



— HSBC  —  
**WARATAHS®**

# 2012 Annual Report

# WARATAHS RUGBY WOULD LIKE TO ACKNOWLEDGE THE SUPPORT OF ALL ITS 2012 PARTNERS

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The Sydney Morning Herald

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## OFFICE BEARERS

### Chairman

Roger Davis (appointed August 2012)

Edwin Zemancheff (until August 2012)

### Chief Executive Officer

Jason Allen

### Board of Directors

Roger Davis (appointed June 2012, Chairman)

Alastair Baxter

Ross Grant

Sally Loane

Michael Miller (appointed June 2012)

Arvid Petersen

Paul Timmins (appointed August 2012)

### Head Coach

Michael Cheika (appointed October 2012)

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# Chairman's Report



Roger Davis

When I was invited to take over as Chairman of Waratahs Rugby in August 2012, I observed that going forward, the Board was determined to ensure that the HSBC Waratahs and NSW Rugby would have a successful culture which was rewarding for fans, players and partners alike. I also went on to say that the appointment of a new head coach would be key to achieving that result and that with the appointment of a new coach in place, our two key priorities would be to have a winning season and to better engage with our community in order to reinvigorate our relationship with the grassroots of our game.

Eight months on and I am delighted to report that despite the many challenges of 2012, where we saw the team finish eleventh overall, significant progress has been made against both broad sets of objectives.

On the field, we have appointed a new Head Coach, Michael Cheika, who returns to Australia after a successful overseas coaching career with Leinster, where he won the Heineken Cup, and more recently with Stade Français in Paris. Michael is already making a huge difference to the team and its culture based on the fundamental values of hard work and honesty. As a result, the team now has a much clearer identity and playing style, with Michael reinstating the traditional running rugby game that is so synonymous with NSW Waratahs' heritage and past success. Although such widespread change will take time, the first half of the 2013 season has already given us a clear indication that this process is well

underway and we have much optimism for the future.

Financially, 2012 was a successful year with the franchise recording a small profit despite the disappointing Super Rugby campaign. Indeed, after contributing \$1,131,784 to the community game through License Fees and other grants to the New South Wales Rugby Union, Waratahs Rugby Limited recorded a positive net operating profit of \$64,745 for the year ending December 31, 2012. This result was a particularly pleasing outcome for management, sponsors, fans and players and reflects the commitment of the Board to ensuring we have a profitable, vibrant and successful professional rugby team that is well positioned to capitalise on all future opportunities to grow the game in the state of NSW.

In the face of a reduction in funding from the Australian Rugby Union of \$300,000 and a similar decrease in membership revenue compared to 2011, Waratahs Rugby's operating profit was only achieved by an unrelenting focus on costs, which decreased by \$360,000, and by improving match day experience, resulting in a \$300,000 increase in game revenue versus 2011. The latter was largely the result of an increase in our cumulative crowd figure for the 2012 Super Rugby season from 163,000 in 2011 to 167,000, which represents an average home crowd of 21,000. Given our focus on off-field performance in 2012, this was a particularly pleasing outcome and demonstrates the strong loyalty and brand that the Waratahs have in NSW, for which we are very appreciative.

As the retail shop front for rugby in NSW and the biggest contributor of funding to the community game, the relationship between the grassroots and professional game is fundamental to the long term future of

rugby in NSW. Not surprisingly therefore, Cheika's arrival has been accompanied by a commitment to reinvigorate relationships with key stakeholders at all levels of the game. Although still early days, the feedback from the many people I speak to demonstrates that many of the changes and initiatives that he and the Executive have introduced are already making a difference.

Off the field, last season saw us extend our commitment to our community engagement program with the introduction of a new headcount to more effectively co-ordinate our extensive program of club, school and local community activities. Indeed a key element of the team's pre-season training program was getting the whole squad out into the community so the public could watch and interact with their team. The most publicised examples were the squad's weekly sessions on the infamous Coogee Stairs, a gruelling uphill path well-known to local teams and fitness enthusiasts alike. Similarly, Michael's decision to invite a dozen or so promising club and school players to join the squad's pre-season program also brought success, with the program helping identify talented young club players such as Ben Volavola and Will Skelton, both of whom have since been rewarded with full-time contracts. This initiative has undoubtedly strengthened ties with the Premier Clubs and provided emerging elite players with a genuine pathway from club, country and school rugby to the representative team.

During 2012, the organisation has seen several changes occur at Board level, all of which have further strengthened a Board already rich in talent and with a strong commitment to the running game. My appointment to the Waratahs Rugby Board in June coincided with



Afternoon rugby returns to Sydney: The players sign autographs after the Sharks win





Fans and families flock to a team signing session as part of a family day

the arrival of Michael Miller, Regional Director for News NSW and a former President of South Australian Rugby. Then in August 2012 we were joined by Paul Timmins, Chief Operating Officer at UXC Limited, Chairman of NSW Suburban Rugby and a member of the NSW Rugby Union Board of Directors. Both new appointments have added further extensive business and rugby experience to an already strong and experienced Board comprising Arvid Petersen, Ross Grant, Al Baxter and Sally Loane. I thank them all for the support during the year and for their wisdom and passion.

Our limited financial success in 2012, despite the obvious challenges on and off the field, is in no small way due to the work ethic and commitment of an outstanding executive team, ably led by our CEO Jason Allen. To Jason and his team, I provide extensive thanks for steering us through the troubled shoals and pitfalls that were 2012 and for delivering an operating profit for the year. As is inevitable with change, the year also saw a number of departures from the organisation. I would also like to extend my gratitude, on behalf of the organisation, for the contributions of all those who moved on during 2012, many of whom left us after a number of years of service, among them our former Head Coach Michael Foley.

In this regard, it is also important to note that 2012 saw the organisation (in conjunction with NSWRU and key stakeholders) complete a four-month project to clearly define the future vision and values of Waratahs Rugby. We believe this initiative was critical to ensuring that NSW is well-positioned to return to its rightful position as one of the most successful and influential states in Australian rugby. We are already seeing some of the fruits of this exercise, as on-field

success, increased community engagement and a changed culture continue to cement our position as a critical element of rugby in this state, despite the many competitive challenges presented by AFL, NRL and soccer.

Player performance, entertainment and on-field results are critical to fan engagement and of course club revenue, so it is worth noting that the HSBC Waratahs and the Brumbies were the only two Australian franchises to grow their crowd numbers in 2012. This achievement is even more remarkable given our run of eight consecutive losses in the back end of the season, many of them by only a handful of points. We must leverage this loyalty in 2013 and beyond and not disappoint, so I am delighted to report that the year saw us welcome 12 new commercial partners and retain over 95 per cent of our current portfolio of partners and sponsors. It was also the first season that our new sleeve sponsor, Volvo Car Australia, featured on the Waratahs jersey, after they came on board at the end of 2011. Along with the growth of our corporate hospitality sales, which last season reached its highest level in six years, this is testament to the continued strength of our brand and our outstanding customer service which remains our point of difference. It is also a wonderful indication of brand loyalty and belief in the future of our game for which we are most thankful.

Going forward, there remains a significant number of challenges to be overcome in forthcoming seasons, including the long-term growth of our traditional income streams namely memberships and match day attendances, which are continually threatened by the crowded Sydney and NSW marketplaces and the competition for the sporting and entertainment dollar. Mindful of the need to generate new income streams, we will continue to explore new and innovative

opportunities and by continuing to strengthen our financial base and our relationships with key stakeholders, we will be well placed to exploit any future developments.

In closing, I would like to pass on my thanks to the Waratahs Rugby Board and CEO Jason Allen and his team for their continued hard work and professionalism throughout what was a difficult year. And to our valued sponsors, stakeholders, members and supporters, I extend a warm and sincere thank you for your continued dedication and patronage. We are extremely grateful for your resilience and dedication and it is with great pleasure that I, like all of you, look forward to writing a new and successful chapter in NSW and Waratahs Rugby history. Go the 'Tahs in 2013!

**Roger Davis**  
**Chairman**



Matchday attendances grew in 2012



Adam Ashley-Cooper with youngsters at one of the popular Camp Waratah events



# Commercial Operations

The 2012 season was a successful one from a financial perspective, with the continued strength of the Waratahs Rugby brand reflected in a growth in our partnerships portfolio and in revenue from corporate hospitality.

As well as retaining 95 per cent of its portfolio of current partners, 2012 saw Waratahs Rugby welcome 12 new partners on board, including Ricoh (Official Printing Partner), Tulla, Treasury Wine Estates (Official Wine Partner), Hard Rock Cafe (Official Waratahs Rugby HQ), Easy Bookings (Online Hospitality Partner) and Jubilee Supplies (Official Stationery Supplier). Income from sponsorships totalled \$5,605,421 for the 2012 financial year.

In 2012, Waratahs Rugby took over the responsibility for the sale of its allocation of matchday Corporate Hospitality for Allianz Stadium matches from the Sydney Sports and Cricket Ground Trust, assuming full control of inventory and pricing.

A review resulted in a restructure of price points and package inclusions for corporate boxes. As a result, sales of Corporate Hospitality achieved a six-year high, with Waratahs Rugby selling out its allocation for both ANZ Stadium matches and the overall corporate box utilisation rate hitting 83 per cent for the season across both ANZ and Allianz Stadiums.

The popularity of Chairman's Club, the organisation's premium offering, remained strong with five out of six events at Allianz Stadium sold out, the average number of guests per game increasing by 16 per cent to 338 and a record attendance of 510 being achieved for the match against the Brumbies at ANZ Stadium.

As a result of the growth in corporate hospitality revenue from Allianz Stadium of \$116,000, total income from corporate hospitality (including non-match day) was up slightly on last year.

Total revenue from membership was down but this was offset by an increase in ticket sales.

Although member numbers increased in 2012, revenue from membership sales decreased by \$300,000, primarily due to a decrease in the proportion of eight-game memberships within the product mix.

In contrast, revenue from home match ticket sales increased by \$300,000 in 2012 compared to 2011, with this increase the result of a rise in our cumulative crowd figure for the 2012 season. The total crowd for the 2012 season was 167,000 (up 2.45 per cent on last year's figure of 163,000), taking the average home crowd for the season to 21,000. The HSBC Waratahs were one of only two Australian franchises (the other being the Brumbies) to grow their crowd numbers in 2012.

Despite being out of the race for finals contention after losing the last eight matches of the 2012 Super Rugby season, Waratahs Rugby still reported positive growth in its online and social media presence.

The overall decline in positive and neutral tone print and broadcast media coverage was minimal versus the previous season (70 per cent versus 72 per cent) when the team made the finals and rugby interest peaked in Rugby World Cup year (Repucom data Jan to July).

Relative to the previous year, this compares favourably to the sharper tonal decline from 2010 to 2011 when positive/neutral coverage fell from 80 to 72 per cent. In contrast, the season also saw an increase in sponsor

exposure for shirt sponsor HSBC by six per cent (Repucom total Q1 exposure value, June to August 2012 versus 2011).

With the popularity of social media as a means of consumer engagement, Waratahs Rugby recorded across-the-board increases in its interaction and reach indicators. In the 12 months to January 2013, NSW Waratahs Twitter followers grew by 83 per cent from 7,000 to over 12,800. As at April 2013, the team's average weekly fan reach on Facebook has risen to between 40,000 and 60,000, with total followers rising by an average of 100 per week to the current total of 28,732 followers (April 2013).

Through a program of continued improvements to the usability of and content on the [www.waratahs.com.au](http://www.waratahs.com.au) website, a 16 per cent increase in website traffic was achieved for the 2012 season (unique users, Jan 1 to Sept 3 2012 versus 2011).

Community engagement was the major area of off-field focus and the season saw the introduction of a new headcount in fan engagement, to more effectively co-ordinate the HSBC Waratahs' Community Connection program, one of the highlights of the season. Aimed at bringing players and supporters closer together, in ten months the program saw players and coaches make almost one thousand appearances at over 200 community events, reaching tens of thousands of people from across the state.

Events ranged from Bathurst, Coogee, Balmoral, Tamworth, Coffs Harbour, Hunter Valley, Gunnedah, North Sydney, Eastern Suburbs and Darling Harbour and have seen the team race Nippers, run training afternoons and signings sessions, support the Tamworth Tricolours and Sydney Convicts, visit multiple schools such as St Ignatius, Scone Grammar and Prairiewood High, attend charity events including the Starlight Children's Foundation's Christmas party and many, many more.

Topping the table for the most community appearances, each attending upwards of 30 to 40 events, were Pat McCutcheon and Lachie Turner, with Drew Mitchell, Damien Fitzpatrick, Benn Robinson and Paddy Ryan completing the top six.

**Kym Aust-Howlett**

**General Manager, Marketing and Commercial**

**Philip Van Schalwyk**

**General Manager, Operations**

**Nicki Drinkwater**

**Manager, Media and Communications**



Players enjoy a tug-o-war against Bronte as part of a hugely successful Nippers program



# HSBC Waratahs Season Review

The 2012 season was one of disappointment for HSBC Waratahs' players and fans alike.

Despite the appointment of a new head coach in Michael Foley and a strong roster, injuries to key players put a significant dent in the team's ambitions.

Characterised by a number of single-point losses and a run of eight straight losses, the HSBC Waratahs finished 11th on the overall ladder with just four wins from 16 matches.

Despite the underachievement on the scoreboard, there were some positives to take from the season. The heavy injury toll, which claimed Lachie Turner, Drew Mitchell, Rocky Elsom, Pat McCutcheon, Damien Fitzpatrick and Dan Vickerman meant that the squad's up and coming youngsters gained significant Super Rugby experience, with Tom Kingston, Peter Betham and Bernard Foley all stepping up to the mark.

The season also saw Paddy Ryan, Kane Douglas and Dave Dennis make their international Test debuts on the back of standout performances in NSW colours, while Tom Kingston, Bernard Foley and Brendan McKibbin all benefited from experience gained from inclusion in the national team's training squad.

After two pre-season wins against Pacific Island opposition, the opening FxPro Super Rugby match against arch-rivals the Queensland Reds was full of promise. The incisive running of new halfback Sarel Pretorius earned him man of the match honours and Chris Alcock, Tatafu Polota-Nau, Brackin Karauria-Henry and Tom Kingston also had strong outings. Although a last gasp Reds' try denied the home side an opening round victory and took the final score to 25-21, the team secured its first win the following week, scoring three first half tries to earn a physical 35-19 away win over the Melbourne Rebels.

But after a one-point away loss to the Highlanders in week three and another single-point defeat at the hands of the Force, this time in Sydney, it was clear that injuries would again have a significant impact on the HSBC Waratahs' season. Already on the injury list before round one, Dan Vickerman, Rocky Elsom, Drew Mitchell, Lachie Turner and Berrick Barnes (although the latter's was thankfully shortlived) would soon be joined by Pat McCutcheon and Damien Fitzpatrick.

With so much experience forced to watch

from the sidelines, it was time for youth to step forward. The absence of Berrick Barnes created an opportunity for Sevens' star Bernard Foley, whose incisive runs from fullback often ignited the backline. Against the Sharks in round five, it was the turn of Brendan McKibbin to step forward. The scrum half celebrated his run-on debut with a dream start, earning the man of the match award and scoring 17 points to help the HSBC Waratahs to an inspiring 34-30 team victory.

A loss against the Chiefs (30-13) in Hamilton was reversed two weeks later, as NSW held on for a 23-18 away victory over the Western Force. The victory heralded the arrival of 20-year-old winger Tom Kingston and flanker Dave Dennis, who both earned tries.

Combined with the consistency of some of the group's leaders, notably the front row trio of stand in captain Benn Robinson, Tatafu Polota-Nau and Sekope Kepu and talisman No. 8 Wycliff Palu, it was with a degree of optimism that the squad finally welcomed back to the field, albeit from the bench, its captain Rocky Elsom.

When the team downed the Rebels 30-21 to lift the Weary Dunlop Shield for a fourth successive time, coach Foley praised the squad for a strong performance. For the first time the team had recorded consecutive victories, and with the Crusaders next on the horizon, the win had come at an important time.

And sure enough, the HSBC Waratahs pulled out their most impressive display of the season, coming agonisingly close to recording a third successive victory, only to fall just short of a physical and ruthless Crusaders side by 33-37. Aside from another bonus point, their fourth in four losses, there was the long-awaited return of afternoon rugby for the record 30,000-strong Allianz Stadium crowd to appreciate.

But what no-one could have predicted was how such inspiration would turn to desperation. Having dominated much of the first half of the following week's Canberra clash with the Brumbies, NSW slumped to a disappointing 23-6 defeat to the top-of-the table side.

Although the following week saw Elsom finally installed as captain in his first starting appearance for NSW since 2008, it also brought a gut-wrenching 24-27 home loss to the Bulls.

With further losses against the Stormers (13-19) and Cheetahs (34-35), the disappointment grew. Although the two-week trip to South Africa was expected to be a tough one, the manner in which NSW twice capitulated in the second half proved the biggest cause for concern. Although the trip marked the return to action after a horror run of injuries for Drew Mitchell, it also marked the premature end of Elsom's season, after the flanker picked up a shoulder injury.

Back on home ground a week later, the



Disaster strikes: McCutcheon suffers a season-ending ankle injury against the Highlanders



# HSBC Waratahs Season Review

team slumped to a sixth successive defeat, conceding three second half tries to record a disappointing 33-12 defeat to the Hurricanes.

A three-week Test window and a bye brought a welcome respite, as well as the return to fitness of Lachie Turner and promising young prop, Paddy Ryan. After proudly providing the biggest Wallaby contingent of all the states, and invigorated by the Wallabies' three Test whitewash over Wales, there was hope for an end of season rally.

But in what turned out to be the story of their season, the team's determination and commitment was undone by errors in execution and decision making. Continually relieving the pressure on the opposition in key moments, the team was unable to close out results. First the Brumbies (15-19) and then the Reds (32-16) inflicted two further defeats.

The losses left the HSBC Waratahs to finish 11th on the overall ladder with a disappointing eight straight losses and just four wins from 16 matches.

Following the departure of Michael Foley at the end of July, Alan Gaffney was appointed interim coach while the Waratahs Rugby Board started the process of appointing Foley's successor.

In September, Michael Cheika's appointment to the Head Coach role was announced by new Chairman Roger Davis, following an extensive, worldwide search.

Widely regarded as the best possible candidate to lead the HSBC Waratahs into a new and successful era, the former Randwick and Leinster coach took charge of the side in October, appointing Gaffney and former Crusaders' coach Daryl Gibson as his assistants.

## HSBC Waratahs



Up-and-coming: Tom Kingston scores a try against the Western Force



Standout: Dave Dennis in action against the Crusaders at Allianz Stadium

## ROUND 1 QUEENSLAND REDS 25 D HSBC WARATAHS 21

Saturday February 24, ANZ Stadium, Sydney.



Dave Dennis looks dejected after defeat to the Reds

Despite a strong showing for 75 minutes, the HSBC Waratahs were denied an opening round victory by a last gasp Reds' try that took the final score to 25-21.

**Scorers:** HSBC Waratahs 21 (tries: Palu, Pretorius cons: Halangahu, pens: Halangahu 3)

**Half-time:** HSBC Waratahs 8 - 12 Queensland Reds

**Yellow Cards:** none

**Referee:** Jaco Peyper (RSA)

**Man of the Match:** Sarel Pretorius

**Crowd:** 32,071

## ROUND 2 HSBC WARATAHS 35 D MELBOURNE REBELS 19

Friday 2 March, AAMI Park, Melbourne.



Double try-scorer Tom Carter goes into space

Three first half tries, including a pair for inside centre Tom Carter helped secure the HSBC Waratahs a well deserved away win in a physical 35-19 victory over the Melbourne Rebels at AAMI Park.

**Scorers:** HSBC Waratahs 35 (tries: Carter 2, Kepu, Foley cons: Halangahu 3, pens: Foley, Halangahu 2)

**Half-time:** Melbourne Rebels 6 - 22 HSBC Waratahs

**Yellow Cards:** Tatafu Polota-Nau (66 mins)

**Referee:** Bryce Lawrence

**Crowd:** 16,491

## ROUND 3 HIGHLANDERS 18 D HSBC WARATAHS 17

Saturday 10 March, Forsyth Barr Stadium, Dunedin.



Replacement Lopeti Timani tries to lift the team to victory

Delight turned to despair as flanker Pat McCutcheon sustained a serious ankle injury scoring the team's only try. The try, combined with four Daniel Halangahu penalties weren't quite enough to secure a second away victory against a highly competitive Highlanders outfit.

**Scorers:** HSBC Waratahs 17 (tries: McCutcheon; pens: Halangahu 4)

**Half-time:** Highlanders 8 - 9 HSBC Waratahs

**Yellow Cards:** none

**Referee:** Bryce Lawrence



# 2012 Super Rugby Results

## ROUND 4 WESTERN FORCE 21 D HSBC WARATAHS 20

Saturday 17 March, Allianz Stadium, Sydney.

The HSBC Waratahs recorded their second home loss of the season, going down by a single point to the Western Force in an encounter that saw the lead change hands five times in 80 minutes.

**Scorers:** HSBC Waratahs (tries: Ashley-Cooper, Kingston pens: Halangahu 3 cons: Halangahu)

**Half-time:** HSBC Waratahs 14 - 13 Western Force

**Yellow Cards:** Dean Mumm (17 mins)

**Referee:** Jonathon White, NZ

**Crowd:** 14,673



The Waratahs put the Force under pressure

## ROUND 5 HSBC WARATAHS 34 D SHARKS 30

Saturday 24 March, Allianz Stadium, Sydney.

Newcomer Brendan McKibbin celebrated his run-on debut with a dream start, earning the man of the match award and scoring 17 points to help the HSBC Waratahs to an inspiring team victory.

**Scorers:** HSBC Waratahs 34 (tries: McKibbin, Foley, Carter, Kingston; pens: McKibbin 2; cons: McKibbin 3, Barnes)

**Half-time:** HSBC Waratahs 13 – Sharks 17

**Yellow Cards:** none

**Referee:** Chris Pollock (NZL)

**Man of the Match:** Brendan McKibbin

**Crowd:** 18,830



Horne and Foley congratulate McKibbin

## ROUND 6 CHIEFS 30 D HSBC WARATAHS 13

Saturday 31 March, Waikato Stadium, Hamilton.

A strong first half performance for the HSBC Waratahs wasn't enough to keep them in contention for a victory over a rampant Chiefs side in Hamilton. The HSBC Waratahs dominated the first half but failed to convert pressure into points.

**Scorers:** HSBC Waratahs 13 (tries: Kingston; pens: McKibbin 2; cons: McKibbin)

**Half-time:** Chiefs 13 - 10 HSBC Waratahs

**Yellow Cards:** None

**Referee:** Mike Fraser (NZ)



Rob Horne goes in for the tackle while Robinson and Palu watch on

## ROUND 8 HSBC WARATAHS 23 D FORCE 18

Friday 13 April, nib Stadium, Perth.



Tom Kingston is embraced by Brendan McKibbin and Tom Carter

The HSBC Waratahs survived a second half Force fightback to cling to a crucial away victory in Perth. Dominant for much of the first 50 minutes, tries to winger Tom Kingston and flanker Dave Dennis gave the visitors a comfortable 14-point cushion but fifteen unanswered second half points from a resurgent Force side left the game in the balance with just minutes remaining.

**Scorers:** HSBC Waratahs 23 (tries: Kingston, Dennis; pens: McKibbin, Barnes 2; cons: McKibbin 2)

**Half-time:** Force 3 - 10 HSBC Waratahs

**Yellow Cards:** Ma'afu (37 mins), Foley (56 mins)

**Referee:** Glen Jackson (NZ)

**Crowd:** 12,838

## ROUND 9 HSBC WARATAHS 30 D REBELS 21

Saturday 21 April, Allianz Stadium, Sydney.



Brendan McKibbin passes away from the breakdown

A three-try victory over the Melbourne Rebels saw the HSBC Waratahs win the Weary Dunlop Shield for a fourth successive time, with tries from Bernard Foley, Tafa Polota-Nau and Rob Horne helping them to a 30-21 win.

**Scorers:** HSBC Waratahs: 30 (tries: Foley, Polota-Nau, Horne; pens: McKibbin 3; cons: McKibbin 3)

**Half-time:** HSBC Waratahs 16 - 7 Rebels

**Yellow Card:** Rob Horne

**Referee:** Jonathan Kaplan

**Crowd:** 17,673

## ROUND 10 CRUSADERS 37 D HSBC WARATAHS 33

Sunday 29 April, Allianz Stadium, Sydney.



Tatafu Polota-Nau storms past Owen Franks

In their most impressive display of the season so far, the HSBC Waratahs came agonisingly close to recording a third successive victory, eventually falling four points short of a physical and ruthless Crusaders side, in a thrilling afternoon game.

**Scorers:** HSBC Waratahs: 33 (tries: Pakalani, Palu, Pretorius; pens: McKibbin 4; cons: McKibbin 2, Barnes)

**Half-time:** HSBC Waratahs 13 - 14 Crusaders.

**Yellow Cards:** none

**Referee:** Jonathan Kaplan (RSA)

**Man of the Match:** Robbie Fruean

**Crowd:** 30,663



# 2012 Super Rugby Results

## ROUND 11 BRUMBIES 23 D HSBC WARATAHS 6

Saturday 5 May, Canberra Stadium, Canberra.

Having dominated much of the first half, two converted tries conceded either side of the break saw the HSBC Waratahs slump to a disappointing 23-6 loss to an in-form Brumbies side in a chilly Canberra Stadium.

**Scorers:** HSBC Waratahs 6 (pens: McKibbin 2)

**Half-time:** Brumbies 13 – 6 HSBC Waratahs

**Yellow Cards:** Ben Mowen (76 min)

**Referee:** Chris Pollock

**Crowd:** 19,122



Berrick Barnes evades the clutches of Stephen Moore

## ROUND 12 BULLS 27 D HSBC WARATAHS 24

Friday 11 May, Allianz Stadium, Sydney.

The HSBC Waratahs held the advantage at the break but a last-gasp try from Werner Kruger secured victory for the Bulls in front of a vocal home crowd.

**Scorers:** HSBC Waratahs 24 (tries: Horne, Pakalani; pens: Barnes 3, McKibbin; cons: Barnes)

**Half-time:** HSBC Waratahs 13 – 10 Bulls

**Yellow Cards:** Dean Mumm (23 min)

**Referee:** Chris Pollock (New Zealand)

**Crowd:** 17,368



Rocky Elsom looks disappointed at the final whistle against the Bulls

## ROUND 13 STORMERS 19 D HSBC WARATAHS 13

Sunday 20 May, DHL Newlands, Capetown.

Ten points in five minutes helped the HSBC Waratahs overturn a 13-point half time deficit but a strong defensive effort from the Stormers allowed them to hang on in a tightly-contested encounter at Newlands.

**Scorers:** HSBC Waratahs 13 (tries: Horne; pens: McKibbin 2; cons: McKibbin)

**Half-time:** Stormers 16 – 3 HSBC Waratahs

**Yellow Cards:** none

**Referee:** Craig Joubert (RSA)



Kepu carries into contact against the Stormers

# 2012 Super Rugby Results

## ROUND 14 CHEETAHS 35 D HSBC WARATAHS 34

Sunday 27 May, Free State Rugby Stadium, Bloemfontein.



Bernard Foley goes on the march against the Cheetahs

A second half Cheetahs fight-back forced the HSBC Waratahs to settle for a disappointing two bonus points, after the home side overturned a 10-point half time deficit to triumph by a single point in Bloemfontein.

**Scorers:** HSBC Waratahs 34 (tries: Dennis, S Timani 2, Horne; pens: McKibbin 2; cons: McKibbin 4)

**Half-time:** Cheetahs 21 – 31 HSBC Waratahs

**Yellow cards:** Rob Horne (retrospective)

**Referee:** Craig Joubert (South Africa)

## ROUND 15 HURRICANES 33 D HSBC WARATAHS 12

Saturday 2 June, Allianz Stadium, Sydney.



Drew Mitchell breaks through the stricken Hurricanes defence

The HSBC Waratahs slumped to a sixth successive defeat, conceding three second half tries and wasting try scoring opportunities to record a disappointing 33-12 defeat to the Hurricanes.

**Scorers:** HSBC Waratahs 12 (pens: Barnes 4)

**Half-time:** HSBC Waratahs 9 - 13 Hurricanes

**Yellow cards:** none

**Referee:** Bryce Lawrence (NZL)

**Crowd:** 13,372

## ROUND 17 BRUMBIES 19 D HSBC WARATAHS 15

Saturday 7 July, ANZ Stadium, Sydney.



Benn Robinson trots out for his 100th NSW cap against the Brumbies

The HSBC Waratahs suffered another agonising defeat, going down to the Brumbies despite outscoring their rivals by two tries to one in a game that saw veteran prop Benn Robinson celebrate his NSW century.

**Scorers:** HSBC Waratahs 15 (tries: Polota-Nau, Barnes; cons: Barnes; pens: Barnes)

**Half-time:** HSBC Waratahs 5 - 9 Brumbies

**Yellow cards:** none

**Referee:** Keith Brown (NZL)

**Man of the match:** Tatafu Polota-Nau

**Crowd:** 22,844



# 2012 Super Rugby Results & Awards

## ROUND 18 QUEENSLAND REDS 32 D HSBC WARATAHS 16

Saturday 14 July, Suncorp Stadium, Brisbane.

The HSBC Waratahs' hopes of an end of season rally were quashed as the Queensland Reds secured the bonus point win that saw them progress to the FxPro Super Rugby finals.

**Scorers:** HSBC Waratahs 16 (tries: Mitchell, Carter; pens: Foley; Drop goals: Ashley-Cooper)

**Half-time:** Queensland Reds 12 – 11 HSBC Waratahs

**Yellow cards:** Paddy Ryan (23-33 mins), Quade Cooper (64 mins)

**Referee:** Steve Walsh (Australia)

**Man of the match:** Will Genia

**Crowd:** 41,533



Paddy Ryan grapples with Will Genia for possession

### HSBC WARATAH AWARDS

**Matthew Burke Cup for Players' Player of the Year**

Player	Points
1. Dave Dennis	245
2. Wycliff Palu	198
3. Tatafu Polota-Nau	193
4. Adam Ashley-Cooper	132
5. Kane Douglas	119
6. Berrick Barnes	108
7. Bernard Foley	108
8. Rob Horne	96
9. Brendan McKibbin	96
10. Sekope Kepu	89

**Best Forward** Wycliff Palu

**Best Back** Adam Ashley-Cooper

**Waratah Medal for on and off field excellence** Pat McCutcheon

**Members' Choice Player of the Year Award** Tatafu Polota-Nau

**Chris Whitaker Aspiring Waratah Medal**

Bernard Foley



Players' Player of the Year, Dave Dennis



Members' Choice of the Year Award, Tatafu Polota-Nau



Chris Whitaker Aspiring Waratah Medal, Bernard Foley



Best back of 2012, Adam Ashley-Cooper



Best forward of 2012, Wycliff Palu

# 2012 Super Rugby Results

2012 SUPER RUGBY TABLE

Team	P	W	D	L	B	F	A	+/-	BPs	TOTAL
<b>Stormers (SA Winner)</b>	16	14	2	0	2	350	254	96	2	66
<b>Chiefs (NZ Winner)</b>	16	12	0	4	2	444	358	86	8	64
<b>Reds (Aus Winner)</b>	16	11	0	5	2	359	347	12	6	58
<b>Crusaders</b>	16	11	0	5	2	485	343	142	9	61
<b>Bulls</b>	16	10	0	6	2	472	369	103	11	59
<b>Sharks</b>	16	10	0	6	2	436	348	88	11	59
Brumbies	16	10	0	6	2	404	331	73	10	58
Hurricanes	16	10	0	6	2	489	429	60	9	57
Highlanders	16	9	0	7	2	359	385	-26	6	50
Cheetahs	16	5	0	11	2	391	458	-67	10	38
HSBC Waratahs	16	4	0	12	2	346	407	-61	11	35
Blues	16	4	0	12	2	359	430	-71	8	32
Rebels	16	4	0	12	2	362	520	-158	8	32
Force	16	3	0	13	2	306	440	-134	7	27
Lions	16	3	0	13	2	317	460	-143	5	25

P= PLAYED W= WON D=DRAWN L=LOSS B= BYE F= POINTS FOR A= POINTS AGAINST BP = BONUS POINTS

NSW WARATAHS 2012 PLAYER APPEARANCE AND SCORING STATISTICS

Player	Caps	Run On	Replacement	Unused Reserve	Tries	Conversions	Penalty Goal	Drop Goal	Points
Chris Alcock	12	11	1						
Adam Ashley-Cooper	16	16			1			1	8
Berrick Barnes	14	14			1	4	10		43
Peter Betham	2	2							
Tom Carter	14	8	6	1	4				20
Dave Dennis	16	15	1		2				10
Kane Douglas	16	15	1						
Rocky Elsom	5	2	3						
Damien Fitzpatrick	2		2						
Bernard Foley	13	12	1		3		2		21
Daniel Halangahu	12	5	7	2		6	11		45
Grayson Hart	2	2							
Rob Horne	14	14			4				20
Jono Jenkins	10	4	6	2					
Brackin Karauria-Henry	2	1	1	1					
Sekope Kepu	14	14			1				5
Tom Kingston	15	14	1	1	4				20
Josh Mann-Rea	1		1	1					
Pat McCutcheon	1	1			1				5
Brendan McKibbin	15	8	7	1	1	16	19		94
Tevita Metuisela	2	2							
Drew Mitchell	4	4			1				5
Dean Mumm	14	13	1						
Atieli Pakalani	4	4			2				10
Wycliff Palu	13	12	1		2				10
Tatafu Polota-Nau	14	14			2				10
Sarel Pretorius	14	6	8		2				10
Benn Robinson	16	16							
Paddy Ryan	10	2	8						
Richard Stanford	2		2	1					
Jeremy Tilse	6		6	2					
Lopeti Timani	14		14						
Sitaleki Timani	13	5	8		2				10
Nathan Trist	1		1	1					
Lachie Turner	2	2							
John Ulugia	14	2	12						



# 2012 HSBC Waratahs Milestones



Prop Benn Robinson earns 100 NSW caps



Daniel Halangahu makes 200 Super Rugby points



Brendan McKibbin notches up 50 NSW/Super Rugby points



Drew Mitchell returns from injury to make 100 Super Rugby caps

## 2012 HSBC WARATAHS MILESTONES

### Debutants

Adam Ashley-Cooper – Round 1 v Queensland Reds, ANZ Stadium  
 Brackin Karauria-Henry – Round 1 v Queensland Reds, ANZ Stadium  
 Sarel Pretorius – Round 1 v Queensland Reds, ANZ Stadium  
 Lopeti Timani – Round 1 v Queensland Reds, ANZ Stadium  
 Jono Jenkins – Round 2 v Melbourne Rebels, AAMI Park  
 Nathan Trist – Round 2 v Melbourne Rebels, AAMI Park  
 Tevita Metuisela – Round 3 v Highlanders, Forsyth Barr Stadium  
 Peter Betham – Round 10 v Crusaders, Allianz Stadium  
 \* Josh Mann-Rea – Round 13 v Stormers, Newlands  
 Richard Stanford – Round 14 v Cheetahs, Free State Stadium  
 Grayson Hart – Round 17 v Brumbies, ANZ Stadium  
 \* Josh Mann-Rea made his NSW debut in 2006, but this was his Waratahs' Super Rugby debut

### 50 Super Rugby caps

Sarel Pretorius – Round 13 v Stormers, Newlands (38 Cheetahs)

### 100 NSW caps

Benn Robinson – Round 17 v Brumbies, ANZ Stadium

### 100 Super Rugby caps

Drew Mitchell – Round 18 v Queensland Reds, Suncorp Stadium (35 Reds, 38 Force)

### 100 Provincial caps

Sarel Pretorius – Round 1 v Queensland Reds, ANZ Stadium (37 Valke, 62 Griquas)  
 Drew Mitchell – Round 15 v Hurricanes, Allianz Stadium (37 Reds, 38 Force)

### 50 NSW / Super Rugby points

Brendan McKibbin – Round 10 v Crusaders, Allianz Stadium  
 Rob Horne – Round 13 v Stormers, Newlands

### 200 Super Rugby points

Daniel Halangahu – Round 3 v Highlanders, Forsyth Barr Stadium

### All-time individual records set in 2012

Most NSW caps at second row: 78 by Dean Mumm  
 Most NSW caps at hooker: 93 by Tatafu Polota-Nau

### Super Rugby individual records set in 2012

Most Waratahs caps at second row: 72 by Dean Mumm  
 Most Waratahs caps at hooker: 92 by Tatafu Polota-Nau  
 Equal most Waratahs drop goals in a match: 1 by Adam Ashley-Cooper (with seven others)

### All-time team records set in 2012

18,000 points

### Super Rugby team records set in 2012

200th match in Super Rugby – Round 1 v Queensland Reds, ANZ Stadium  
 600th try – Round 12 v Bulls, Allianz Stadium  
 Most Waratahs penalty goals in a season – 42  
 Equal most Waratahs drop goals in a match - Round 18 v Queensland Reds, Suncorp Stadium

# ***NSW Waratahs Ltd (Consolidated)***

ABN: 99 141 002 904

## ***Special Purpose Annual Report for the year ended 31 December 2012***

These financial statements are the consolidated financial statements of the consolidated entity consisting of NSW Waratahs Limited and its subsidiaries. The financial statements are presented in the Australian currency.

NSW Waratahs Limited is a company limited by guarantee, incorporated and domiciled in Australia. NSW Waratahs Limited was incorporated on 17 December 2009. Its registered office and principal place of business is:

IBM Centre  
Allianz Stadium  
Driver Avenue  
Moore Park  
NSW 2021

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 19-20, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 28 March 2013. The Company has the power to amend and reissue the financial statements



# Special Purpose Annual Report

NSW WARATAHS LTD (Consolidated)

FOR THE YEAR ENDED 31 DECEMBER 2012

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Your directors present their report on the consolidated entity (referred to hereafter as the Company) consisting of NSW Waratahs Ltd and the entities it controlled for the year ended 31 December 2012.

### 1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Roger Davis (Chairman) (appointed 26 June 2012)

Arvid Petersen

Sally Loane

Ross Alan Grant

Michael Miller (appointed 28 February 2012)

Paul Timmins (appointed 6 August 2012)

Patrick McCutcheon (appointed 25 February 2013)

Edwin James Zemancheff (resigned 30 July 2012)

Alastair Baxter (resigned 1 February 2013)

### 2. Principal activities

The principal continuing activities of the Company during the course of the year ended 31 December 2012 were the business operations and management of a professional rugby union team. There were no significant changes in the nature of the activities of the Company during the year.

### 3. Review of operations

The operating profit for the year ending 31 December 2012 for the Company amounted to \$64,745 (2011: \$49,990).

The continuing viability of the Company and its ability to continue as a going concern and meet its commitments as they fall due are dependent upon the Company being successful in:

- a) receiving continuing support of its members and the constituent bodies;
- b) achieving sufficient future cash flows to enable its obligations to be met; and
- c) success of the Waratahs in retaining and attracting new memberships, sponsorships and other revenues associated with participation in Super Rugby competitions.

The Board is committed to continuous monitoring of these factors and any impacts on the future projected cash flows. The Board is also committed to a long term strategy to effectively manage the Company's debt levels, and to effectively manage and maintain a sustainable working capital balance.

The directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

### 4. Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

### 5. Limited by guarantee

The Company is a company limited by guarantee. In the event of the Company being wound up each member is liable to contribute to the debts of the Company incurred whilst they were a member or within one year from them ceasing to be a member, or for the purpose of adjusting the rights of the contributors amongst themselves, such amount as may be required not exceeding \$10.

### 6. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### 7. Matters subsequent to the end of the financial year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.



### 8. Likely developments

The Company will continue to pursue its strategic plans, develop its business base and ensure the strengthening of its business share resulting in continued profitability.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

### 9. Indemnification and insurance of officers and auditors

#### Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

#### Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability for legal expenses and insurance contracts for the year ended 31 December 2012 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2013. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

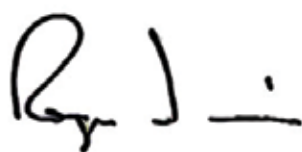
### 10. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21.

### 11. Auditor

PwC continues in office in accordance with section 325 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.



Roger Davis  
Director

Sydney  
28 March 2013

## AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2012



PricewaterhouseCoopers  
ABN 52 780 433 757  
Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999

### Auditor's Independence Declaration

As lead auditor for the audit of NSW Waratahs Limited for the year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NSW Waratahs Limited and the entities it controlled during the year.

Shannon Maher  
Partner  
PricewaterhouseCoopers

Sydney  
28 March 2013



# Special Purpose Annual Report

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
<b>Revenue from continuing operations</b>	3	19,059,871	18,955,007
Other income		120,703	65,398
Professional rugby expenses	4	(16,714,985)	(16,474,180)
Corporate expenses	4	(1,474,362)	(1,466,271)
New South Wales Rugby Union Ltd Licence fee and other Grants	4/15	(1,131,784)	(1,175,000)
<b>Results from operating activities</b>		(140,557)	(95,046)
Finance income		206,601	151,918
Finance expense		(1,299)	(6,882)
<b>Net finance income</b>	5	205,302	145,036
<b>Net profit / (loss) for the year</b>		64,745	49,990
Other comprehensive income for the year		-	-
<b>Total Comprehensive Income/(Loss) for the year</b>		64,745	49,990

### Profit is attributable to:

Owners of NSW Waratahs Ltd	64,745	49,990
----------------------------	--------	--------

### Total comprehensive income / (loss) for the year is attributable to:

Owners of NSW Waratahs Ltd	64,745	49,990
----------------------------	--------	--------

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



# Special Purpose Annual Report

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	3,103,997	3,903,898
Trade and other receivables	7	626,132	1,059,809
Prepayments		125,207	158,859
<b>Total current assets</b>		<b>3,855,336</b>	<b>5,122,566</b>
Other receivables	7	-	244,880
Property, plant and equipment	8	69,763	25,016
<b>Total non-current assets</b>		<b>69,763</b>	<b>269,896</b>
<b>Total assets</b>		<b>3,925,099</b>	<b>5,392,462</b>
<b>LIABILITIES</b>			
Trade and other payables	9	588,800	942,324
Provisions	13	91,775	61,690
Deferred revenue	10	1,888,567	2,917,891
<b>Total current liabilities</b>		<b>2,569,142</b>	<b>3,921,905</b>
Provisions	13	143,161	172,506
Deferred revenue	10	1,300,000	1,450,000
<b>Total non-current liabilities</b>		<b>1,443,161</b>	<b>1,622,506</b>
<b>Total liabilities</b>		<b>4,012,303</b>	<b>5,544,411</b>
<b>Net assets</b>		<b>(87,204)</b>	<b>(151,949)</b>
<b>EQUITY</b>			
Accumulated surplus / (losses)	14	(87,204)	(151,949)
<b>Total Equity</b>		<b>(87,204)</b>	<b>(151,949)</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



# Special Purpose Annual Report

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Accumulated surplus / (losses) \$	Total equity \$
<b>Balance at 1 January 2011</b>		(201,939)	(201,939)
Profit / (loss) for the year		49,990	49,990
Other comprehensive income / (loss)		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>49,990</b>	<b>49,990</b>
<b>Balance at 31 December 2011</b>	14	(151,949)	(151,949)
<b>Balance at 1 January 2012</b>		(151,949)	(151,949)
Profit / (loss) for the year		64,745	3
Other comprehensive income / (loss)		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>64,745</b>	<b>3</b>
<b>Balance at 31 December 2012</b>	14	(87,204)	(151,946)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



# Special Purpose Annual Report

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		20,739,448	21,137,209
Cash paid to suppliers and employees		(21,688,980)	(20,790,060)
		(949,532)	347,149
Interest received		206,601	151,918
Interest (paid)		(1,299)	(6,882)
<b>Net cash inflow / (outflow) from operating activities</b>	16	(744,230)	492,185
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(55,671)	(23,381)
<b>Net cash inflow / (outflow) from investing activities</b>		(55,671)	(23,381)
<b>Cash flows from financing activities</b>		-	-
<b>Net cash inflow / (outflow) financing activities</b>		-	-
Net increase / (decrease) in cash and cash equivalents		(799,901)	468,804
Cash and cash equivalents at the beginning of the year		3,903,898	3,435,094
<b>Cash and cash equivalents at the end of the year</b>	6	3,103,997	3,903,898

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



### 1. Basis of preparation

#### (a) Statement of compliance

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose consolidated financial statements.

These are special purpose consolidated financial statements that have been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute consolidated financial statements to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The consolidated financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. It contains only those disclosures considered necessary by the directors to meet the needs of the members. NSW Waratahs Limited is a not-for-profit entity for the purpose of preparing the consolidated financial statements.

The Company is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is IBM Center, Allianz Stadium, Driver Avenue, Moore Park, NSW 2021.

The consolidated financial statements of NSW Waratahs Ltd ("The Company") for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 27 March 2013 and cover NSW Waratahs Ltd as a consolidated entity as required by the *Corporations Act 2001*.

NSW Waratahs Limited is the parent and ultimate parent entity of the group.

#### (b) Basis of measurement

The consolidated financial statements have been prepared in accordance with the historical cost convention. The concept of accruals accounting has been adopted in the preparation of the consolidated financial statements. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

#### (c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NSW Waratahs Limited ("company" or "parent entity") as at 31 December 2012 and the results of all subsidiaries for the year then ended. NSW Waratahs Limited and its subsidiaries together are referred to in these consolidated financial statements as the Company or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Company.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

#### (d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

#### (e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management believes that there are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

### 1. Basis of preparation *continued*

#### (f) Going concern

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Company being successful in:

- (i) receiving the continuing support of its members and sponsors;
- (ii) achieving sufficient future cash flows to enable its obligations to be met; and
- (iii) success of the Waratahs in retaining and attracting new memberships, sponsorships and other revenues associated with participation in Super Rugby competitions.

The Board is committed to continuous monitoring of these factors and any impacts on the future projected cash flows. The Board is also committed to a long term strategy to effectively manage the Company's debt levels, and to effectively manage and maintain a sustainable working capital balance.

The directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

### 2. Significant accounting policies

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

#### (a) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### (b) Trade receivables

Trade receivables are recognised at original invoice amount and do not bear interest. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

#### (c) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for owner occupied office building.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

##### (ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the Company are:

- |                             |         |
|-----------------------------|---------|
| • Team and office equipment | 4 years |
| • Motor vehicles            | 5 years |
| • Computer and IT equipment | 4 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting period.



### 2. Significant accounting policies continued

#### (d) Impairment of assets

At each reporting period the entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### (e) Employee benefits

##### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

##### (ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs.

##### (iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related oncost, such as workers compensation insurance and payroll tax.

#### (f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### (g) Revenue

##### (i) Memberships, match day tickets and grants

Revenue from memberships, match day tickets and grants is measured at fair value and taken to income in the period to which it relates.

##### (ii) Sponsorships

Revenue from sponsorship is measured at fair value and recognised evenly on a monthly basis within the financial year to which it relates. Sponsorship advances are deferred until earned pursuant to the sponsorship agreement.

##### (iii) Interest income

Interest income is recognised in the profit or loss as it accrues using the effective interest method.

#### (h) Finance income

Finance income comprises interest income on funds invested (included available-for-sale financial assets) and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

#### (i) Income tax

The company is exempt from income tax in accordance with the provisions of section 23(g) of the Income Tax Assessment Act.

#### (j) Parent entity financial information

The financial information for the parent entity, NSW Waratahs Limited, disclosed in note 12 has been prepared on the same basis as the consolidated financial statements, except as set out below:

##### (i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of NSW Waratahs Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

##### (ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

### 2. Significant accounting policies continued

#### (k) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (l) Deferred revenue

Income is deferred on the balance sheet until it has been earned, at which point the deferred income is recognised as income.

#### (m) New accounting standards and interpretations

Certain new accounting standards and UIG Interpretations have been published that are not mandatory for the 31 December 2012 reporting period. The directors' assessment of the impact of these new standards is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the company.



# Special Purpose Annual Report

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

### 3. Revenue

	2012	2011
	\$	\$
<b>From continuing operations</b>		
Sponsorship income	5,605,421	5,657,298
Corporate hospitality	864,729	856,361
Matchday membership and ticketing proceeds	3,145,883	3,190,158
Stadium rebates	2,290,977	2,257,385
Membership subscriptions	405,761	469,490
Licensing revenue	176,373	128,485
ARU funding	6,570,727	6,395,830
<b>Total revenue from continuing operations</b>	<b>19,059,871</b>	<b>18,955,007</b>

### 4. Expenses

	2012	2011
	\$	\$
Auditor remuneration – current year	40,000	47,431
Auditor remuneration – prior year adjustment	(3,833)	-
Depreciation	10,924	4,806
Employee expenses	3,429,135	3,242,618
Legal fees	41,190	27,643
Marketing costs	1,244,798	1,247,907
Match day expenditure	1,039,063	994,060
Membership servicing costs	533,665	524,639
NSWRU Licence fee	1,131,775	1,175,000
Overheads – other	674,618	602,347
Property charges	1,178,192	1,254,974
Sponsorship servicing costs	1,305,650	1,301,358
Waratahs team costs	8,695,954	8,692,668
<b>Total expenses</b>	<b>19,321,131</b>	<b>19,115,451</b>

### 5. Finance income and expense

	2012	2011
	\$	\$
Finance income	206,601	151,918
Interest expense	-	-
Bank charges	(1,299)	(6,882)
Finance expense	(1,299)	(6,882)
<b>Net finance income</b>	<b>205,302</b>	<b>145,036</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

### 6. Cash and cash equivalents

	2012 \$	2011 \$
Bank and cash balances	457,546	1,303,898
Term deposits	2,646,451	2,600,000
<b>Cash and cash equivalents</b>	<b>3,103,997</b>	<b>3,903,898</b>

### 7. Current and non-current assets

	2012 \$	2011 \$
<b>Current</b>		
Trade receivables	774,580	1,059,809
Provision for bad debts	(148,448)	-
<b>Trade and other receivables</b>	<b>626,132</b>	<b>1,059,809</b>
<b>Non-current</b>		
Other receivables	-	244,880

### 8. Property, plant and equipment

	2012 \$	2011 \$
Team and office equipment at cost	21,554	12,559
Accumulated depreciation	(8,352)	(3,899)
	13,202	8,660
Computer equipment at cost	24,636	18,991
Accumulated depreciation	(8,521)	(2,635)
	16,115	16,356
Motor vehicles at cost	41,031	-
Accumulated depreciation	(585)	-
	40,446	-
<b>Total property, plant and equipment</b>	<b>69,763</b>	<b>25,016</b>

### 9. Trade and other payables

	2012 \$	2011 \$
<b>Current</b>		
Trade payables	313,749	436,651
Non-trade payables and accrued expenses	117,998	192,707
Employment liabilities	157,053	312,966
<b>Total trade and other payables</b>	<b>588,800</b>	<b>942,324</b>



# Special Purpose Annual Report

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

### 10. Deferred revenue

	2012 \$	2011 \$
<b>Current</b>		
Membership revenue	1,593,570	1,754,232
Other	294,997	1,163,659
	<b>1,888,567</b>	<b>2,917,891</b>
<b>Non-current</b>		
Income received in advance	1,300,000	1,450,000
	<b>1,300,000</b>	<b>1,450,000</b>

Income received in advance relates to upfront payments received from contractual arrangements with ANZ Stadium.

### 11. Contractual commitments

#### Player remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term player contracts in existence at the reporting date but not recognised as liabilities is as follows:

	2012 \$	2011 \$
Within one year	4,746,019	4,196,844
Between one and five years	1,290,000	2,451,344
<b>Total commitments</b>	<b>6,036,019</b>	<b>6,648,188</b>

#### Licence Fee to New South Wales Rugby Union Ltd

NSW Waratahs Ltd pays an annual licence fee to NSWRU for granting them the licence to use Waratahs intellectual property. This fee is calculated as the sum of 5% of total Gross Revenues and 50% of the net surplus of NSW Waratahs Ltd. The minimum annual licence fee payable under the agreement is \$1,000,000 for the year ending 31 December 2010, adjusted to take into account variation in the Consumer Price Index (CPI) in subsequent years for the duration of the Trade mark agreement which expires on 31 December 2015 with an option to extend.

### 12. Parent entity financial information

#### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2012 \$	2011 \$
Current assets	3,016,486	3,826,766
Total assets	4,299,365	3,826,766
Current liabilities	(9,511,757)	(6,488,138)
Total liabilities	(9,539,411)	(6,530,137)
Retained earnings	(5,240,046)	(2,703,371)
Profit or (loss) for the year	(2,536,675)	(2,501,432)

NSW Waratahs Ltd owns 100% of the shares in Waratahs Rugby Pty Ltd, acting as agent for NSW Waratahs Ltd, managing the professional Waratahs rugby team in New South Wales.

#### (b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2012.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

### 13. Provisions

	2012 \$	2011 \$
<b>Current</b>		
Annual leave	79,775	61,690
Other	12,000	-
	91,775	61,690
<b>Non-Current</b>		
Long service leave	143,161	172,506

### 14. Accumulated surplus / (losses)

	2012 \$	2011 \$
Opening balance	(151,949)	(201,939)
Net profit/(loss) for the year	64,745	49,990
<b>Closing balance</b>	<b>(87,204)</b>	<b>(151,949)</b>

### 15. Related party transactions

#### (a) Australian Rugby Union "ARU"

The Company conducts transactions with the ARU in the normal course of managing Waratahs rugby in the State of New South Wales. NSW Waratahs Ltd received \$4,000,000 in fees during 2012 (2011: \$4,300,000) from the ARU under the Super Rugby participation deed. This amount excludes any Wallaby player payments.

#### (b) New South Wales Rugby Union Limited "NSWRU"

NSW Waratahs Ltd pays an annual licence fee to NSWRU for granting them the licence to use the Waratahs and other related trademarks. In 2012 NSW Waratahs Ltd paid NSWRU \$1,056,775 (2011: \$1,025,000) in licence fees under the licensing agreement along with an additional grant of \$75,000 (2011: \$150,000).

### 16. Reconciliation of cash flows from operating activities

	2012 \$	2011 \$
<b>Cash flows from operating activities</b>		
Profit (loss)/for the year	64,745	49,990
Adjustments for:		
Depreciation	10,924	4,806
Other non cash items	33,652	-
<b>Operating profit before changes in working capital and provisions</b>	<b>109,321</b>	<b>54,796</b>
(Increase) / decrease in trade and other receivables	678,557	214,764
Increase / (decrease) in trade and other payables	(353,524)	(9,487)
Increase / (decrease) in deferred revenue	(1,179,324)	324,161
Increase / (decrease) in provisions	740	(92,049)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(744,230)</b>	<b>492,185</b>



# Special Purpose Annual Report

## DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2012

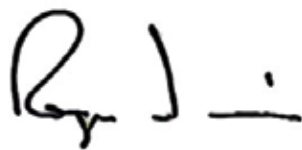
As stated in Note 1(a) to the consolidated financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose consolidated financial statements. These are special purpose consolidated financial statements that have been prepared to meet *Corporations Act 2001* requirements.

The consolidated financial statements have been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

In the directors' opinion:

1. The consolidated financial statements and notes set out on pages 22 to 33 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the financial period ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Roger Davis  
Director (Chairman)

Sydney  
28th day of March 2013.





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### Independent Auditor's Report to the members of NSW Waratahs Limited

#### Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of NSW Waratahs Limited (the Company), which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Directors' declaration for the NSW Waratahs Limited (the Consolidated entity). The Consolidated entity comprises the Company and the entities it controlled at the year end.

#### *Directors' responsibility for the financial report*

The Directors of the Company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

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

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

Our procedures include reading the other information attached to the financial report to determine whether it contains any material inconsistencies with the financial report.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Liability limited by a scheme approved under Professional Standards Legislation



# Special Purpose Annual Report

## INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012



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### Independent Auditor's Report to the members of NSW Waratahs Limited (continued)

#### *Auditor's opinion*

In our opinion, the financial report of NSW Waratahs Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

#### *Basis of accounting and restriction on distribution and use*

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of NSW Waratahs Limited.

#### *Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of NSW Waratahs Limited (the Company) for the year ended 31 December 2012 included on the company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

Shannon Maher  
Partner

Sydney  
28 March 2013

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**NSW Waratahs Ltd 2012 Annual Report**

Layout and artwork by Eric Spilsted Pty Ltd

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