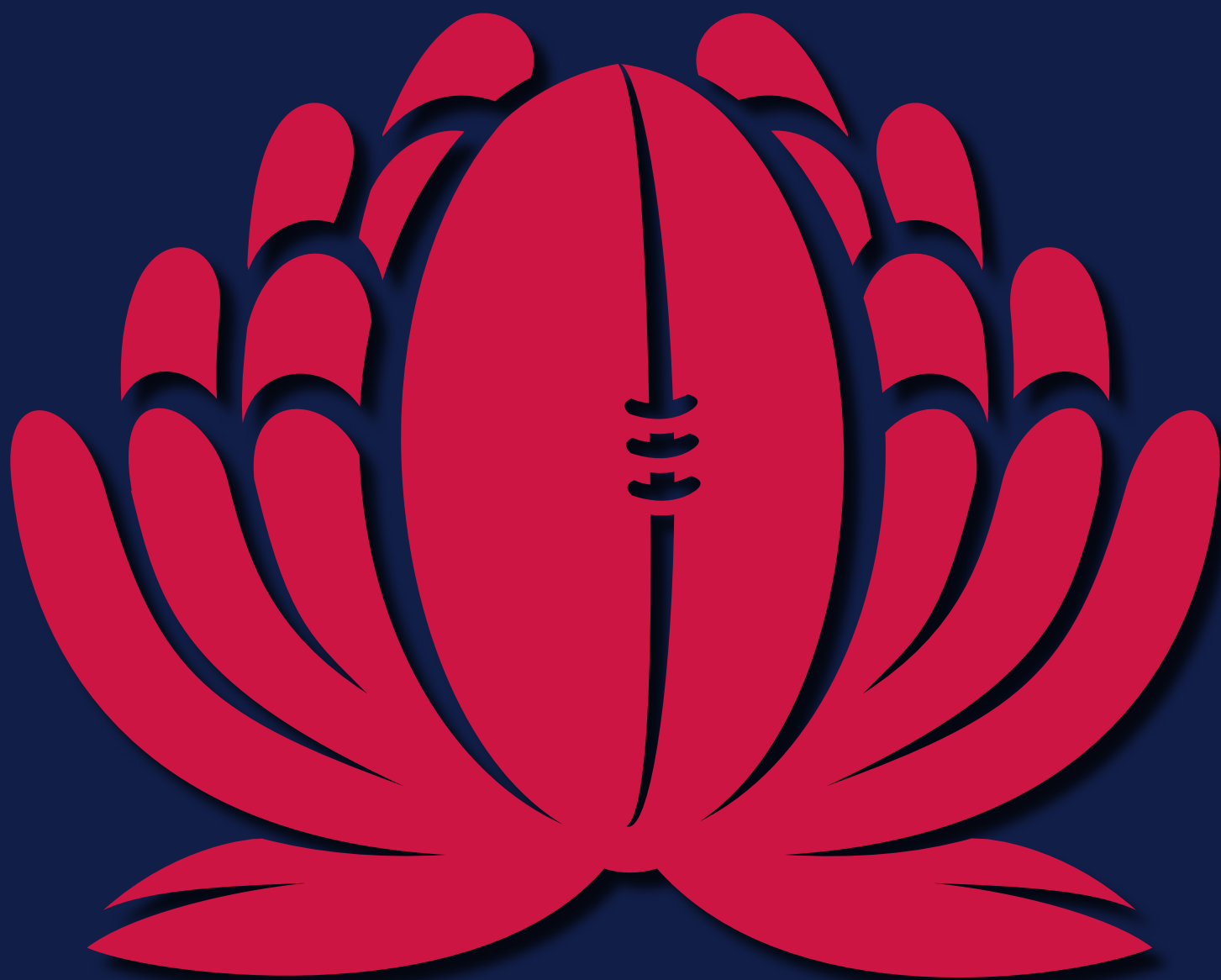


2011 WARATAHS RUGBY ANNUAL REPORT



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Al Baxter, Ross Grant, Jason Allen

Team Manager

Chris Webb

Head Coach

Michael Foley

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Edwin Zemancheff

The 2011 year was a turning point in shaping the long term direction and economic viability of professional Rugby in NSW.

The decision by the NSW Rugby Union Board to separate the administration of the community and professional aspects of the sport to deliver a sustainable future for Rugby in NSW drew widespread debate from our passionate supporter base.

It is exceptionally pleasing that Waratahs Rugby Limited (WR) reported a successful year, both on and off the field. In the face of significant financial challenges, in 2011 WR contributed \$1,175,000 to the community game through License Fees and other grants to New South Wales Rugby Union, yet still recorded a net operating profit of \$49,990.

On field, the HSBC Waratahs made the Semi-Finals of the Super Rugby competition, a considerable achievement given the brutal injury toll with which they had to contend. That success was due in part to Head Coach Chris Hickey who signed off his three-year tenure with an outstanding 63% success rate and two departing legends of our game, Phil Waugh and Al Baxter, who between them amassed an extraordinary 250+ NSW caps and whose positive influence on NSW Rugby cannot be overestimated.

From eight Conference matches, the team secured seven victories over Australian opposition, notably in the first two rounds when they kept the Rebels scoreless in a 43-0 victory over the Melbourne franchise in their inaugural match, before the next week preventing the Reds from crossing the line at

ANZ Stadium, recording a 30-6 victory over the eventual champions. At the end of the regular season, the HSBC Waratahs had the best try differential in the competition, having scored more tries than any other side (48) and conceded only 21, a record bettered only by the Stormers (18).

With Chris' departure came the appointment of Michael Foley, a critical succession move following an international search. It was also the first full year at the helm for Jason Allen, who took up the position of CEO in November 2010. The year also saw us welcome new Board member Ross Grant who joined an already strong and experienced Board comprising Arvid Petersen, Al Baxter and Sally Loane. We have also seen the formation of a new Executive Team responsible for the implementation of WR's new, three year strategic vision. The 10:3:1 Business Plan aims to deliver \$10M of sponsorship revenue and 10,000 members; see the team contest the Super Rugby finals in three consecutive years; and see Waratahs Rugby become the number one centre of excellence within the sport.

It is against those set objectives that 2011 has seen us make good progress towards our targets. In year one, we grew membership revenue by \$496,827, recording a 33% increase in the number of ticketed memberships versus 2010. The retention of 90% of sponsors and the commencement of an exciting new sleeve partnership with Volvo Car Australia saw revenue from sponsorship increase by \$409,206. Income from Corporate Hospitality also grew by \$225,729.

Other significant achievements include: the negotiation of the Super Rugby Participation Deed, High Performance Agreement, CBA and Player Contracting Protocols with the Australian Rugby Union; the introduction of membership and corporate hospitality sales commission incentives for NSWRU; the setting of future stadia strategy to better engage our needs and the re-ignition of our important Alumni opportunity.

The 2011 season also saw the creation of a new media platform, in the form The Code: Behind the Scenes with the HSBC Waratahs, aired as an eight-part weekly series on Fox Sports. In a first for Australian Rugby, the documentary was compelling viewing for its unique insight into the inner sanctum team environment, attracting an astonishing 851,633 TV viewers, with countless more connecting with the team through the resulting enhancements to our digital and social media presence.

Continuing our commitment to our key stakeholders, in October 2011 we launched

our new Community Connection program, an initiative aimed at bringing players and supporters closer together through a host of school, charity and community events planned for NSW through 2011/12 and beyond.

The 2011 season also saw us further our understanding and appreciation for the fundamentals of the Waratahs Rugby identity. One of the key outcomes of this research was the establishment of match day themes for 2012 that both celebrate our history and help us to better engage with the greater Rugby communities, from the introduction of two afternoon games and the inclusion of junior march pasts, to the special celebration of 130 years of NSW and Queensland Rugby rivalry that was commemorated with the opening match of the new FxPro Super Rugby season.

Despite these achievements, there remain a number of significant challenges to be overcome in forthcoming seasons, starting with the areas of membership and matchday attendances, which remain crucial to the continued sustainability of our business model.

As a sport, our bid to create market credibility for rugby will see us strive to differentiate our product in the increasingly crowded Sydney and NSW marketplace. The need to generate new income streams will see us explore new and innovative opportunities and the requirements on newcomers the Melbourne Rebels to progressively reduce their foreign player numbers will challenge the Player Contracting Protocols and further test the depth of Super Rugby players that could become a real issue moving forward.

I would like to pass on my thanks to the Waratahs Rugby Board and CEO Jason Allen and his team for their passion, commitment and hard work throughout the year and, on their behalves, extend a heartfelt thanks to all our valued sponsors, staff and stakeholders.

Lastly, sincere thanks must go out to all Waratahs Rugby members and supporters for their continued passionate support and patronage. We are ever grateful for the resilience and dedication of our supporters, many of whom have supported WR for many seasons. As a business and as a team, I can assure all our stakeholders that every member of Waratahs Rugby is committed to its members and supporters and that the 2012 season will see us continue the hard work already being invested in developing long term relationships with all our key stakeholders.

Edwin Zemancheff
Chairman



Commercial Operations

The 2011 season saw a focus on commercial operations, with a restructure of the marketing and commercial operations to better align the Waratahs Rugby business to its core business objectives of 10:3:1.

The appointment of Kym Aust-Howlett as General Manager of Commercial Operations helped Waratahs Rugby achieve some key objectives in the commercial arena: acquisition of new and retention of current partners; repositioning of corporate hospitality offerings to distinguish in a crowded marketplace; launch of The Code, a behind-the-scenes documentary following the team through the 2011 Super Rugby season.

The consolidation of the marketing, membership and partnership teams and appointment of a new Media and Communications Manager has better prepared the organisation to understand and service the needs of its important stakeholders. Headed up by General Manager Michael Garnett, the Marketing and Partnerships department's key projects in 2011 included: a comprehensive review of membership; the commissioning of research to define the values of Waratahs Rugby; and an improved match day experience.

In 2011, Waratahs Rugby retained over 90 per cent of its partner portfolio from 2010 and welcomed 13 new partners including Volvo Car Australia, Carlton United Breweries, Mac Services, Betfair, KPMG, Schneider, Pacific Restaurant Group, Price Waterhouse Coopers, Oyster Bay, NLG and Pila. The net effect was an eight per cent increase in the revenue from sponsorship (\$5,657,298), accounting for 30 per cent of the company's total annual revenue.

The 2011 season saw Waratahs Rugby celebrate a decade-long relationship with naming rights partner HSBC. This enduring partnership was highlighted by the Round 12 clash with the Western Force that featured a number of special events on the night. November also marked the end of the 10-year relationship with Mazda and the arrival of a new sleeve sponsor in Volvo Car Australia, with all partners serviced by a dedicated partnership team that continues to look after a suite of some of the world's leading brands as they each look to maximise their investment in Waratahs Rugby.

Income from Corporate Hospitality was another area of growth, with revenue up 36% versus 2010. In 2012 Waratahs Rugby will be re-evaluating its product portfolio with a view to create a paradigm shift that will



Young fans make the most of a signing opportunity.

clearly distinguish and define its products in an increasingly competitive marketplace.

The year also saw the introduction of a new membership called The Captain's Club. A premium offering, the Club was limited to 30 members and has already proven successful in the acquisition of key business profiles. Waratahs Rugby will look to grow this initiative in 2012.

In recognition of the ever-increasing reliance on the digital space by consumers and businesses at all levels, 2011 saw the introduction of a behind the scenes documentary, following the 2011 Super Rugby journey from beginning to end. Designed to give the HSBC Waratahs fan a unique and compelling insight into the inner sanctum, the program was aired weekly on Fox Sports and achieved unprecedented success, with the first episode alone achieving 30,400 viewers and episode six (before the Super Rugby qualifying final) achieving the highest rating of 42,300. Nominated for Best Sports Program 2011 by the Australian Subscription Television and Radio Association (ASTRA), the series attracted a total Australian audience of 851,633 viewers and has been picked up in New Zealand and South Africa and is also being aired internationally on Qantas' in-flight entertainment service.

With the Sydney sporting landscape among the most competitive in the world, from a marketing perspective, the 2011 season was categorised by significant research into the fundamentals of the Waratahs Rugby identity. Established in April, one of the key outcomes of the task group was to recognise the historical significance of key events in the

130 years of rugby in NSW in defining the brand values and ethos of Waratahs Rugby. Key sources include John Mulford's book 'Guardians of the Game' The History of the New South Wales Rugby Union 1874-2004. In recognition of the well established ethos of Waratahs Rugby, three key initiatives in the 2012 marketing activities will be the 130th Anniversary Celebrations of the NSW v QLD rugby rivalry, Armed Forces Night to remember those who served and the 75th Anniversary of the 'Downing of the Boks'.

In a continuation of the previous year's campaign, the marketing program was characterised by a desire to present home matches as more comprehensive events. In the short term, this shift did not have an immediate impact on home crowd number but it has resulted in the establishment of important new traditions such as the annual 'Rugby Reunion' event that invites all of the members of the rugby family to get together with their mates when the HSBC Waratahs play the Brumbies in Sydney. Further, a renewed focus on Country rugby saw the establishment in Round 17 of the 'Country Rugby Night' and the Lady Waratahs sub-brand was enhanced with a successful breakfast event and a feature game for women in the Round 5 clash with the Cheetahs. The continuation of these traditions, in combination with other initiatives including Trans-Tasman Rugby Celebration, Family Footy Afternoon and Country Rugby Night will ensure a continued focus on key stakeholders and an ongoing commitment to further improve the match day experience throughout 2012.

On a membership front, 2011 saw a 30% increase in the number of ticketed members

of Waratahs Rugby, due largely to the introduction of the more flexible 4 Game and 2 Game Membership packages. These products are designed to give supporters an opportunity to sample the excitement of coming to a world-class Super Rugby game, in the hope that they will become full season 8 Game Members as a result.

Another significant shift in area of membership was the appointment of a full time Membership Marketing Manager, the result of a long term commitment to membership servicing. Prompted by consistent member feedback, a review of the sign up process and ongoing member experience was undertaken. The 2012 Membership Program began in September 2011 and is characterised by a commitment to customer service and listening to the needs of members.

Kym Aust-Howlett
General Manager, Commercial

Michael Garnett
General Manager, Marketing and Partnerships

Nicki Drinkwater
Manager, Media and Communications



Berrick Barnes meets supporters at a Fan Day.



Rocky Elsom and Paddy Ryan have some young players captivated.



NSW's oldest and youngest players come together for Rugby Reunion against the Brumbies.



HSBC Waratahs Report

Any Super Rugby campaign that finishes without a trophy in the cabinet cannot be without regret. The 2011 season saw the HSBC Waratahs again make the semi-finals in the newly-expanded competition, yet fall short of claiming the title.

With the Super Rugby format expanding to 15 teams and the introduction of a new competition format, it was set to be a year of change. Results in home and away matches against the other four Australian teams looked set to prove crucial in finishing on top of the Conference and being assured a place in the post-season.

The Waratahs went on to win seven of eight Conference matches, the most of any Australian team, but an inability to win outside of Australia was to prove costly. The team won just three from eight against international opponents, finishing fifth on the table. The semi-final loss in Auckland was the fifth defeat in as many matches played on foreign soil.

The knock-out game against the Blues brought a premature end to the 2011 season. Ironically though, it was also the game that epitomised the team's achievement: with an horrendous injury toll, the list of injured players read like an international XV, forcing the coaches to bring in two club rugby players just to be able to field a full contingent. In spite of this, on the day the team equalled the Blues' try tally, crossing twice through Tom Carter and Lachie Turner, before going down 26-13.

Like so many matches in the regular season, it was a case of so near, yet so far. After starting the season on a high with wins over the Melbourne Rebels on the road and the Queensland Reds at home, the HSBC Waratahs had the supremacy in round three before a Crusaders' intercept turned the tide. Against the Cheetahs, a high ball was only a matter of inches away from being a try in the corner; the result was starkly different with the opposition regaining momentum thanks to a length-of-the-field try. And there were more to follow: a controversial no-try call in Brisbane; a contentious red card in Pretoria; 50/50 calls which, had they gone the other way, could have had a significant impact on the team's final position on the ladder.

The season started in the best way possible on an historic night in Melbourne. For the first time in Super Rugby history, the Waratahs held the opposition scoreless,

recording a 43-0 win over newcomers the Rebels. The following week the team put together a clinical performance, again keeping the opposition tryless in a 30-6 victory over the Reds which, in the context of the final outcome, proved to be one of the most outstanding results of the season.

The third week of the competition was a sombre one, given the circumstances in which the game against the Crusaders was played. Already slated to be a memorial game for the victims of the Pike River Mine Disaster, the game was moved to Nelson due to the catastrophic earthquake that hit Christchurch. Despite jumping to an early lead, there is little doubt that emotion helped lift the Crusaders to victory on a night where sport helped the region forget about tragedy, if only for a few hours.

Yet another loss, this time to the Cheetahs, was rebounded with a last-minute victory over the Brumbies in Canberra. In scoring the winning try, Sitaleki Timani established himself as one of the season's biggest improvers. Two more victories followed over the Chiefs and Force before a disappointing defeat in Auckland and the loss to the Reds. Not only did the loss result in the handing over of the Templeton Cup for the first time in years, but it also spelled a season-ending injury to Drew Mitchell, who was again setting the competition alight after a stellar 2010 season.

Three home victories in a row over the Rebels, Force and Lions put the campaign back on track, however bonus point losses



Farewell to a legend: Al Baxter calls time on his illustrious career

in South Africa looked sure to have left the team with too much to do going into the final fortnight.

Hampered by injury and severely depleted in numbers, the squad responded with true character, scoring 10 tries and conceding just two in back-to-back bonus point victories which catapulted them into fifth place and play off contention.

But ultimately it wasn't to be and the injury



History in the making: Rob Horne touches down during the first ever Super Rugby match at AAMI Park.



End of an era: Captain Phil Waugh bows out after winning the round 18 Super Rugby match against the Brumbies

toll proved too much in the semi-final. Despite going two-tries-all in Auckland, the Blues were too good and for the second year running the sky blues bowed out in the first week of the finals. That the team made it that close is a credit to those left standing, when the injured list for the match included Sekope Kepu, Tatafu Polota-Nau, Damien Fitzpatrick, Al Baxter, Dan Vickerman, Wycliff Palu, Ben Mowen, Pat McCutcheon, Luke Burgess, Berrick Barnes, Drew Mitchell, Rob



Try time: Kurtley Beale and Tom Carter celebrate during the round 17 match against the Highlanders

Horne and Tom Kingston.

The end of the season also marked the end of the road for the state's two most-capped players, Phil Waugh and Al Baxter, who brought their glittering careers in NSW colours to an end, having earned more than 250 caps between them. The off-season also saw the departure of internationals Kurtley Beale, Luke Burgess and Ryan Cross, however the recruitment of Adam Ashley-Cooper, Sarel Pretorius and the return of Rocky Elsom were a welcome boost to supporters and team mates alike.

Finishing his three year tenure, Head Coach Chris Hickey signed off with the best winning rate of any NSW coach in the professional era at over 63%. He passes the baton to former assistant coach Michael Foley and with a seamless handover complete, the next leg begins as the race for an as-yet elusive title continues.

A number of players must be congratulated on their individual achievements throughout the year: Tom Carter and Luke Burgess each brought up 50 state caps; 12 players made their NSW debuts – Ryan Cross, Sitaleki Timani, Brendan McKibbin, Ateleki Pakalani, John Ulugia, Pat O'Connor, Paddy Ryan, Tom Kingston, Hugh Perrett, Ben Batger, Bernard Foley and Elvis Taione; Kurtley Beale was voted winner of the Matthew Burke Cup for players' player; Tatafu Polota-Nau was named Best Forward and Luke Burgess the Best Back; Tom Carter was presented with the Waratah Medal for on and off-field excellence while rookie Tom Kingston received the Chris Whitaker

Aspiring Waratah Award for HSBC Junior Waratah of the Year.

As ever, the tireless work behind the scenes continues and I must commend the off-field team who continued to be a benchmark in professionalism as we prepare for a longer and more arduous campaign than ever before.

Season 2012 will again present exciting challenges and enormous opportunity for the squad and the organisation driving it. On behalf of the entire football team, I can assure our members, fans, sponsors and stakeholders that we are once again unwavering in our preparation and desire to claim the first ever Super Rugby title for the people of NSW.

Chris Webb
Team Manager
HSBC Waratahs



Award winners: Luke Burgess (best back), Kurtley Beale (players' player) and Tatafu Polota-Nau (best forward).



2011 Super Rugby Results

ROUND 1 HSBC WARATAHS 43 d MELBOURNE REBELS 0

Friday February 18, AAMI Park, Melbourne.

The 2011 season started in emphatic fashion, as the HSBC Waratahs became the first side to raise the Edward 'Weary' Dunlop Shield after ruining the Melbourne Rebels' inaugural match with a 43-0 whitewash at AAMI Park.

Scorers: HSBC Waratahs: Drew Mitchell 2, Kurtley Beale 2, Tafa Polota-Nau, Rob Horne, Phil Vaughn tries; Berrick Barnes 3 cons, Kurtley Beale con.

Half-time: HSBC Waratahs 10-0.

Yellow Cards: Kevin O'Neill (Rebels, sixth minute, fighting) and Dean Mumm (HSBC Waratahs, sixth minute, fighting).

Referee: Mark Lawrence (RSA).

Crowd: 25,524.



Try time: Tafa Polota-Nau scores against the Melbourne Rebels.

ROUND 2 HSBC WARATAHS 30 d QUEENSLAND REDS 6

Saturday February 26, ANZ Stadium, Sydney.

As well as retaining the Templeton Cup for the seventh consecutive season, the 30-6 victory over the Reds kept the HSBC Waratahs on top of the Australian Conference and the 24-point win was the NSW's biggest margin over Queensland in Super Rugby history.

Scorers: HSBC Waratahs: Drew Mitchell, Dave Dennis, Lachie Turner, Benn Robinson tries; Kurtley Beale 2 cons, Berrick Barnes 2 pens; **Queensland Reds:** Quade Cooper 2 pens.

Half-time: HSBC Waratahs 16-6.

Referee: Bryce Lawrence (NZL).

Crowd: 33,846.



Try scoring prop Benn Robinson is congratulated by his team mates.

ROUND 3 CRUSADERS 33 d HSBC WARATAHS 18

Friday March 4, Trafalgar Park, Nelson, NZ.

Despite scoring three tries apiece, a perfect night with the boot from flyhalf Dan Carter delivered the Crusaders their first win of the season. Taking place just ten days after the Christchurch earthquake, the match was already being played as a tribute to the victims of November's Pike River mine disaster.

Scorers: Crusaders: Robbie Fruean 2, Sonny Bill Williams tries; Dan Carter 4 pens, 3 cons; **HSBC Waratahs:** Tom Carter, Luke Burgess, Atieli Pakalani tries; Kurtley Beale pen.

Half-Time: Crusaders 26-13.

Referee: Chris Pollock.

Crowd: 12,000.



Brad Thorn of the Crusaders is tackled by Kane Douglas..

2011 Super Rugby Results

ROUND 5 CHEETAHS 23 d HSBC WARATAHS 3

Saturday March 19, Sydney Football Stadium, Sydney.



Dejected: Cross and Carter show their emotion after the team's poor performance.

The HSBC Waratahs second straight loss of the season, the 23-3 result was the Cheetahs' first ever Super Rugby victory in Sydney and their first win in 2011. The visitors scored the only two tries of the match in the second half, the final one sealing the game for the visitors who never trailed throughout the 80 minutes.

Scorers: Cheetahs Phillip Snyman, Sarel Pretorius tries; Sias Ebersohn 3 pens, 2 cons; **HSBC Waratahs:** Kurtley Beale pen.

Half-time: Cheetahs 6-3.

Referee: Nathan Pearce (AUS).

Crowd: 15,849.

ROUND 6 HSBC WARATAHS 29 d BRUMBIES 22

Saturday March 26, Canberra Stadium, Canberra.



Match winner: the team celebrates Sitaleki Timani's winning try.

A try to Sitaleki Timani with just nine seconds left on the clock delivered the HSBC Waratahs a 29-22 victory over the Brumbies at Canberra Stadium. In what was a nail-biting finish in front of over 18,000, the Brumbies looked to have the game sewn up with only three minutes remaining before Timani reached out for the match-winner.

Scorers: HSBC Waratahs: Ryan Cross, Sitaleki Timani tries; Kurtley Beale 5 pens, 2 cons; **Brumbies** Ben Alexander try; Matt Giteau 5 pens, con.

Half-time: 12-12.

Yellow Card: Tom Carter (HSBC Waratahs, 48th min, delaying game).

Referee: Marius Jonker (RSA).

Crowd: 18,011.

ROUND 7 HSBC WARATAHS 23 d CHIEFS 16

Friday April 1, Sydney Football Stadium, Sydney.



Tatafu Polota-Nau is tackled during the Chiefs clash.

Overcoming a six-day turnaround, the HSBC Waratahs scored back-to-back wins, with Tatafu Polota-Nau named Man of the Match in an awesome return from injury. The home side was forced to withstand a second half comeback from the Chiefs who got to within four points before a Kurtley Beale penalty on full-time sealed the seven-point win.

Scorers: HSBC Waratahs: Atieli Pakalani try; Penalty Try; Kurtley Beale 3 pens, 2 cons; **Chiefs:** Tim Nanai-Williams try; Mike Delany 2 pens, con, Tim Nanai-Williams pen.

Half-time: HSBC Waratahs 20-6.

Referee: Jaco Peyper (RSA).

Crowd: 20,720.

Man of the Match: Tatafu Polota-Nau (HSBC Waratahs)



2011 Super Rugby Results

ROUND 8 HSBC WARATAHS 31 d WESTERN FORCE 3

Saturday April 9, NIB Stadium, Perth.

Two tries in each half earned the HSBC Waratahs a third four-try bonus point of the season and also kept their opponents tryless for a third occasion. In a dominant display, the visitors were never headed on the scoreboard and the have now posted wins against all Australian teams.

Scorers: HSBC Waratahs: Drew Mitchell 2, Tom Carter, Kurtley Beale tries; Kurtley Beale 4 cons, pen; **Western Force:** James O'Connor pen

Half-time: HSBC Waratahs 17-3.

Yellow Card: David Smith (Western Force, 74th minute, dangerous play).

Referee: Garrett Williamson (NZL).

Crowd: 14,578.

Man of the Match: Luke Burgess (HSBC Waratahs)



On the charge: Dave Dennis takes the team forward.

ROUND 9 BLUES 31 d HSBC WARATAHS 17

Saturday April 16, Eden Park, Auckland, NZ.

Despite a second half comeback, the HSBC Waratahs were unable to recover from a second half that saw the Blues score four tries in the space of 17 minutes in open up an unassailable 26-0 first half lead. Although they managed to keep the Blues scoreless in the second half, two disallowed tries in the space of four minutes ultimately proved crucial.

Scorers: Blues: John Afoa, Tevita Mailau, Jared Payne, Rene Ranger, Alby Mathewson tries; Luke McAlister 3 cons; **HSBC Waratahs:** Daniel Halangahu, Drew Mitchell, Ryan Cross tries; Kurtley Beale con.

Half-time: Blues 31-7.

Referee: Mark Lawrence (RSA).



Too little too late: Ryan Cross dives over.

ROUND 10 QUEENSLAND REDS 19 d HSBC WARATAHS 15

Saturday April 23, Lang Park, Brisbane.

For the first time since 2004, the Templeton Cup was won by Queensland after the Reds recorded a 19-15 victory in a brutal encounter at Lang Park. A dominant second half display by the HSBC Waratahs went unrewarded, with a number of close calls going against the visitors. Whilst they claimed a bonus point from the match, NSW continues to feel the weight of an ever-increasing injury toll which tonight saw international wing Drew Mitchell added to the list.

Scorers: Queensland Reds: Quade Cooper try; Quade Cooper 3 pens, con, drop; **HSBC Waratahs:** Kurtley Beale 5 pens.

Half-time: Queensland Reds 16-9.

Referee: Steve Walsh (AUS) / Ian Smith (AUS).

Crowd: 36,000.



Counting the cost: Drew Mitchell joins the casualty list.

2011 Super Rugby Results

ROUND 11 HSBC WARATAHS 28 d MELBOURNE REBELS 9

Saturday April 30, Sydney Football Stadium, Sydney.



Hitting back: Dean Mumm leads the celebration after Dave Dennis crosses.

Hitting back after back to back losses, the HSBC Waratahs recorded a 28-9 victory over the Melbourne Rebels, braving periods of heavy rain throughout the match which made conditions tough for both sides. Keeping their opponents' tryless, the HSBC Waratahs have now conceded just two tries in their six matches against Australian opponents.

Scorers: HSBC Waratahs: Tatafu Polota-Nau, Dave Dennis, Dean Mumm tries; Kurtley Beale 3 pens, 2 cons; **Melbourne Rebels:** Julian Huxley 3 pens.

Half-time: HSBC Waratahs 10-6.

Crowd: 20,120.

Referee: Jonathan Kaplan (RSA).

Man of the Match: Dean Mumm (HSBC Waratahs).

ROUND 12 HSBC WARATAHS 20 d WESTERN FORCE 15

Saturday May 7, Sydney Football Stadium, Sydney.



On the money: Kurtley Beale turned in a stand out performance.

A celebration of the decade-long relationship between HSBC and the Waratahs was capped in perfect fashion, as the home side recorded a 20-15 home victory, confounding the Force's kicking game plan. By night's end, the visitors had kicked the ball on 44 of their 62 possessions and forced the HSBC Waratahs to only make 56 tackles.

Scorers: HSBC Waratahs: Ryan Cross, John Ulugia tries; Kurtley Beale 2 pens, 2 cons; **Western Force:** James O'Connor 5 pens.

Half-time: Western Force 9-6.

Crowd: 17,532.

Referee: Stuart Dickinson (AUS).

Man of the Match: Kurtley Beale (HSBC Waratahs).

ROUND 14 HSBC WARATAHS 29 d LIONS 12

Saturday May 21, Sydney Football Stadium, Sydney.



Man of the match: Chris Alcock chases the ball.

Five first half tries earned the HSBC Waratahs a standing ovation as the teams went to the sheds at half-time with the home side well in command. Their third successive win, the bonus-point victory was the team's fourth of the year and leaving them with a haul of 17 competition points from the past four matches.

Scorers: HSBC Waratahs: Sosene Anesi 2, Kurtley Beale, Ryan Cross, Tom Kingston tries; Kurtley Beale 2 cons; **Lions:** Jaco Taute, Dylan des Fountains tries; Elton Jantjies con.

Half-time: HSBC Waratahs 29-5.

Yellow Card: Deon van Rensburg (Lions, 25th, foul play).

Crowd: 14,123.

Referee: Marius Jonker (RSA).

Man of the Match: Chris Alcock (HSBC Waratahs).



2011 Super Rugby Results

ROUND 15 SHARKS 26 d HSBC WARATAHS 21

Sunday May 29, Kings Park, Durban, SA.

The Sharks overcame an eight-point second half deficit to defeat the HSBC Waratahs 26-21 at Kings Park, Durban. Both sides scored a try in each half, however a succession of penalties in the last ten minutes allowed the home side to edge past a spirited HSBC Waratahs outfit.

Scorers: Sharks: Patrick Lambie, JP Pietersen tries; Patrick Lambie 4 pens, 2 cons; **HSBC Waratahs:** Lachie Turner, Daniel Halangahu tries; Kurtley Beale 3 pens, con.

Half-time: Sharks 13-11.

Yellow Card: Jean Deysal (Sharks, 51st, foul play).

Crowd: 22,000.

Referee: Jonathan Kaplan (RSA).

Man of the Match: JP Pietersen (Sharks).



Kurtley Beale stops a try but can't prevent defeat.

ROUND 16 BULLS 23 d HSBC WARATAHS 17

Saturday June 4, Loftus Versfeld, Pretoria, SA.

A try either side of half-time helped the Bulls to a 23-17 victory over the HSBC Waratahs, although the visitors received a bonus point in a gallant display when forced to finish the game with 14-men following a red card and a host of serious injuries. In a standout performance, Kurtley Beale was named man of the match however his sublime display was not enough to deliver an upset on the high veldt.

Scorers: Bulls: Wynand Olivier, Bjorn Basson tries; Morne Steyn 3 pens, 2 cons; **HSBC Waratahs:** Ateeli Pakalani try; Kurtley Beale 4 pens.

Half-time: Bulls 13-6.

Red card: Pat O'Connor (HSBC Waratahs, 67th, foul play).

Referee: Craig Joubert (RSA).

Man of the Match: Kurtley Beale (HSBC Waratahs).



Gallant in defeat: Ben Mowen takes a hit.

ROUND 17 HSBC WARATAHS 33 d HIGHLANDERS 7

Saturday June 11, Sydney Football Stadium, Sydney.

Man of the match Tom Carter scored a hat-trick for the home side in a five tries to one performance which resulted in the HSBC Waratahs' biggest ever Super Rugby victory over the Highlanders and kept his team's finals' hopes alive. After dominating early field position, the home side was first on the board and was typically inspired by some magic from Kurtley Beale.

Scorers: HSBC Waratahs: Tom Carter 3, Dave Dennis, Josh Holmes tries; Kurtley Beale 4 cons; **Highlanders:** Jason Rutledge try; Tony Brown con.

Half-Time: HSBC Waratahs 19-7.

Referee: Chris Pollock (NZL).

Crowd: 13,474.

Man of the Match: Tom Carter (HSBC Waratahs)



Record breakers: Kurtley Beale and Tom Carter celebrate a record-breaking haul.

2011 Super Rugby Results

ROUND 18 HSBC WARATAHS 41 d BRUMBIES 7

Saturday June 18, ANZ Stadium, Sydney.



Finals time: Players and fans celebrate with qualification in the bag.

Four second half tries helped the home side to a convincing victory, equalling the biggest winning margin over the Brumbies in Super Rugby and ensuring qualification for the 2011 Super Rugby finals. The result means the HSBC Waratahs recorded a 7-1 win-loss record within the Australian conference, scoring 27 tries and conceding just three.

Scorers: HSBC Waratahs: Lachie Turner, Sitaleki Timani, Chris Alcock, Sosene Anesi, Dave Dennis tries; Kurtley Beale 5 cons, 2 pens; **Brumbies:** Francis Fainifo try; Matt Giteau con.

Half-Time: HSBC Waratahs 13-0.

Referee: Craig Joubert (RSA).

Crowd: 28,276.

Man of the Match: Sitaleki Timani (HSBC Waratahs).

QUALIFYING FINAL BLUES 26 d HSBC WARATAHS 13

Saturday June 25, Eden Park, Auckland, NZ.



A dream shattered: The HSBC Waratahs line up for a Blues conversion.

Despite a gallant effort on the night, the HSBC Waratahs campaign came to a close after the visitors went down to the Blues 26-13 in their Super Rugby Qualifier. In a season where a record 38 players pulled on the state colours, the HSBC Waratahs put up a brave fight to qualify for the playoffs, but were ultimately disappointed not to progress past the first week of the Finals Series.

Scorers: Blues: Lachie Munro, Ali Williams tries; Lachie Munro 3 pens, con, Luke McAlister con, pen; **HSBC Waratahs:** Tom Carter, Lachie Turner tries; Kurtley Beale pen.

Half-Time: Blues 13-8.

Referee: Chris Pollock (NZL).



2011 Super Rugby Summary

2011 SUPER RUGBY TABLE										
Team	P	W	L	D	B	F	A	+/-	BP	TOTAL
Queensland Reds	16	13	3	0	2	429	309	120	6	66
Stormers	16	12	4	0	2	400	257	143	7	63
Crusaders	16	11	4	1	2	436	273	163	7	61
Blues	16	10	5	1	2	405	335	70	10	60
HSBC Waratahs	16	10	6	0	2	398	252	146	9	57
Sharks	16	10	5	1	2	407	339	68	7	57
Bulls	16	10	6	0	2	416	370	46	6	54
Highlanders	16	8	8	0	2	296	343	-47	5	45
Hurricanes	16	5	9	2	2	328	398	-70	10	42
Chiefs	16	6	9	1	2	332	348	-16	6	40
Cheetahs	16	5	11	0	2	435	437	-2	12	40
Western Force	16	5	9	2	2	333	416	-83	5	37
Brumbies	16	4	11	1	2	314	437	-123	7	33
Lions	16	3	12	1	2	351	477	-126	7	29
Melbourne Rebels	16	3	13	0	2	281	570	-289	4	24

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

HSBC WARATAHS SUPER RUGBY SQUAD									
Player	Caps	Start	Replacement	Unused Reserve	Tries	Conversions	Penalty Goal	Drop Goal	Points
Chris Alcock	12	3	9		1				5
Sosene Anesi	9	7	2		3				15
Berrick Barnes	9	9				3	2		12
Ben Batger	1		1						
Al Baxter	15	8	7						
Kurtley Beale	17	17			4	28	31		169
Luke Burgess	16	16			1				5
Tom Carter	16	16			6				30
Ryan Cross	15	11	4		4				20
Dave Dennis	17	11	6		4				20
Kane Douglas	13	10	3						
Damien Fitzpatrick	5	1	4	1					
Bernard Foley	1		1						
Daniel Halangahu	14	6	8	1	2				10
Josh Holmes	3	1	2		1				5
Rob Horne	3	3			1				5
Sekope Kepu	13	12	1						
Tom Kingston	4	2	2	1	1				5
Pat McCutcheon	9	5	4						
Brendan McKibbin	11		11	4					
Drew Mitchell	9	9			6				30
Ben Mowen	14	14							
Dean Mumm	17	17			1				5
Pat O'Connor	8	2	6						
Atieli Pakalani	10	5	5		3				15
Wycliff Palu	6	6							
Hugh Perrett	6		6						
Tatafu Polota-Nau	13	13			2				10
Ben Roberts	0			1					
Benn Robinson	16	13	3		1				5
Paddy Ryan	3	1	2						
Elvis Taione	1		1						
Jeremy Tilse	4		4						
Sitaleki Timani	15	8	7	1	2				10
Lachie Turner	17	17			4				20
John Ulugia	12	3	9	1	1				5
Dan Vickerman	1		1						
Phil Waugh	9	9			1				5
Penalty Try					1				5



2011 HSBC Waratahs Milestones



The year saw Phil Waugh become the most capped player, captain and flanker in NSW history.



Daniel Halangahu: The state's most capped flyhalf



Carter and Mumm salute the crowd after the team's record breaking win over the Brumbies



Chris Alcock helps the team to a record tenth win of the season against the Brumbies (Round 18)

2011 HSBC WARATAHS MILESTONES

Debutants

Ryan Cross – Round 1 v Melbourne Rebels, AAMI Park
Brendan McKibbin – Round 1 v Melbourne Rebels, AAMI Park
Sitaleki Timani – Round 1 v Melbourne Rebels, AAMI Park
Atieli Pakalani – Round 3 v Crusaders, Trafalgar Park
John Ulugia – Round 5 v Cheetahs, Sydney Football Stadium
Pat O'Connor – Round 7 v Chiefs, Sydney Football Stadium
Paddy Ryan – Round 7 v Chiefs, Sydney Football Stadium
Tom Kingston – Round 9 v Blues, Eden Park
Hugh Perrett – Round 14 v Lions, Sydney Football Stadium
Ben Batger – Round 15 v Sharks, Kings Park
Bernard Foley – Qualifying Final v Blues, Eden Park
Elvis Taione – Qualifying Final v Blues, Eden Park

50 NSW Super Rugby caps

Daniel Halangahu – Round 1 v Melbourne Rebels, AAMI Park
Tom Carter – Round 10 v Queensland Reds, Lang Park
Luke Burgess – Round 11 v Melbourne Rebels, Sydney Football Stadium

50 NSW caps

Tom Carter – Round 1 v Melbourne Rebels, AAMI Park
Luke Burgess – Round 11 v Melbourne Rebels, Sydney Football Stadium

All-time Individual records set in 2011

Most NSW caps at flyhalf: 58 by Daniel Halangahu
Most NSW caps at prop: 130 by Alastair Baxter
Most NSW caps at flanker: 136 by Phil Waugh
Most NSW caps: 136 by Phil Waugh
Most NSW matches as captain: 58 by Phil Waugh
Most NSW wins as captain: 35 by Phil Waugh

Super Rugby individual records set in 2011

Most Super Rugby caps at flyhalf: 51 by Daniel Halangahu
Most Super Rugby caps at prop: 121 by Alastair Baxter
Most Super Rugby caps at flanker: 132 by Phil Waugh
Most Super Rugby caps: 132 by Phil Waugh
Most Super Rugby drop goals: 3 by Kurtley Beale and Berrick Barnes
Most Super Rugby matches as captain: 56 by Phil Waugh
Most Super Rugby wins as captain: 35 by Phil Waugh

All-time team records set in 2011

Least points conceded in a Super Rugby match - 0 in Round 1 v Melbourne Rebels
Most team tries in a season – 50
Most team points in a season – 411

Super Rugby team records set in 2011

One hundredth win in Super Rugby history – Round 2 v Queensland Reds, ANZ Stadium
Five thousand Super Rugby points – Round 17 v Highlanders, Sydney Football Stadium
Most regular season wins in Super Rugby – 10



2011 Awards

HSBC WARATAH AWARDS

Matthew Burke Cup for Players' Player

Player	Points
1. Kurtley Beale	247
2. Tatafu Polota-Nau	194
3. Dave Dennis	189
4. Luke Burgess	182
5. Drew Mitchell	152
6. Sitaleki Timani	135
7. Sekope Kepu	131
8. Tom Carter	124
9. Dean Mumm	122
10. Benn Robinson	91

Best Forward

Tatafu Polota Nau

Best Back

Luke Burgess

Waratah Medal for on and off field excellence

Tom Carter

Chris Whitaker Award for HSBC Junior Waratah of the Year

Tom Kingston



Best back of 2011, Luke Burgess



Best forward of 2011, Tatafu Polota-Nau



2011 Players' Player of the Year, Kurtley Beale



HSBC Junior Waratah of the Year, Tom Kingston.



Tom Carter, recognised for on and off field excellence

NSW Waratahs Ltd (Consolidated)

ABN: 99 141 002 904

Annual Financial Report 31 December 2011

This financial report covers NSW Waratahs Limited as a consolidated entity. The financial report is 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:

Gold Members Car park
Allianz Stadium
Driver Avenue
Moore Park
NSW 2021



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

1. Directors

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

Edwin Zemancheff (Chairman) (appointed 17 December 2009)
Arvid Petersen (appointed 17 December 2009)
Sally Loane (appointed 10 March 2010)
Alastair Baxter (appointed 10 March 2010)
Ross Alan Grant (appointed 01 February 2011)
Michael Miller (appointed 28 February 2012)

2. Principal activities

The principal continuing activities of the Company during the course of the year ended 31 December 2011 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. Operating and financial review

The operating profit for the year for the Company amounted to \$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 and maintain a sustainable working capital balance.

Significant changes in state of affairs

2010 was the first year of trading for NSW Waratahs Ltd "WL". The creation of WL was to form a separately constituted and governed body, charged with the sole responsibility for administering all aspects of professional rugby in NSW. The voting members of WL, and two of six directors, were appointed by New South Wales Rugby Union Ltd "NSWRU" and accordingly the two legal entities are under common control. NSWRU has issued a licence to WL to conduct all the activities of administering professional rugby in NSW under the 'Waratahs' brand. The ownership of intellectual property in the 'Waratahs' remains vested with NSWRU. As a result, all contracts, agreements and other relationships pertaining to the operating of the Waratahs professional rugby business have been assigned to WL under licence. In addition, any assets and liabilities pertaining to the operation of the Waratahs at 1 January 2010 have been transferred to WL and are accounted for in accordance with the principles of predecessor accounting, which is applicable for entities under common control. Given the common control of the two legal entities, the assignment of the Waratahs activities was non-arms length and no consideration was paid or is payable.

Except for the matters above, there were no other significant changes in the state of affairs of the Company during the financial year.



4. 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.

5. Proceedings on behalf of the Company

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*.

6. Events subsequent to reporting date

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.

7. 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.

8. 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 2011 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 2011. 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

9. 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 24.

10. Rounding

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the director's report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



Edwin Zemancheff
Director

Sydney
3 April 2012



AUDITOR'S INDEPENDENCE DECLARATION



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Darling Park Tower 2
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GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
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 2011, 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.

A handwritten signature in black ink, appearing to read 'S.T. Maher'.

Shannon Maher
Partner
PricewaterhouseCoopers

Sydney
3 April 2012



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Revenue	3	18,955,007	17,978,855
Other income		65,398	377,479
Professional rugby expenses		(16,474,180)	(15,911,864)
Corporate expenses		(1,466,271)	(1,727,776)
New South Wales Rugby Union Ltd Licence fee and other Grants	15	(1,175,000)	(1,000,000)
Results from operating activities		(95,046)	(283,306)
Finance income		151,918	84,210
Finance expense		(6,882)	(2,843)
Net finance income	5	145,036	81,367
Net profit/(loss) for the year		49,990	(201,939)
Total Comprehensive Income/(Loss) for the year		49,990	(201,939)

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
ASSETS			
Cash and cash equivalents	6	3,903,898	3,435,094
Trade and other receivables	7	1,059,809	543,878
Prepayments		158,859	136,266
Total current assets		5,122,566	4,115,238
Other receivables	7	244,880	1,002,542
Property, plant and equipment	8	25,016	6,442
Total non-current assets		269,896	1,008,984
Total assets		5,392,462	5,124,222
LIABILITIES			
Trade and other payables	9	942,324	956,186
Provisions	13	61,690	98,870
Deferred revenue	10	2,917,891	2,443,730
Total current liabilities		3,921,905	3,498,786
Provisions	13	172,506	227,375
Deferred revenue	10	1,450,000	1,600,000
Total non-current liabilities		1,622,506	1,827,375
Total liabilities		5,544,411	5,326,161
Net assets		(151,949)	(201,939)
EQUITY			
Accumulated losses	14	(151,949)	(201,939)
Total Equity		(151,949)	(201,939)

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Equity at the beginning of the financial year		(201,939)	-
Profit/(Loss) for the year	14	49,990	(201,939)
Total equity at the end of the financial year		(151,949)	(201,939)

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Cash receipts from customers		21,137,209	18,645,547
Cash paid to suppliers and employees		(20,790,060)	(15,283,652)
Interest received		151,918	84,210
Interest (paid)		(6,882)	(2,843)
Net cash inflow from operating activities	16	492,185	3,443,262
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23,381)	(8,168)
Net cash used from investing activities		(23,381)	(8,168)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		468,804	3,435,094
Cash and cash equivalents at the beginning of the year		3,435,094	-
Cash and cash equivalents at the end of the year	6	3,903,898	3,435,094

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report 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 financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

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 Gold Members Car Park, SFS, Driver Avenue, Moore Park, NSW 2000.

The financial report of NSW Waratahs Ltd ("The Company") for the year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 3 April 2012 and covers NSW Waratahs Ltd as an individual 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 financial statements have been prepared on the historical cost basis. The concept of accruals accounting has been adopted in preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) Functional and presentation currency

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

(d) 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.

Use of estimates and judgements

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.

(e) 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 and maintain a sustainable working capital balance.



2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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 |
| • Computer and IT equipment | 4 years |

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

(d) Impairment of assets

At each reporting date 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

2. Significant accounting policies continued

(e) Employee benefits (continued)

(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 on costs, 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.

(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 statement of financial position until it has been earned, at which point the deferred income is recognised as income.

(m) New accounting standards and interpretations

The company has not elected to apply any pronouncements before their operative date in the year ended 31 December 2011.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

3. Revenue

	2011	2010
	\$	\$
From continuing operations		
Sponsorship income	5,657,298	5,248,092
Corporate hospitality	856,361	630,632
Matchday membership and ticketing proceeds	3,190,158	3,015,138
Stadium rebates	2,257,385	1,895,659
Membership subscriptions	469,490	464,688
Licensing revenue	128,485	160,188
ARU funding	6,395,830	6,564,458
Total revenue	18,955,007	17,978,855

4. Expenses

	2011	2010
	\$	\$
Auditor remuneration – audit	47,431	48,000
Depreciation	4,806	1,727
Employee expenses	3,242,618	3,885,423
Legal fees	27,643	21,875
Marketing costs	1,247,907	1,254,076
Match day expenditure	994,060	818,068
Membership servicing costs	524,639	561,533
NSWRU Licence fee	1,175,000	1,000,000
Overheads – other	602,347	452,915
Property charges	1,254,974	1,351,917
Sponsorship servicing costs	1,301,358	1,001,419
Waratah team costs	8,692,668	8,242,687
Total expenses	19,115,451	17,639,640

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

5. Finance income and expense

Recognised in profit or loss	2011	2010
	\$	\$
Finance income	151,918	84,210
Interest expense	-	(781)
Bank charges	(6,882)	(2,062)
Finance expense	(6,882)	(2,843)
Net finance income	145,036	81,367

6. Cash and cash equivalents

	2011	2010
	\$	\$
Bank and cash balances	1,303,898	2,614,094
Term deposits	2,600,000	821,000
Cash and cash equivalents in the statement of cash flows	3,903,898	3,435,094

7. Current and non-current assets

	2011	2010
	\$	\$
Current		
Trade receivables	1,059,809	543,878
Trade and other receivables	1,059,809	543,878
Non-current		
Other receivables	244,880	1,002,542

8. Property, plant and equipment

	2011	2010
	\$	\$
Team and office equipment	12,559	6,839
Less provision for depreciation	(3,899)	(843)
	8,660	5,996
Computer equipment	18,991	1,330
Provision for depreciation	(2,635)	(884)
	16,356	446
Total property, plant and equipment	25,016	6,442



9. Trade and other payables

	2011	2010
	\$	\$
Trade payables	436,651	366,468
Non-trade payables and accrued expenses	192,707	309,116
Employment liabilities	312,966	280,602
Total trade and other payables	942,324	956,186

10. Deferred revenue

	2011	2010
	\$	\$
Current		
Membership revenue	1,754,232	2,133,650
Other	1,163,659	310,080
	2,917,891	2,443,730
Non-current		
Income received in advance	1,450,000	1,600,000
	1,450,000	1,600,000

Income received in advance relate 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:

	2011	2010
	\$	\$
Within one year	4,196,844	5,340,197
Between one and five years	2,451,344	2,448,332
Total commitments	6,648,188	7,788,529

License 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 WL. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

12. Parent entity financial information

(a) Summary financial information

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

Statement of financial position

	2011 \$	2010 \$
Current assets	3,826,766	3,211,629
Total assets	3,826,766	3,211,629
Current liabilities	(6,488,138)	(5,984,872)
Total liabilities	(6,530,137)	(6,052,822)
Retained earnings	(2,703,371)	(2,841,193)
Profit or (loss) for the year	(2,501,432)	(2,841,193)

WL own 100% of the shares in Waratahs Rugby Pty Ltd, acting as agent for WL, 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 2011.

13. Provisions

	2011 \$	2010 \$
Current		
Annual leave	61,690	98,870
Non-Current		
Long service leave	172,506	227,375

14. Accumulated losses

	2011 \$	2010 \$
Opening balance	(201,939)	-
Net profit/(loss) for the year	49,990	(201,939)
Closing balance	(151,949)	(201,939)



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. WL received \$4,300,000 in fees during 2011 (2010: \$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 2011 WL paid NSWRU \$1,025,000 (2010: \$1,000,000) in licence fees under the licensing agreement along with an additional grant of \$150,000.

16. Reconciliation of cash flows from operating activities

	2011 \$	2010 \$
Cash flows from operating activities		
Profit (loss)/for the year	49,990	(201,939)
Adjustments for:		
Depreciation	4,806	1,727
Operating profit before changes in working capital and provisions	54,796	(200,212)
Change in trade and other receivables	214,764	(1,682,686)
Change in trade and other payables	(9,487)	956,186
Change in deferred revenue	324,161	4,043,730
Change in provisions and employee benefits	(92,049)	326,244
Net cash from operating activities	492,185	3,443,262

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to 3 to the financial statements.

The directors of the Company declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards as described in Note 1 to 2 to the financial statements and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
2. In the directors' opinion, 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:



Edwin Zemancheff
Director

Sydney
3rd day of April 2012.





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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 2011, 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.



AUDIT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011



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

Independence

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

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 2011 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 2011 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.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'S.T. Maher'.

Shannon Maher
Partner

Sydney
3 April 2012

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WARATAHS

2011 WARATAHS RUGBY ANNUAL REPORT



Layout and artwork by Eric Spilsted Pty Ltd

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