which comes to an end in July this year. The programme will be reviewed after July, and we hope to continue with it in the future.

The purpose of the programme was to accelerate the attainment of goals and targets expressed in SA Rugby's organisational culture and transformation plan, in an evidential manner.

Candidates in the programme come from SARU and the SA Rugby Provincial Unions. This is an indication that SA Rugby is committed in ensuring that there is a pool of potential leaders for SA Rugby in the future.

The Elite Coaches Project which started in 2021 and was funded by the Department of Sports and Culture, concluded in August when 11 "students" graduated.





The Rugby World Cup-winning Springbok squad visited SA Rugby's offices shortly after their triumphant return from France.



Seven SA Rugby employees were rewarded with long service awards at the end of 2023.

The programme will continue in 2024 and will start in September. Unlike before, the programme has evolved and the demographic requirement no longer applies, as it is now open to all coaches in SA Rugby; and female coaches will be introduced to a bridging ECP, which will run parallel.

EMPLOYMENT EQUITY

The 2022/23 SARU EE report was accepted by the Department of Employment and Labour. While the current plan shows underrepresentation in certain levels, the pending restructuring will nevertheless address such gaps.

GOVERNANCE

Following an exhaustive consultation processes, SARU's retirement age has been increased from 62 to 65. With life expectancy going up, this was one of the business reasons to increase the retirement age to 65. However employees can take early retirement if they had already prepared to end their worklife at age 62.

A new Employee Communication Forum chaired by the CEO was introduced in March 2024 to strengthen communication between employees and leadership. With each level of employees represented in the Forum, this is one of SARU's staff engagement interventions to improve employee relations and move towards a collaborative and strong partnership between employees and the leadership of SARU.



TRAINING

The SA Rugby Leadership Development Programme (RLDP) and the Elite Coaches Project remain essential components of the training programme. SARU continues to receive ongoing training grants from CATHSSETA which helps the organisation in continuing its commitment to upskill its workforce with current skills and also provide motivation for employees to perform well in their jobs.

EMPLOYMENT WELLNESS AND WELL-BEING

A new Wellness Partner was introduced to SARU employees and management on 1



LONG SERVICE AWARDS

July 2023. Kaelo provides SARU employees and their dependents psychosocial, legal and financial support through their qualified EAP counsellors.

SARU has seen impacts of high workload, difficulty to take leave, discomfort to share feelings when stressed and too many conflicting demands that have led to mental illness. Through wellness interventions using the Kaelo services, the engagement level of employees contacting the counsellors at Kaelo has shot up. This includes weekly personal coaching sessions for line managers.

Regular mental health campaigns (workshops and posters) were activated, wellness days were well attended and on-site health screenings were made available to staff.

SARU values and rewards loyalty and commitment. Employee service value proposition focuses on the appreciation of milestones attained by our employees and is part of the organisation's strategic employee engagement strategy.

We have discovered that long service awards are motivators for our staff, and that value is appreciated and acknowledged by the business as a whole.

Seven employees received long service awards. Two were for 15 years of service, one for 10 years and four received their five years service awards.



Selections Development
RWC2023 Plan
20 October 2020
Tsh
Vandri Nkomo
10/10

RUGBY
WORLD CUP
FRANCE 2023



France 2023





South Africa vs New Zealand
RWC 2023 Final
28 October 2023
Paris
Stade de France

© South Africa vs New Zealand
RWC 2023 Final
28 October 2023
Paris
Cheslin Kolbe
31 Test





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