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State of the Unions
Deloitte Sports Review

July 2012

A financial review of the country's leading rugby unions reveals the importance of future community support to sustain the on-going viability of the nation's favourite game and to continue to deliver success at the highest levels.



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Glossary

\$000	Thousands (New Zealand Dollars)
\$m	Million
D&A	Depreciation and Amortisation
FY	Financial Year
NZRU	New Zealand Rugby Union Inc.

Executive summary

Welcome to a Deloitte Sports Review of the 14 semi-professional and amateur rugby unions competing in New Zealand's premier provincial rugby competition, the ITM Cup.

Through a financial review of each union's annual financial accounts, our findings show that collectively revenues are falling and accumulated reserves are being eroded. This, combined with the well documented difficulties of several unions, highlights the increasing pressures placed on those charged with the operational and financial stewardship of the game. There are signs the unions are responding, but there is still some way to go.

In the past, large corporate sponsorships and other grants have filtered into the grass roots game. Today, the availability of these funds in a commercial environment still recovering from the global financial crisis has diminished.

So now, more than ever, community participation and support is crucial to the on-going success of the country's provincial unions, and its favourite team and 2011 Rugby World Cup champions, the All Blacks.

This review identifies that the country's 14 leading rugby unions, excluding the professional rugby franchises competing in Super Rugby, generated revenues in the 2011 financial year in the vicinity of \$68 million, a drop of around 11% from the \$77 million collectively earned in both the 2009 and 2010 financial years and a fall of 19% from \$84 million earned five years ago.

Match related revenues which includes gate takings, local match related transactions and local hospitality have declined in total over 50% in the past five years.

This is the area of local community support for the unions that has been a critical success factor throughout New Zealand provincial rugby history.

On average over two-thirds of the revenue earned was generated via grants and sponsorship from the corporate sector, the governing body (the New Zealand Rugby Union "NZRU") and other donators such as community trusts and gaming operators. Other revenue streams for the unions include retail sales, event management and other sundry incomes.

The financial position of several unions is being eroded with operating deficits incurred in recent years and, a number of unions currently have negative working capital (i.e. current liabilities in excess of current assets). The weakening consolidated balance sheet of the ITM Cup unions brings into question the on-going viability of the semi-professional and amateur game under current structures.

The All Black's victory at the 2011 Rugby World Cup and the continued success of New Zealand's Super Rugby franchises, illustrates the natural rugby talent that exists in this country. By encouraging and soliciting more community support, the financial performance of the unions could be improved. Match attendances across the board, with all else remaining equal, do not need to increase significantly to improve revenue and financial performance, providing financial stability to the provincial unions. This will help ensure the New Zealand rugby base remains strong with continued interest in the game. It will ensure the highs experienced with that famous victory against the French late last year continue into the future.

Highlights

The highlights of the consolidated financial performance and position of the ITM Cup unions are set out below. Summary consolidated financial results for the last five years and individual union results for the last two years are set out at the back of this publication.

Financial Performance

There has been a significant decline in revenues over the previous five financial years, falling by \$16 million, or 19%, to \$68 million in FY11. Approximately 50% of this decline occurred in the most recent financial year.

Key revenue streams are sponsorship and grants, and match related revenues. Other revenues include transfer fees, event/franchise management, insurance proceeds and sundry revenue.

The \$16 million decline in revenue is primarily related to lower match related incomes, which has fallen from \$21 million to \$9 million over the five years, representing a drop of 58%.

Income from grants and sponsorship is heavily reliant on contributions from the NZRU and grants from gaming operators.

The five provincial unions with professional Super Rugby based teams generate in excess of 50% of total revenues although the extent of this has declined from 55% to 51% between FY07 to FY11.

As a consequence of declining revenues, total expenditures have reduced across the major categories: team and match related costs, growing the game and administration expenses. The chart to the right highlights that the greatest reduction is with team and match costs, suggesting those in management positions are consciously reducing match and player costs with falling revenues.

Collectively, the unions have not generated a consolidated operating profit in any of the last five years. Losses range between \$0.6 million to almost \$7 million, although the consolidated deficit dropped to its lowest level in FY11. In total, cumulative operating losses over this period amount to \$16 million.

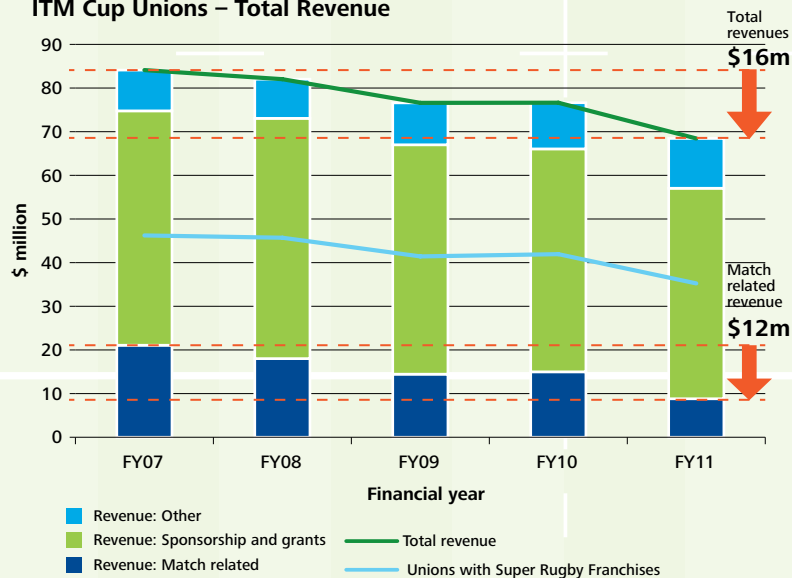
Financial Position

The unions controlled approximately \$45m in total assets in FY11. These assets are funded by \$19 million of liabilities and \$26 million of accumulated funds.

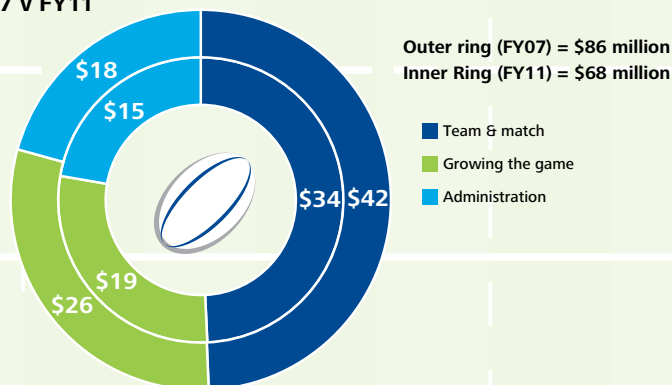
Historical operating losses have eroded reserves, with accumulated funds falling by almost a third from \$38 million at the end of FY07 to \$26 million at the end of FY11.

Recent trends indicate that those in financial stewardship positions have recognised a need to balance their accounts, although some work remains.

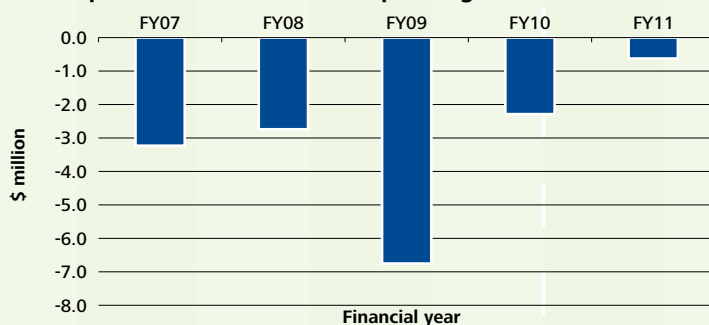
ITM Cup Unions – Total Revenue



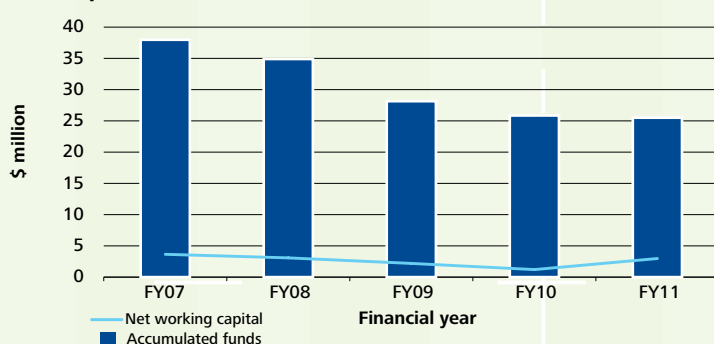
ITM Cup Unions – Operating Costs FY07 v FY11



ITM Cup Unions – Consolidated Operating Losses



ITM Cup Unions – Consolidated Balance Sheet



Financial performance

Grants and sponsorship underpin a revenue base of \$68 million earned in FY11. Match related revenues have more than halved over the last five years.

Revenue generated by New Zealand's provincial unions participating in the top flight provincial competition dropped to \$68 million in FY11, down from \$77 million in both FY09 and FY10, and the period high of \$84 million in FY07.

In each year, the majority of revenue has been generated from grants and sponsorship with the proportion ranging between 64% and 70% of total income. Of this amount, approximately 55% relates to commercial sponsorship and activities while the remainder is from various grant providers and donations. These providers include gaming trusts as well as a significant contribution from New Zealand's governing rugby body, the NZRU.

Although, only 10 of the 14 unions disclose their NZRU funding in their financial statements, the total funding ranged between \$10 million and \$11 million per year, or on average \$1 million per union.

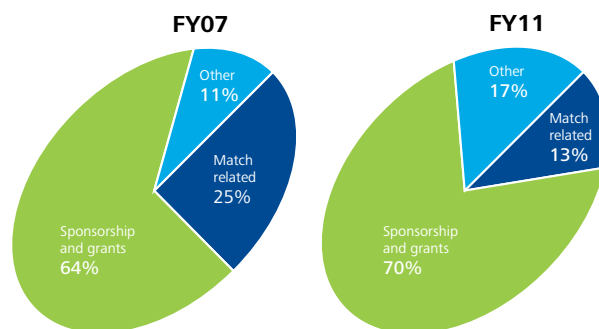
Match related revenue, an important contributor of income, has declined significantly, falling from 25% to 13% of total revenues over the past five years. These income streams are supplemented by other

income from retail sales, event management, income from investments, affiliation fees and other unidentified sources. In total, revenue from these other streams now represents 17% of total income.

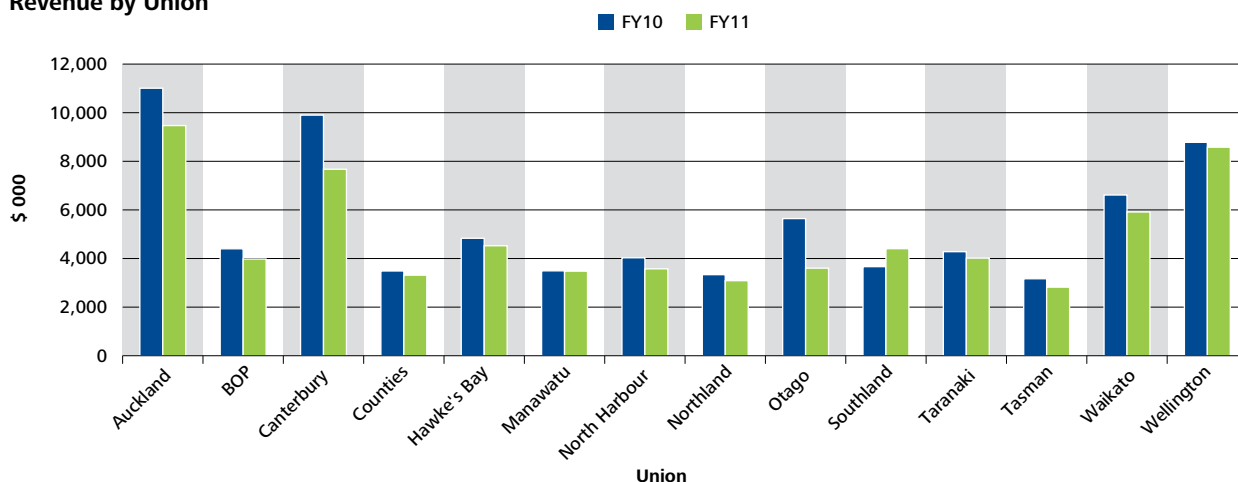
The majority of revenue is earned by provinces with Super Rugby franchises

Revenue is dominated by the unions with Super Rugby based franchises, with the most revenue in FY11 being earned by Auckland (\$9.5 million) followed by Wellington (\$8.6 million), Canterbury (\$7.8 million) and Waikato (\$5.9 million). Otago's financial difficulties sees its ranking drop from 5th in FY10 to 9th in FY11, with Southland, Hawke's Bay, Taranaki and Bay of Plenty all generating higher income.

ITM Cup Unions – Breakdown of Revenue



Revenue by Union



Almost 50% of total expenditure is spent on team and match related costs, 28% to 31% on growing the game and 21% to 26% on administration.

Operating expenditure has been analysed in three categories: team and rugby related expenditure, growing the game and administration costs. The cost profile on these areas for each of the past five financial years is illustrated in the chart right.

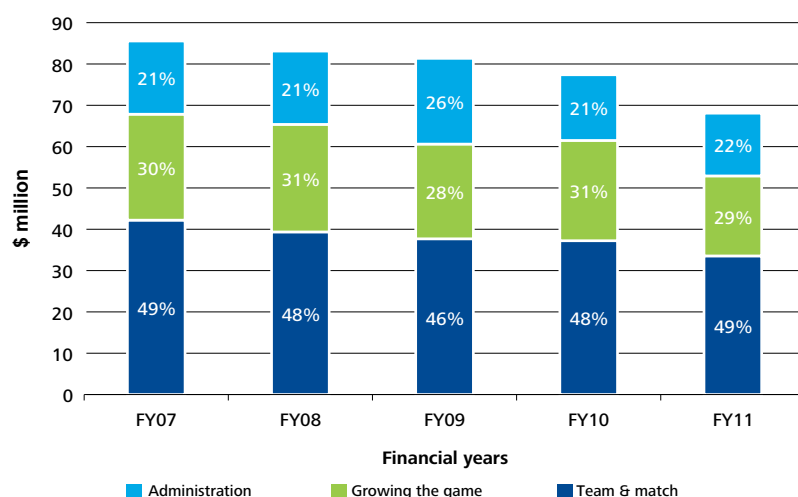
Team and rugby related expenditure includes player payments, team management salaries, staff and other game day related expenses associated with hosting and travelling to matches. On average, these expenses represented almost 50% of total expenditure, ranging between 46% and 49%.

Growing the game includes expenditure directly and indirectly aimed at the development of both the current player base and providing for the next generation of players. Types of expenditures included in this category include amateur competitions, training costs, expenditure associated with attracting grants and sponsorship, advertising and marketing expenditure and any grants made, or dividends paid, to affiliated unions. On average, the total expenditure allocated to this aspect of the game was 30%.

The unions with the greatest spend on growing the game are Auckland and Canterbury which on average spent 48% and 39% respectively of their expenditure over the last five years on this area. Four of the smaller unions spent less than 20% of their expenditure on developing the game (North Harbour, Northland, Taranaki and Tasman) while the remaining unions averaged between 22% to 31%.

Administration covers expenditure to operate the unions and includes items such as management and finance personnel, office costs, communication costs, audit fees and gains and losses from asset disposals. Over the previous five financial years, the average expenditure on these costs ranged from 21% to 26% of total costs. The higher level recorded in FY09 was directly related to a one-off loss of \$4.5 million by the Otago Rugby Football Union following the sale of its home stadium Carisbrook to the Dunedin City Council.

ITM Cup Unions – Profile of Operating Expenditure

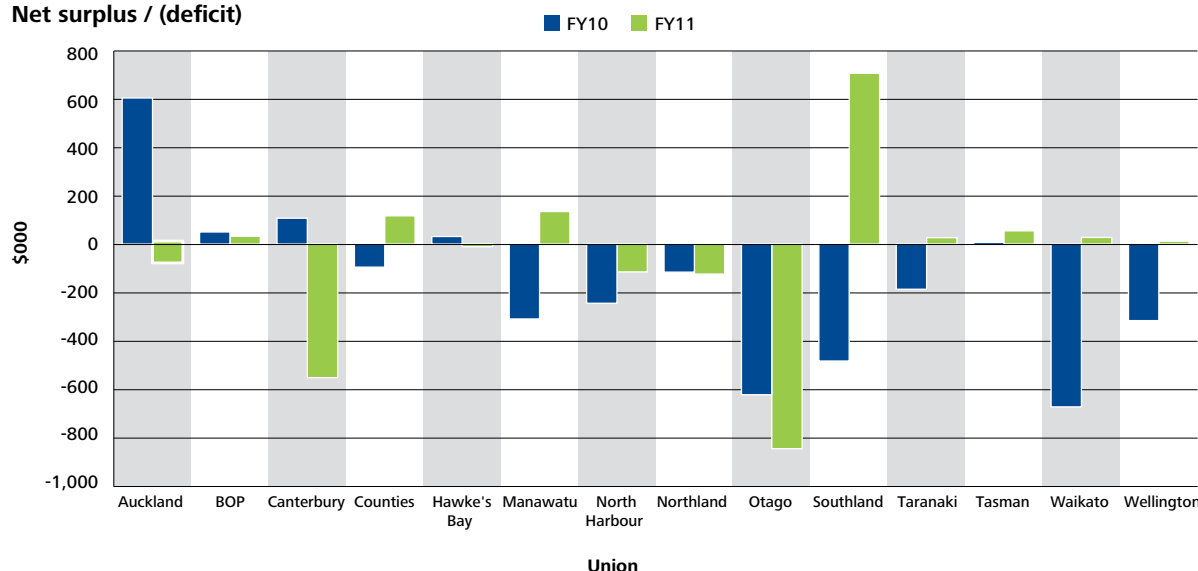


The cumulative net operating deficit reduced to \$0.6 million in FY11, the best performance in the last five financial periods.

While significant profits are not expected to be generated by not-for-profit organisations, they must operate within their means to remain solvent. Earlier, it was highlighted that collectively the unions have not generated a break-even result in any of the last five financial years, although the deficit for FY11 fell to its lowest level of \$0.6 million. This improved performance was assisted by additional grants provided to Southland to the tune of \$1 million following previous fiscal difficulties, although offset to a certain extent by Canterbury’s losses from the impact of the Canterbury earthquakes.

The analysis in the below graph illustrates the rather volatile nature of results reported by each union and that a continued focus is needed to generate small surpluses. We do note that collectively the unions made an operating surplus before depreciation and net interest income in FY11 of \$0.4 million for the first time in the period under review, a useful proxy for a cash operating result.

Net surplus / (deficit)



Financial position

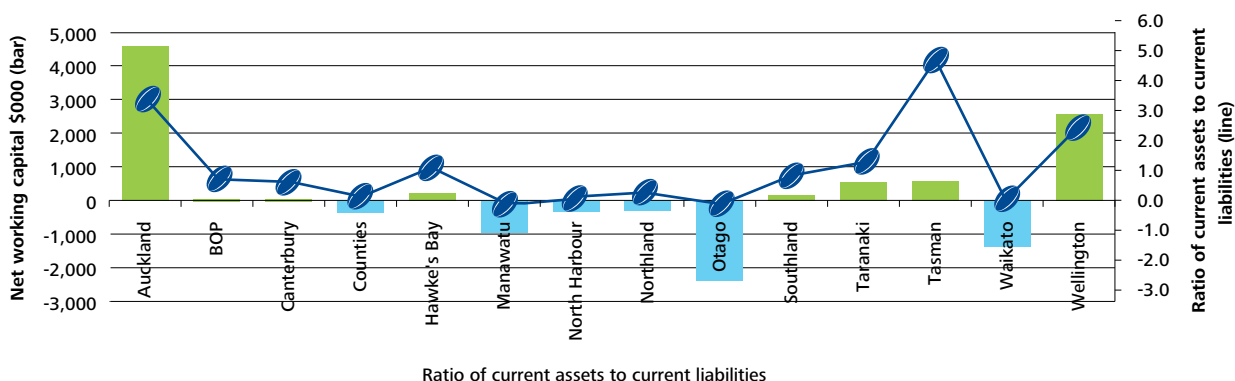
The working capital positions of the unions suggest tight operating conditions, although this is somewhat typical of not-for-profit organisations.

The net working capital of an organisation, calculated as its current assets less current liabilities, indicates the organisation's ability to pay its creditors in a timely manner. In general, ratios of current assets to current liabilities of 1.5 to 2 or greater are preferred.

The graph below shows that only eight of the 14 unions have current assets in excess of its current liabilities. Those with a ratio in excess of 1:1 are highlighted in green while those below this level are highlighted in blue.

The relatively weak working capital positions, although assessed at a point of time outside the main competition periods (i.e. at the end of the financial year), is one indicator suggesting a degree of financial uncertainty.

Net working capital FY11



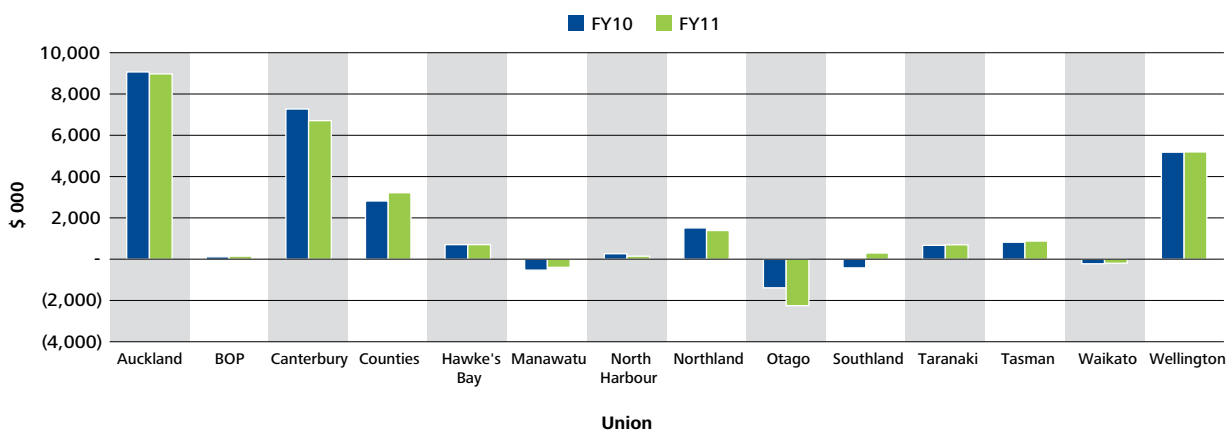
Accumulated reserves have declined each year, although it appears actions are being taken to reverse this trend.


The most recent financial results indicate that the unions are trying to manage the diminishing reserves base.

The low equity position of the remaining unions, including the dangerous negative equity positions of Manawatu, Otago and Waikato, suggest that one poor operating year could jeopardise the ability of the unions to continue to operate as a going concern, as recent events in Otago have illustrated.

A close look at existing reserves identifies individually most unions are not well capitalised with only Auckland, Canterbury and Wellington with a substantial equity base.

Accumulated reserves



A tall, thin metal frame structure, possibly a goalpost or a marker, stands on a green field. The structure consists of two vertical poles connected by a horizontal bar near the top. The background shows a clear blue sky with some light clouds and a line of trees in the distance.

The low equity position
of a number of unions,
suggest that one poor
operating year could
jeopardise the ability of
the unions to continue to
operate as a going concern.

The road ahead

New Zealanders are passionate about the game of rugby union as we saw during the 2011 Rugby World Cup.

This review suggests those charged with administering the semi-professional and amateur game have experienced difficult times in recent years, with declining revenues and five years of consecutive net deficits.

A major financial contributor to the semi-professional and amateur game remains the sport's governing body, the NZRU. The below graph highlights that the NZRU itself has faced the same issues of declining revenues and operating deficits.

In today's commercial environment, still recovering from the effects of the Global Financial Crisis, generating additional revenues from endorsements and sponsorships is without doubt difficult.

So it is now, more than ever, where community participation and support, as illustrated during the 2011 Rugby World Cup, needs to respond in order to reverse these trends, or changes to the structure of the game in this country will become inevitable.

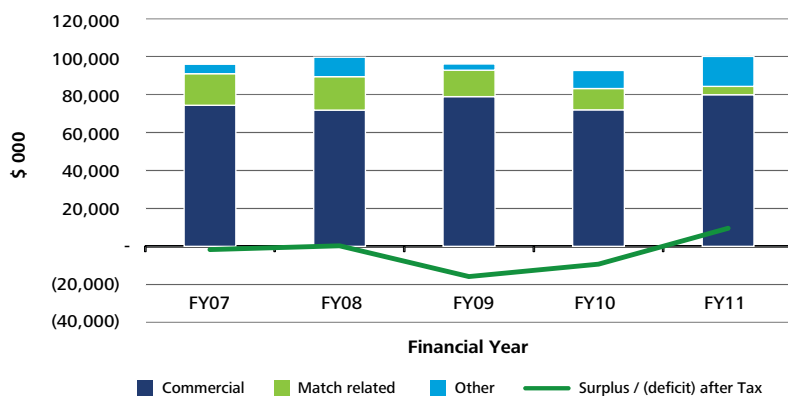
Local communities have shown in recent times innovative ways of building support and increasing attendance and local sponsorships can lead to improved financial returns. The "Bucketheads" in Manawatu, the

"Zoo" at the new stadium in Dunedin, "Take a kid to footy" packages in Christchurch and the revitalisation of supporters clubs are all examples of innovations that encourage support and therefore increased attendance. Local companies sponsoring the back of provincial rugby jerseys is another community support initiative.

In isolation this is not the entire solution and other prudent governance and financial controls will be required. Some unions have more ground to make-up than others but all share the need to continue to work on increasing match related revenues. A relatively small increase of 500 spectators paying an average price of \$20 per ticket to the average attendance at each of the regular season games of the ITM Cup, would have eliminated the combined net deficit in FY11, all other things being equal.

The importance and responsibility that our provincial unions hold for the on-going success of our national team should not be forgotten. It is the country's provincial rugby unions that are charged with the responsibility of fostering the development of the game and its players from the deep South to the far North. This responsibility involves providing New Zealand's talented players with the right resources and competitions from the development of school-age players to administering its semi-professional competition, the ITM Cup whilst securing financial stability.

NZRU Operating Results



Source: NZRU Annual Reports



A relatively small increase of 500 spectators paying an average price of \$20 per ticket to the average attendance at each of the regular season games of the ITM Cup, would have eliminated the combined net deficit in FY11, all other things being equal.

Consolidated financial information

Consolidated summary financial performance

A summary of the consolidated financial performance over the last five years is presented below.

\$000					
Summary Financial Performance	FY07	FY08	FY09	FY10	FY11
Revenue					
Match related revenue	21,079	18,016	14,448	14,987	8,821
Grants and sponsorship	53,690	55,042	52,552	51,069	48,220
Other revenues (net)	9,343	8,970	9,602	10,581	11,405
	84,112	82,028	76,602	76,637	68,446
Operating expenditure					
Team and match related costs	(42,207)	(39,355)	(37,692)	(37,229)	(33,548)
Growing the game	(25,634)	(26,025)	(22,922)	(24,265)	(19,362)
Administration	(17,716)	(17,737)	(20,747)	(15,895)	(15,182)
	(85,557)	(83,117)	(81,361)	(77,389)	(68,092)
Surplus before interest, depreciation and amortisation	(1,445)	(1,089)	(4,759)	(752)	354
D&A and impairments	(3,024)	(3,012)	(2,922)	(2,862)	(2,265)
Net interest income / (expense)	1,254	1,380	929	1,326	1,300
Net surplus / (deficit) before tax	(3,215)	(2,721)	(6,752)	(2,288)	(611)
Taxation expense	(16)	(19)	-	-	(15)
Net surplus / (deficit)	(3,231)	(2,740)	(6,752)	(2,288)	(626)

Consolidated summary financial position

A summary of the consolidated financial position over the last five years is presented below.

\$000					
Summary Financial Position	FY07	FY08	FY09	FY10	FY11
Current assets					
Cash	9,943	6,888	5,817	6,378	8,393
Receivables and prepayments	8,544	10,104	11,058	11,051	9,048
Inventories	361	351	291	251	299
Other current assets	3,643	2,664	2,674	3,595	2,281
	22,491	20,007	19,840	21,275	20,021
Non-current assets					
Investments	7,409	10,374	10,671	9,235	9,621
Property, plant and equipment	36,450	30,759	16,943	16,095	13,715
Other non-current assets	3,329	1,815	1,752	2,254	1,536
	47,188	42,948	29,366	27,584	24,872
TOTAL ASSETS	69,679	62,955	49,206	48,859	44,893
Current liabilities					
Overdraft	1,224	551	179	407	264
Payables and accrued expenses	13,656	11,492	11,860	13,347	10,635
Short-term borrowings	793	1,452	1,883	2,546	2,658
Other current liabilities	3,166	3,430	3,723	3,766	3,486
	18,839	16,925	17,645	20,066	17,043
Non-current liabilities					
Long-term borrowings	12,332	10,336	2,322	1,893	2,342
Other non-current liabilities	530	796	1,086	1,039	-
	12,862	11,132	3,408	2,932	2,342
Equity					
Accumulated funds	37,978	34,898	28,153	25,861	25,508
LIABILITIES AND EQUITY	69,679	62,955	49,206	48,859	44,893
Net working capital	3,652	3,082	2,195	1,209	2,978

Summary financial performance by union for FY10 and FY11

A summary of the financial performance by union for FY10 is presented below.

For the Financial Year 2010															
\$000 Summary Financial Performance	Auckland	BOP	Canterbury	Counties	Hawke's Bay	Manawatu	North Harbour	Northland	Otago	Southland	Taranaki	Tasman	Waikato	Wellington	TOTAL
Revenue															
Match related revenue	2,798	860	1,043	248	376	294	157	1,088	1,918	2,364	1,218	-	1,081	1,542	14,987
Grants and sponsorship	3,889	3,516	7,042	3,103	4,444	2,917	3,703	2,248	3,250	808	2,984	2,972	5,145	5,048	51,069
Other revenues (net)	4,320	24	1,815	136	13	282	171	-	475	493	79	195	387	2,191	10,581
	11,007	4,400	9,900	3,487	4,833	3,493	4,031	3,336	5,643	3,665	4,281	3,167	6,613	8,781	76,637
Operating expenditure															
Team and match related costs	(3,485)	(2,354)	(4,122)	(1,597)	(2,954)	(2,134)	(1,552)	(2,130)	(1,835)	(2,664)	(2,321)	(1,663)	(3,765)	(4,653)	(37,229)
Growing the game	(4,468)	(1,307)	(4,436)	(1,242)	(1,496)	(1,105)	(764)	(602)	(1,858)	(945)	(553)	(688)	(2,070)	(2,731)	(24,265)
Administration	(1,630)	(593)	(1,223)	(555)	(272)	(497)	(1,845)	(644)	(2,296)	(499)	(1,563)	(759)	(1,205)	(2,314)	(15,895)
	(9,583)	(4,254)	(9,781)	(3,394)	(4,722)	(3,736)	(4,161)	(3,376)	(5,989)	(4,108)	(4,437)	(3,110)	(7,040)	(9,698)	(77,389)
Surplus before interest, depreciation and amortisation	1,424	146	119	93	111	(243)	(130)	(40)	(346)	(443)	(156)	57	(427)	(917)	(752)
D&A and impairments	(1,055)	(75)	(339)	(139)	(72)	(45)	(122)	(56)	(235)	(30)	(71)	(80)	(224)	(319)	(2,862)
Net interest income / (expense)	246	(20)	329	(51)	(7)	(27)	3	(22)	(53)	(19)	37	30	(34)	914	1,326
Net surplus / (deficit) before tax	615	51	109	(97)	32	(315)	(249)	(118)	(634)	(492)	(190)	7	(685)	(322)	(2,288)
Taxation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net surplus / (deficit)	615	51	109	(97)	32	(315)	(249)	(118)	(634)	(492)	(190)	7	(685)	(322)	(2,288)

A summary of the financial performance by union for FY11 is presented below.

For the Financial Year 2011															
\$000 Summary Financial Performance	Auckland	BOP	Canterbury	Counties	Hawke's Bay	Manawatu	North Harbour	Northland	Otago	Southland	Taranaki	Tasman	Waikato	Wellington	TOTAL
Revenue															
Match related revenue	1,384	471	220	185	323	380	45	854	770	1,605	1,023	-	516	1,045	8,821
Grants and sponsorship	3,242	3,407	5,357	3,086	4,183	2,808	3,041	2,234	2,691	2,302	2,981	2,567	4,920	5,401	48,220
Other revenues (net)	4,844	101	2,097	43	19	291	490	-	143	498	12	255	478	2,134	11,405
	9,470	3,979	7,674	3,314	4,525	3,479	3,576	3,088	3,604	4,405	4,016	2,822	5,914	8,580	68,446
Operating expenditure															
Team and match related costs	(3,249)	(1,829)	(4,338)	(1,547)	(2,690)	(1,862)	(1,332)	(1,976)	(2,074)	(2,309)	(2,060)	(1,377)	(3,092)	(3,813)	(33,548)
Growing the game	(4,517)	(1,436)	(2,712)	(856)	(1,442)	(1,018)	(543)	(473)	(576)	(788)	(286)	(571)	(1,376)	(2,768)	(19,362)
Administration	(1,526)	(634)	(1,182)	(604)	(336)	(412)	(1,702)	(691)	(1,656)	(559)	(1,607)	(782)	(1,008)	(2,484)	(15,182)
	(9,292)	(3,899)	(8,232)	(3,007)	(4,468)	(3,292)	(3,577)	(3,140)	(4,306)	(3,656)	(3,953)	(2,730)	(5,476)	(9,065)	(68,092)
Surplus before interest, depreciation and amortisation	178	80	(558)	307	57	187	(1)	(52)	(702)	749	63	92	438	(485)	354
D&A and impairments	(568)	(39)	(336)	(131)	(53)	(36)	(111)	(57)	(96)	(24)	(57)	(83)	(354)	(320)	(2,265)
Net interest income / (expense)	298	(8)	332	(57)	(3)	(14)	(5)	(17)	(63)	(6)	21	46	(56)	832	1,300
Net surplus / (deficit) before tax	(92)	33	(562)	119	1	137	(117)	(126)	(861)	719	27	55	28	28	(611)
Taxation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Net surplus / (deficit)	(92)	33	(562)	119	1	137	(117)	(126)	(861)	719	27	55	28	12	(626)

Consolidated financial information

Summary financial position by union for FY10 and FY11

As at the end of Financial Year 2010																
\$000 Summary Financial Position	Auckland	BOP	Canterbury	Counties	Hawke's Bay	Manawatu	North Harbour	Northland	Otago	Southland	Taranaki	Tasman	Waikato	Wellington	TOTAL	
Current assets																
Cash	1,423	-	1,081	80	101	3	36	132	210	143	519	641	-	2,009	6,378	
Receivables and prepayments	1,628	646	2,691	280	919	242	97	103	721	324	469	29	913	1,989	11,051	
Inventories	-	91	-	44	20	3	45	-	9	12	20	6	1	-	251	
Other current assets	2,931	-	255	190	-	-	-	19	40	136	-	-	-	24	3,595	
	5,982	737	4,027	594	1,040	248	178	254	980	615	1,008	676	914	4,022	21,275	
Non-current assets																
Investments	4,217	-	3,446	-	-	498	-	-	-	20	-	56	896	102	9,235	
Property, plant and equipment	2,512	198	3,042	3,517	217	190	119	2,110	283	102	199	510	396	2,700	16,095	
Other non-current assets	550	-	225	-	291	-	479	-	-	-	-	-	671	38	2,254	
	7,279	198	6,713	3,517	508	688	598	2,110	283	122	199	566	1,963	2,840	27,584	
TOTAL ASSETS	13,261	935	10,740	4,111	1,548	936	776	2,364	1,263	737	1,207	1,242	2,877	6,862	48,859	
Current liabilities																
Overdraft	-	110	-	-	-	134	-	-	-	-	-	-	163	-	407	
Payables and accrued expenses	1,163	530	3,043	536	529	994	513	172	1,101	718	519	102	1,747	1,680	13,347	
Short-term borrowings	385	15	-	454	160	2	-	119	1,200	-	-	35	176	-	2,546	
Other current liabilities	1,738	35	-	174	105	-	-	199	350	440	18	-	707	-	3,766	
	3,286	690	3,043	1,164	794	1,130	513	490	2,651	1,158	537	137	2,793	1,680	20,066	
Non-current liabilities																
Long-term borrowings	-	-	424	129	50	337	-	361	-	-	-	284	308	-	1,893	
Other non-current liabilities	906	133	-	-	-	-	-	-	-	-	-	-	-	-	1,039	
	906	133	424	129	50	337	-	361	-	-	-	284	308	-	2,932	
Equity																
Accumulated funds	9,069	112	7,273	2,818	704	(531)	263	1,513	(1,388)	(421)	670	821	(224)	5,182	25,861	
LIABILITIES AND EQUITY	13,261	935	10,740	4,111	1,548	936	776	2,364	1,263	737	1,207	1,242	2,877	6,862	48,859	
Net working capital	2,696	47	984	(570)	246	(882)	(335)	(236)	(1,671)	(543)	471	539	(1,879)	2,342	1,209	

As at the end of Financial Year 2011																
\$000 Summary Financial Position	Auckland	BOP	Canterbury	Counties	Hawke's Bay	Manawatu	North Harbour	Northland	Otago	Southland	Taranaki	Tasman	Waikato	Wellington	TOTAL	
Current assets																
Cash	3,701	1	630	198	210	33	(189)	190	180	478	625	666	18	1,652	8,393	
Receivables and prepayments	1,524	269	1,554	117	663	279	279	129	494	213	378	23	802	2,324	9,048	
Inventories	-	101	-	47	32	7	44	10	16	7	7	28	-	-	299	
Other current assets	1,102	-	103	103	-	-	-	9	-	370	583	-	-	11	2,281	
	6,327	371	2,287	465	905	319	134	338	690	1,068	1,593	717	820	3,987	20,021	
Non-current assets																
Investments	4,217	-	4,175	-	-	334	-	-	-	51	-	56	788	-	9,621	
Property, plant and equipment	169	111	2,703	3,841	232	236	64	2,089	128	86	151	475	849	2,581	13,715	
Other non-current assets	-	-	206	-	256	-	427	-	-	-	-	-	589	58	1,536	
	4,386	111	7,084	3,841	488	570	491	2,089	128	137	151	531	2,226	2,639	24,872	
TOTAL ASSETS	10,713	482	9,371	4,306	1,393	889	625	2,427	818	1,205	1,744	1,248	3,046	6,626	44,893	
Current liabilities																
Overdraft	-	-	-	-	-	264	-	-	-	-	-	-	-	-	264	
Payables and accrued expenses	620	336	2,237	367	546	1,020	481	261	1,686	203	232	107	1,107	1,432	10,635	
Short-term borrowings	-	-	-	296	120	-	-	39	1,200	500	-	33	470	-	2,658	
Other current liabilities	1,118	-	-	175	22	-	-	346	183	204	815	-	623	-	3,486	
	1,738	336	2,237	838	688	1,284	481	646	3,069	907	1,047	140	2,200	1,432	17,043	
Non-current liabilities																
Long-term borrowings	-	-	424	250	-	-	-	394	-	-	-	232	1,042	-	2,342	
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	424	250	-	-	-	394	-	-	-	232	1,042	-	2,342	
Equity																
Accumulated funds	8,975	146	6,710	3,218	705	(395)	144	1,387	(2,251)	298	697	876	(196)	5,194	25,508	
LIABILITIES AND EQUITY	10,713	482	9,371	4,306	1,393	889	625	2,427	818	1,205	1,744	1,248	3,046	6,626	44,893	
Net working capital	4,589	35	50	(373)	217	(965)	(347)	(308)	(2,379)	161	546	577	(1,380)	2,555	2,978	



Information

The financial data presented in this report is compiled from data contained in the annual reports of each rugby union for the financial years ended 2007 to 2011. The annual reports for each union were obtained from either the register of incorporated societies and/or directly from the rugby union.

The financial years for each union differ, ending at the close of October, November or December. Despite the timing differences, reported results have been added together to produce consolidated information. These timing differences are not expected to cause materially misleading results or conclusions.

The financial statements of each union classify elements of revenues, operating expenses, assets, liabilities and equity differently. The information presented in this analysis has been reclassified and grouped to provide data for a meaningful comparison.

The Auckland Rugby Football Union has a controlling interest in the gaming operator The North and South Trust. Expenditure consolidated through its controlling interest in The North and South Trust has been reclassified within revenue to produce a "net gaming" result which is more similar to the net proceeds received by the other unions from similar trusts without a controlling interest.

The Tasman Rugby Football Union does not disclose sufficient information to determine a breakdown of operating expenses between team and match related costs and development costs associated with growing the game. In order to avoid any significant distortions, expenditure has been allocated to these two categories based on the average proportion spent on these respective components by other unions.

While all due care has been taken to make the data as comparable as possible, some inconsistency may still exist and/or other parties may have presented the data differently. Financial data has been rounded to the nearest thousand unless stated otherwise.

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