



TONGA RUGBY UNION

2023

**ANNUAL
REPORT**

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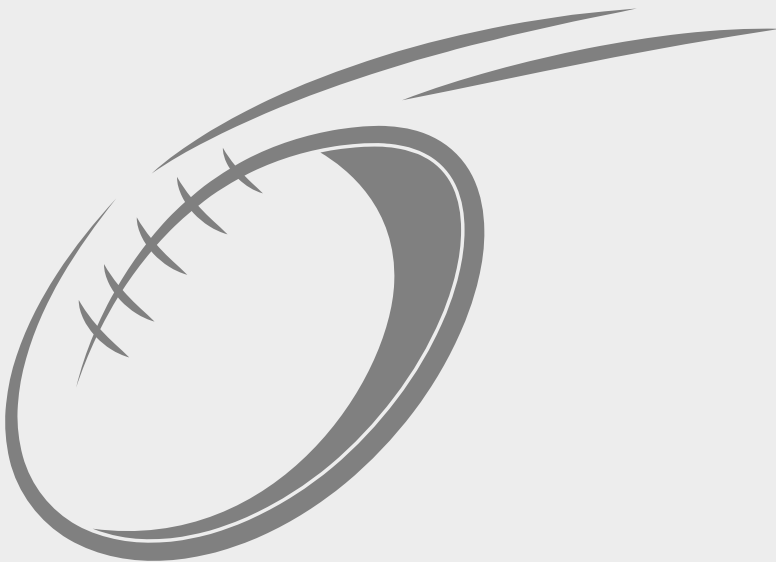
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OUR PURPOSE

Fostering excellence locally and globally, uniting our community through rugby's spirit, embracing local talent and international partnerships.



STRATEGIC

CORE PRINCIPLE

- **Respect** - Faka'apa'apa
- **Humility** - Anga Fakatokilalo
- **Nurturing Relationship** - Tauhi Va
- **Loyalty & Passions** - Mamahi'i Me'a

MISSION

To attain respect and contribution within the international Rugby Community, adhering to governance standards and securing representation on the World Rugby council.

OBJECTIVES

Passion for the sport inspires Tonga Rugby Union to **invest** in comprehensive training programs, nurturing **talent** and fostering a competitive environment that drives the development of rugby across the nation, ultimately **uniting** communities through their shared love of the game.

DRIVING OUR OBJECTIVES



CORE ACTIVITIES

The governance of rules and regulations, along with setting a competition framework, coaching and refereeing training, and prioritizing player welfare are integral components of Tonga Rugby Union's objective activity, ensuring fair play, development, professionalism, and the well-being of its rugby community.



CORE COMMERCIAL ACTIVITIES

Securing sponsorships, selling merchandise, and organizing events to support the development and sustainability of rugby in Tonga.



OPERATION

Ensure adherence to legal and statutory obligations across department, while also maintaining physical and technology assets, as well as meeting core people and financial requirements in line with financial sustainability metrics.





CEO'S REVIEW



Mr. 'Aisea 'Aholelei, Interim CEO

Looking ahead, the Tonga Rugby Union is poised for a transformative period, focusing on strategic initiatives to bolster the foundation of Tongan rugby. Central to our plan is the recruitment of an Ikale Tahi Coach deeply rooted in our country's rich culture, ensuring a strong connection that resonates both on and off the field. We are committed to establishing an Academy that nurtures local talent, complemented by a concerted effort in commercial ventures to enhance revenue streams. Our emphasis on staff recruitment, unity, and continuous upskilling underscores our dedication to excellence. Moreover, we are investing in infrastructure to optimize physical performance and academy development. Through the stabilization of governance and financial systems, alongside securing a seat at the World Rugby Council, we aim to elevate Tonga's global presence. With a focus on improving winning percentages for both men's and women's teams, we are steadfast in our pursuit of success on all fronts, embodying the spirit of Tongan rugby.

ADMINISTRATION

The office of the TRU has changed immensely since the beginning of 2023 with personnel changes taking effect at the end of the year. The major issues causing the change was a disconnect between the CEO and the staff especially Managers who felt other managers were allowed free reign to do what they pleased with funds and authority given by the CEO. Two staff members resigned towards the end of the year and one on the verge of filing a lawsuit for unpaid wages. Another threatening to resign if no resolution was forthcoming. In all it was a very dysfunctional office which ultimately affected Ikale Tahi preparations and performance at the World Cup. A decision by the board not to renew the CEOs contract was made after these findings and other board decisions which were not followed through and adhered to. Thus the contract lapsed at the end of December 2023. The board appointed Board member Aisea Aholelei as the interim CEO until new board appointed a CEO. Subsequently a staff member was let go due to mismanagement of funds from 2023



CEO'S REVIEW

ASSET

Tonga Rugby Union do not have many physical assets that could be classified as of significant monetary value. Apart from office and Ikale Tahi analysis and training equipment an HIA analysis system was bought for compulsory usage in all international games. It is a sought-after piece of equipment by broadcasters due to its size and slow-motion capability. Intellectual property of the TRU was still being arranged to be registered. This included the logo and the words 'IKALE TAHI' which was never registered. The former CEO did not approve or prioritize this. However, since then, all trademarks have been registered including the Tonga Rugby Union.

The lease at Fasi moe Afi property was not paid for 10 years until this year. It is undecided what will happen to the property as the government has indicated it is interested in taking it back since it paid the legal bill for TEAM ONE in France. The lease does not lapse until 2041.

STAKEHOLDERS

Coming into 2023 relations with World Rugby was stable and had improved immensely since 2020. World Rugby had pledged infrastructure funding because of the volcanic eruption and tsunami in 2022. This was used to upgrade the changerooms at Teufaiva vital for the upcoming test matches but was expedited for the Moana Pasifika match. The Government have been a tremendous help supporting our monetary needs with player allowances and emergency team requests. The Ikale Tahi benefited immensely from this. Only the Ikale Tahi had sponsors primarily French Companies including IBSA, FORCE XV, FLECT XPERT. TCC helped out during the test series on island against Australia A and Canada.

FINANCE

Since there had been no Financial Manager until early 2023 the majority of financial and accounting works were done by the CEO and the Administration Manager of the time. This caused many discrepancies with reporting to the board and with the government. It culminated in the non-audited accounts of the union for 4 years. At the end of 2023 the union were in debt to creditors to a sum of close to \$EUR300,000.

TEAM

The performance of our Ikale Tahi in 2023 was a case of mix bags. The home games produced good victories over Australia A and Canada twice. However consecutive defeats to Fiji, Samoa and Japan during the PNC really affected team spirit heading into the World Cup. A couple of factors were identified as the main causes of this bad performance primarily travel time and game days. 4 matches were played within a space of 2 weeks leading to exhaustion for players and management team



CEO'S REVIEW

The World Cup had high expectations for the Ikaile Tahi to perform because of the amount of talented individuals at the disposal of the coach. However, disconnect that affected administration filtered into the team environment whereby team spirit and direction dissolved even before the first game. A lot was due to the presence of the CEO who was warned to stay clear of the team. On field results were not ideal. Many of the staff did not know what their purpose was on tour, as the CEO and Head Coach racked in 22 personnels for the management team which far exceeded the 15 recommended by World Rugby. This added to the dysfunctional environment of the team to a point whereby it became toxic. However individual performances by the captain and the victory over Romania gave light to the campaign



CEO'S REVIEW

DEVELOPMENT

As we gradually emerge from the challenges posed by the COVID-19 pandemic, we stand at a pivotal moment in the journey of rebuilding and revitalizing rugby in Tonga. While the pandemic may have tested our resolve and resilience, it has also provided us with an opportunity to reassess, reinvent, and refocus our efforts towards a stronger, more resilient future.

As we embark on this rebuilding phase, it's essential to harness the lessons learned during the pandemic to inform our strategies moving forward. We must prioritize the health, safety, and well-being of our athletes, coaches, and communities while also fostering innovation and adaptability in our approach to rugby development.

Furthermore, rebuilding requires a collective effort and a shared commitment from all stakeholders within the Tongan rugby community. By fostering collaboration, unity, and solidarity, we can leverage our collective strengths to overcome challenges and seize opportunities for growth and advancement.

As we look ahead with optimism and determination, let us draw inspiration from the indomitable spirit of Tongan rugby. Together, we can lay the foundation for a brighter and more prosperous future, one built on resilience, innovation, and a shared passion for the game. The journey ahead may be challenging, but with unwavering dedication and a clear vision, we can rebuild stronger and emerge from this crisis with renewed vitality and purpose.



PLAYER WELFARE

The Tonga Rugby Union's commitment to player welfare is commendable, particularly in light of the challenges faced as a tier two nation. It's crucial for organizations like TRU to prioritize the well-being of their players, both on and off the field, in alignment with World Rugby's Player Welfare policy.

By actively collaborating with the Pacific Rugby Player Association, TRU demonstrates a proactive approach to safeguarding the interests and safety of Tonga's players. This partnership not only enhances support structures for players but also strengthens advocacy efforts aimed at addressing broader welfare concerns within the rugby community.

Ensuring that players are safe and supported extends beyond physical health to encompass mental, emotional, and financial well-being. TRU's commitment to this holistic approach reflects a deep understanding of the multifaceted challenges faced by rugby players, particularly those from smaller nations.

Continued collaboration with organizations like the Pacific Rugby Player Association is essential for implementing effective welfare strategies that address the unique needs of Tonga's players. By fostering a culture of care and support, TRU sets a positive example for rugby federations worldwide, illustrating that player welfare is a priority regardless of a nation's status within the rugby hierarchy.

PATHWAY

The Tonga Rugby Union's pathway program has encountered significant challenges, particularly in the absence of a dedicated academy, which has hindered its effectiveness in nurturing local talent. The inability to establish such a vital infrastructure has posed obstacles in providing aspiring rugby players with the necessary resources, coaching, and development opportunities essential for their growth and progression within the sport.

Moreover, the reliance on recruiting overseas players to bolster teams highlights the disparity between the skill levels of local players and those from abroad. While overseas players may bring valuable experience and expertise to the team, their inclusion can inadvertently overshadow the development and opportunities afforded to homegrown talent.

It's evident that the pathway program has not yielded the desired outcomes, as indicated by the continued struggle to bridge the gap between local and overseas players. The lack of a cohesive and sustainable pathway has hindered the advancement of local talent, resulting in a reliance on external sources to fill team rosters.

Moving forward, it's imperative for the Tonga Rugby Union to reassess and revamp its pathway program, placing a renewed emphasis on investing in grassroots development, coaching infrastructure, and talent identification initiatives. By prioritizing the development of local players and providing them with the necessary support and opportunities to thrive, Tonga Rugby can cultivate a sustainable pipeline of talent capable of competing at the highest levels of the sport.

Additionally, the establishment of an academy would serve as a cornerstone in this endeavor, offering a structured pathway for aspiring players to hone their skills, receive top-tier coaching, and pursue their rugby ambitions.

While the challenges may seem daunting, they also present an opportunity for reflection, growth, and positive change within the Tonga Rugby Union. By addressing the shortcomings of the pathway program and implementing proactive measures to support local talent, Tonga Rugby can chart a course towards a more promising and prosperous future for the sport in the nation.

STRENGTH & CONDITIONING

Looking ahead to the future of Strength and Conditioning for Tonga Rugby, there's immense potential for significant advancements that could revolutionize our approach to athlete development. The prospect of Tonga Rugby acquiring its own dedicated rugby field and gym facilities, along with the addition of extra staff, represents a transformative opportunity to enhance our training infrastructure and support system.

The current unstructured nature of aligning the training process has undoubtedly affected the performance levels of our teams, as highlighted in Figure 1.1 and Figure 1.2. The absence of a cohesive framework for training has resulted in inconsistencies and inefficiencies, contributing to discrepancies in strength and conditioning compared to industry standards.

However, with the implementation of dedicated facilities and the recruitment of additional staff, we can address these shortcomings and establish a more systematic and tailored approach to training. By providing athletes with access to state-of-the-art facilities and expert guidance, we can optimize their physical preparation and maximize their potential on the field.

FIGURE 1.1

Position	BRONCO (m:s)		
	U20S	TONGA A	Standard
Prop	6:42	5:47	5:20
Hooker	6:23	6:20	5:05
Locks	6:10	5:19	5:05
Loose	5:47	5:21	4:50
Half Back	5:23	4:41	4:45
First Five	5:06	5:01	4:50
Midfield	5:35	5:17	4:45
Outside	4:58	4:51	4:45



CEO'S REVIEW

Moreover, the acquisition of our own rugby field and gym facilities would not only offer a centralized hub for training but also foster a sense of ownership and pride within the Tonga Rugby

community. This investment in infrastructure reflects our commitment to prioritizing the development and well-being of our athletes, ensuring they have the resources and support needed to succeed at the highest levels of the sport.

As we look forward to this exciting chapter in the evolution of Tonga Rugby, let us remain steadfast in our dedication to excellence and innovation. Through strategic planning, collaboration, and a relentless pursuit of improvement, we can elevate our Strength and Conditioning programs to new heights, driving sustained success for Tonga Rugby now and in the future.

FIGURE 1.2

Position	U20 STRENGTH			TONGA A STRENGTH		
	WT (kg)	BENCH	Standard	WT (kg)	BENCH	Standard
Prop	120	94	156	127	116	165
Hooker	106	110	138	125	95	164
Locks	93	77	121	112	100	147
Loose	95	87	124	103	112.5	134
Half Back	82	98	106	74	97	96
First Five	86	100	112	94	85	122
Midfield	90	102	134	102	105	133
Outside	83	103	117	85	115	110



FINANCE REVIEW



'AFe'ao, Finance Manager

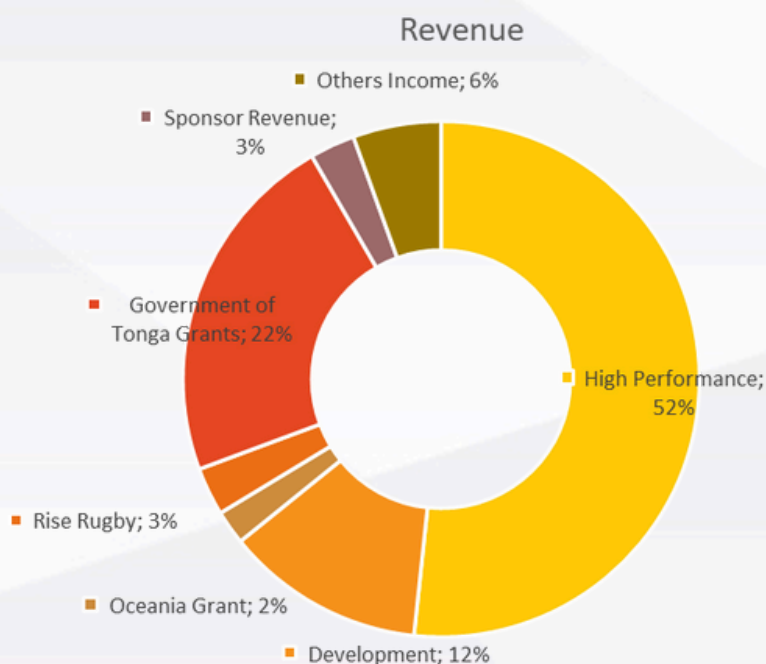


REVENUE ANALYSIS

Tonga Rugby Union's revenue landscape paints a complex picture, as revealed by a vertical analysis. Despite the challenges posed by World Cup years, Tonga Rugby continues to persevere with governmental support, evident in the substantial players' allowance of TOP\$1.07 million. However, a significant portion of the revenue, accounting for 52% of the total, stems from World Rugby Assistance, primarily allocated towards high-performance initiatives, with an additional TOP\$784K(12%) earmarked for local rugby development—a vital investment in grassroots growth.

Noteworthy is the investment from Australia Rugby (Rise Rugby), totaling TOP\$189K, designated specifically for women's rugby, highlighting a commitment to gender inclusivity and the sport's broader development agenda. Furthermore, the contribution from ticket sales during three home games of Ikahe Tahi injected \$267K into the revenue stream, underscoring the importance of fan engagement and match attendance.

Sponsorship partnerships also play a pivotal role in sustaining Tonga Rugby's operations. Most notably, Japan Rugby's support enabled the renovation of Teufaiva changing rooms, amounting to TOP\$151K, demonstrating international solidarity within the rugby community. Additionally, Fexco Limited's assistance to Ikahe Tahi, totaling TOP\$153K, signifies the vital role of private sector engagement in bolstering the sport's infrastructure and competitive edge.



FINANCE REVIEW

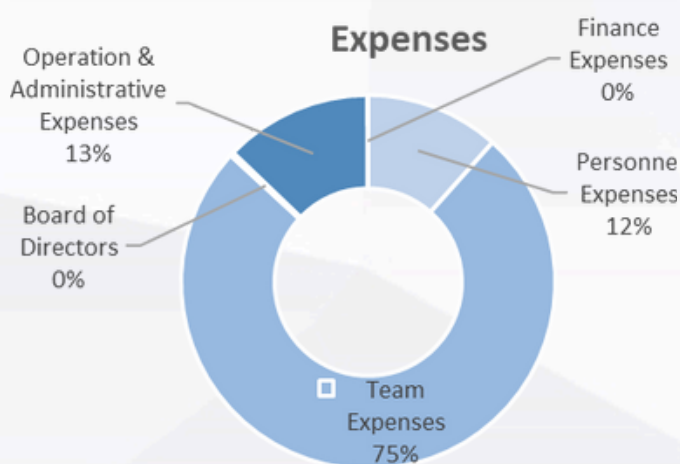
In sum, Tonga Rugby's revenue ecosystem reflects a blend of governmental support, international assistance, fan contributions, and corporate partnerships—a multifaceted approach essential for navigating the complexities of modern rugby administration while striving for sustainable growth and success on and off the field.

EXPENSES

Tonga Rugby Union's expense allocation reveals a strategic approach to resource management, categorized into five distinct areas. Notably, a significant portion, amounting to 75% of the total expenses, is earmarked for team-related expenditures. This allocation underscores the organization's commitment to providing adequate support for the development, training, and welfare of its players and coaching staff—an essential pillar for sustaining competitiveness and achieving success on the global stage.

Meanwhile, the remaining 25% of expenses are distributed across personnel, finance, operations & administration, and the board of directors. This allocation reflects the organization's recognition of the importance of investing in its internal infrastructure, governance mechanisms, and administrative functions to ensure operational efficiency and compliance with regulatory requirements.

By delineating expenses across these distinct categories, Tonga Rugby Union demonstrates a disciplined approach to financial management, balancing the immediate needs of its teams with the long-term sustainability and governance of the organization. This strategic allocation of resources is vital for fostering transparency, accountability, and overall organizational resilience in pursuit of its mission to advance the sport of rugby in Tonga and beyond.



PERFORMANCE

Tonga Rugby Union's financial performance in the World Cup year paints a dynamic yet challenging landscape. The substantial 109% increase in total revenue, soaring from TOP\$2.7 million in 2022 to TOP\$5.6 million, signifies commendable efforts in leveraging diverse revenue streams including contributions from the World Rugby Fund, governmental support, sponsorship agreements, and revenue generated from THREE home game collections. This surge in revenue underscores the organization's ability to capitalize on opportunities and strengthen its financial footing.

However, juxtaposed against this impressive revenue growth is a steep escalation in total expenses, rising by 131% from TOP\$2.7 million to TOP\$6.2 million compared to 2022. This significant increase in expenses warrants a closer examination of the underlying factors driving the uptick, including investments in team development, operational enhancements, and administrative functions. While such investments are crucial for the long-term sustainability and competitiveness of Tonga Rugby Union, they also highlight the inherent financial pressures faced by the organization.

Furthermore, the bottom line reflects a TOP\$27k loss, indicating the challenges and complexities involved in balancing revenue generation with prudent financial management and expense control. This loss underscores the need for strategic financial planning, stringent cost management measures, and potentially exploring avenues for revenue diversification and optimization.

As Tonga Rugby Union navigates the intricacies of its financial performance, transparency, accountability, and fiscal discipline will be pivotal in charting a course towards financial resilience and sustainable growth. By addressing challenges head-on and capitalizing on opportunities, Tonga Rugby Union can position itself for long-term success and continued advancement within the global rugby community.

POSITION

Tonga Rugby Union's current ratio of \$1.4: \$1 reflects a sound financial footing, showcasing its ability to meet short-term obligations with ease. With \$1.4 in current assets available for every dollar of current liabilities, TRU demonstrates a robust liquidity position, crucial for navigating the ebbs and flows of operational demands.

This ratio indicates prudent financial management, ensuring TRU can cover immediate expenses without relying heavily on external financing or risking liquidity strains. Such stability is fundamental, especially in the context of sports organizations where cash flow fluctuations are common.

However, while a current ratio above 1:1 generally signifies strength, TRU must maintain a vigilant eye on its financial health holistically. It's essential to balance liquidity with long-term financial sustainability, ensuring investments in growth initiatives and strategic planning remain feasible.

In summary, TRU's current ratio of \$1.4:\$1 speaks to its financial resilience and ability to weather short-term challenges, providing a solid foundation for continued success and growth within the rugby landscape.

LOOKING FORWARD

Tonga Rugby Union's Finance division is charting an ambitious forward plan designed to fortify the organization's financial infrastructure and forge strong partnerships with key stakeholders. At the core of this plan is the implementation of a consistently reporting system, anchored by audited accounts. This commitment to financial transparency not only ensures compliance with regulatory standards but also cultivates trust among stakeholders, laying a solid foundation for sustainable growth.

Moreover, TRU is prioritizing the availability and adherence to comprehensive finance policies. By establishing clear guidelines and procedures, the organization aims to streamline financial operations, mitigate risks, and enhance efficiency. This proactive approach to governance underscores TRU's commitment to responsible financial management and accountability.

Crucially, TRU's Finance division is actively fostering connections with a diverse array of stakeholders, including government agencies, tax authorities, and potential investors. By engaging in open dialogue and collaboration, TRU seeks to align its financial objectives with broader strategic priorities, leveraging synergies and unlocking opportunities for mutual benefit. In summary, TRU's Finance division's forward plan encompasses a multifaceted approach centered on transparency, policy adherence, and stakeholder engagement. By laying the groundwork for robust financial management and strategic partnerships, TRU is poised to navigate the complexities of the sports industry with confidence and resilience.



TRAINING & EDUCATION



TRAINING

Previously, Tonga Rugby had only three educators; however, the current roster comprises nine educators (refer to table below). In 2022, the quantity of courses conducted surpassed those held in 2023. The absence of competitive events in 2022 facilitated a streamlined focus on course delivery. In contrast, 2023 presented a distinct challenge stemming from inadequate planning by both stakeholders and the department. A notable issue arose when stakeholders became available to organize courses, yet the educators were not available to facilitate these sessions. This mismatch in availability hindered the successful execution of planned courses.

Courses Available	F2F Courses	Attendees	Certifications	Distinct Attendee...	Distinct Certifica...
10	14	141	54	45	27
The number of courses/modules available to users.	The number of face-to-face course session ran.	Total course attendance.	Number of certifications.	Distinct number of users attending courses - one user may have attended multiple courses.	Distinct number of certified users - one user may have been certified in multiple courses.

Course Detail

CourseName	Union	Venue	CourseSessionId	CourseSessionStartDate	# Attendees	# Certifications
+ Activate TOTAL					31	1
+ Conditioning for Adults (L1) TOTAL					16	2
+ Conditioning for Children (L1) TOTAL					19	3
+ Conditioning for Youths (L1) TOTAL					16	2
+ Developing your Coaching (L2 15s) TOTAL					10	0
+ First Aid in Rugby (L1) TOTAL					5	5
+ Get into Rugby TOTAL					15	15
+ Introduction to Coaching (L1 15s) TOTAL					17	17
+ Introduction to Leadership and Management TOTAL					5	5
+ Introduction to Match Officiating (L1) TOTAL					7	4
GRAND TOTAL					141	54

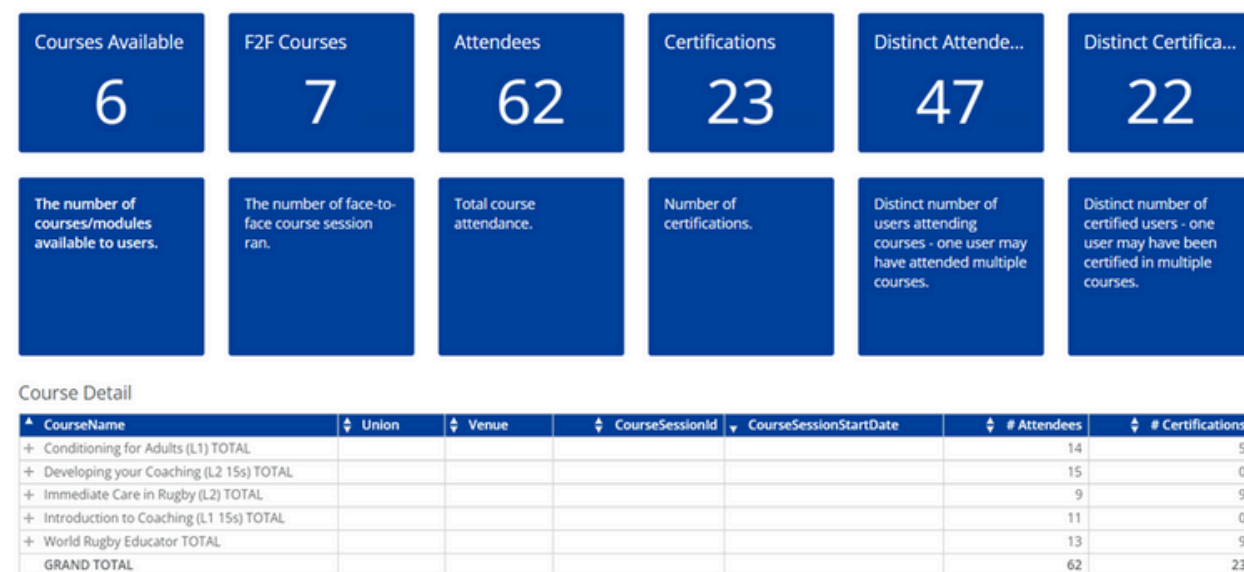


TRAINING & EDUCATION

WHAT TO DO:

The initial step involves initiating meetings with stakeholders to underscore the importance of meticulous planning, urging them to furnish a comprehensive calendar for the forthcoming year. This will enable the department to harmonize its work program in accordance with the stakeholders' calendar.

Subsequently, workshops will be conducted with educators to disseminate the calendar details and ascertain their availability for conducting courses in alignment with the established schedule. This process aims to ensure educators are well-informed and able to synchronize their availability with the outlined calendar for course delivery.



It has been identified that the current World Rugby format does not comprehensively address our diverse needs. There exists a critical requirement for coaching-the-coach courses facilitated by Tongan coaches, actively engaged in either professional or semi-professional capacities. The integration of these localized coaching initiatives with the broader World Rugby training and education courses is paramount. This integration ensures the alignment of our coaching methodologies with the objectives set forth by World Rugby while ensuring that our coaches acquire substantial and applicable knowledge.

PARTICIPATION

Primary Schools – Initially, there was a commendable and highly collaborative engagement with the Ministry of Education. A dedicated committee was instituted to oversee rugby activities within primary schools. However, challenges arose as the sports officer, instead of utilizing the committee's expertise, consistently undermines its efforts. This individual tends to prioritize personal opportunities over the collective benefits for teachers and the committee's objectives. Planned festivals kept being pushed back.



TRAINING & EDUCATION

Secondary Schools - This year witnessed a significant emphasis on participation within the realm of development, notably supporting over ten competitions both in the main island and outer islands. These initiatives encompassed groundbreaking events such as the inaugural female 15s competition, the maiden female all-local tour, and the pioneering female secondary school's competition. These milestones underscored a concerted effort towards fostering inclusivity and promoting participation, particularly among female athletes, marking a significant stride forward in the developmental landscape of Tonga Rugby.

Sub-unions - The participation of sub-unions has demonstrated remarkable strength in the later stages of the Growth and Retention framework. However, sustained efforts are required in the initial "try and play" stage. There is a prevailing lack of comprehension among clubs regarding the importance of actively involving children and women in rugby programs.

In an Endeavor to synchronize with government and church primary school competitions, a comprehensive nine-week program was instituted. This program encompassed elements of fostering healthy lifestyles alongside an introduction to rugby, engaging a total of 16 primary schools, 32 educators, and over 1000 primary school students. This initiative aimed not only to align with the educational curriculum but also to promote holistic well-being among the youth by integrating essential aspects of healthy living with the fundamentals of rugby within the school environment.

Persisting challenges persist in aligning with our stakeholders, compounded by unresolved past issues within the union that continue to impede our collaborative efforts. Educational institutions consistently prioritize education, often neglecting to plan for sporting activities and frequently making last-minute requests for support. This situation is exacerbated by the concurrent efforts of various sports seeking integration into school programs, leaving government sports officers overwhelmed with competing demands.

PARTICIPATION							
Month	TRY, PLAY(non-contact)		Stay (Contact-7s,10s,15s)		Location		
	Male	Female	Male	Female	No. of Schools	No. of Clubs	Others
Jan							
Feb				75		3	
March	306	Sep-00			16		womens xv comp
April	57	11			2		Haapai's sec schools comp. no registration
May	22	4			2		Vavau sec schools comp. no registration
June			403	329	17		secondary schools comp + community program
July	2180				45		
August		78		70		6	Combine
Sept							compiling participation from community GIR
Oct							compiling participation from community GIR
Nov	45	15			1		not yet completed
Dec							not yet completed
TOTAL	2610	362	403	474			
Total	2972		877				

This is a monthly summary of participation numbers which include festivals, competitions and single schools, communities and clubs visitation. Only new monthly participation numbers are to be captured.



TRAINING & EDUCATION

In response to these complexities, we have established a primary schools committee; however, their effectiveness is constrained by inherent limitations in their scope of action. These circumstances pose ongoing obstacles in our attempts to foster a more cohesive and synchronized approach with educational stakeholders.

WHAT TO DO:

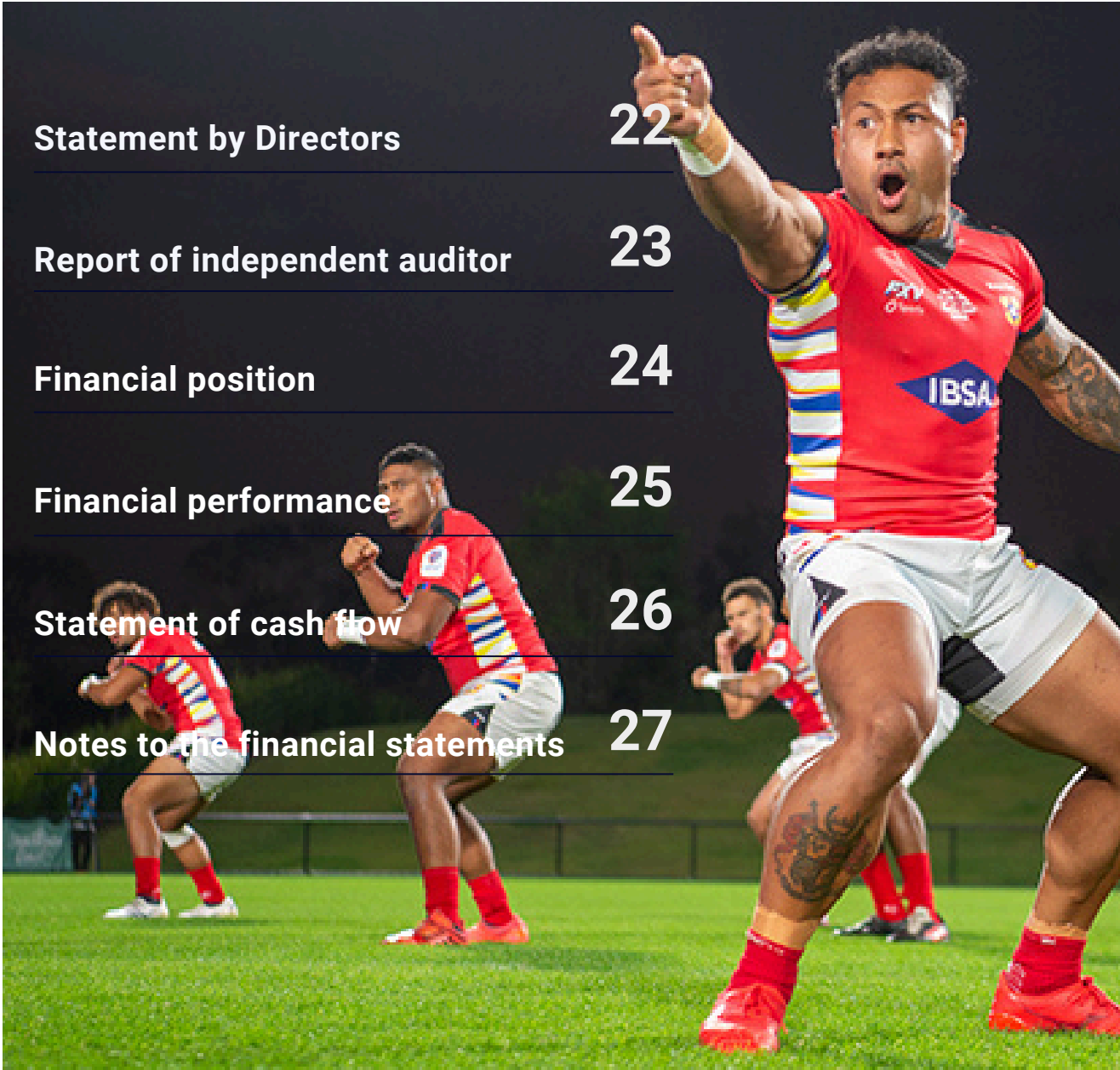
The initial step towards achieving alignment with stakeholders in terms of planning involves organizing a workshop specifically designed to assist stakeholders in mapping out their annual calendar. This workshop aims to facilitate a structured approach, enabling stakeholders to strategically plan and outline their activities throughout the year in a comprehensive manner. Stakeholders have been organizing and overseeing competitions for numerous years. To fortify this process, the Development department is instituting policies around the competitions it supports, with a primary focus on prioritizing player welfare. As a critical measure, it is imperative to have trained personnel present at each competition, adept in implementing Injured and Concussed Identification and Removal protocols. These protocols are integral in safeguarding the well-being of players, ensuring a safer and more responsibly conducted competitive environment.





AUDITED FINANCIAL REPORT

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STATEMENT BY DIRECTORS


We are responsible for the preparation of Tonga Rugby Union Incorporated's (TRU) financial statements and for the judgments made in them.

We are responsible that the finances of the TRU are administered and maintained to international accounting practices.

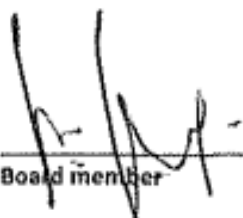
We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, the accompanying financial statements fairly reflect the financial position and operations of Tonga Rugby Union Incorporated for the year ended 31 December 2023.

Dated at Nuku'alofa, Tonga this *14th* day of *May*, 2024.
Signed on behalf of the Board



Board member



Board member

FINANCIAL REPORT

STATEMENT BY DIRECTORS TO THE CHAIRMAN

REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the financial statements of Tonga Rugby Union Incorporated on pages 27 to 31, which comprise the statement of financial position as at 31 December 2023, the statement of surplus or deficit and other comprehensive revenue and expense, and notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements in accordance with the requirements of the International Accounting Practices that give a true and fair view of the matters to which they relate, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to conduct an audit of the TRU's financial statements in accordance with International Standards on Auditing and to issue an auditor's report.

However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the TRU.

BASIS FOR DISCLAIMER OF OPINION

The Financial Statements were not prepared in accordance with the International Accounting Practices. The TRU did not have supporting documents or audit evidence to prove the financial statements are free from material misstatement. We were unable to satisfy ourselves by alternative means concerning the Financial Statements submitted by the TRU. As a result of these matters, we were unable to obtain reasonable assurance that the financial statements were free from material misstatement.

DISCLAIMER OF OPINION

We do not express an opinion on the accompanying financial statements of the Tonga Rugby Union. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

14 May 2024
Nuku'alofa, Tonga


'Uta'atu & Associates
'Uta'atu & Associates
Certified Public Accountants
Christine M. 'Uta'atu, CPA
Managing Director

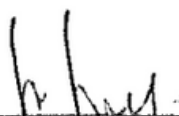


FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023	2022
Asset			
Current Asset			
Cash at Bank	4	18,126	16,199
Account Receivable		20,000	-
Petty Cash Fund		500	-
Prepayment	5	45,769	-
Total Current Asset		84,395	16,199
Non-Current Asset			
Property, plant and equipment	6	169,959	32,167
Total Non-Current Asset		169,959	32,167
Total Asset		254,354	48,366
Liabilities			
Current Liabilities			
Account Payable		197,149	-
Other Payable	8	36,580	-
Total Current Liabilities		233,729	-
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		233,729	-
Net Asset		20,625	48,366
Accumulated funds			
Accumulated surplus		48,366	120,455
Deficits for the year		(27,741)	(72,089)
Total Accumulated funds		20,625	48,366


Board member


Board member

The notes on page 27 to 31 are an integral part of these financial statements.



FINANCIAL REPORT

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Note</i>	2023	2022
Revenue			
Government of Tonga Grants	9 (a)	1,401,367	622,249
World Rugby Grants	9 (b)	4,030,128	1,684,662
Oceania Grant		134,309	-
Sponsorship Revenue	9 (c)	177,703	222,581
Rise Rugby	9 (d)	189,130	77,972
Other Income	9 (e)	346,828	114,387
Total revenue		6,279,465	2,721,851
Expenses			
Administration and Operation Costs	10	804,412	503,437
Team Expenses	11	4,750,856	1,780,627
Personnel Expenses	12	728,354	500,774
Board of Directors	13	20,801	6,304
Finance	14	2,783	2,798
Total expenses		6,307,206	2,793,940
(Deficit) / surplus		(27,741)	(72,089)
Other comprehensive revenue and (expense)			
Other comprehensive revenue and (expense)		-	-
Total other comprehensive revenue and (expense)		-	-
Total comprehensive revenue and (expense)		(27,741)	(72,089)

The notes on page 27 to 31 are an integral part of these financial statements



FINANCIAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
Operating Activities			
Receipts from customers		6,259,464	2,721,850
Payments to suppliers and employees		(5,774,989)	(2,785,780)
		(326,554)	
Net Cash Flows from Operating Activities		157,921	(63,930)
Investing Activities			
Payment for property, plant and equipment		(150,798)	-
Payment for WB		(2,413)	
Net Cash Flows from Investing Activities		(153,211)	-
Financing Activities			
Other cash items from financing activities		(2,783)	(2,798)
Net Cash Flows from Financing Activities		(2,783)	(2,798)
Net Cash Flows		1,927	(66,728)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		16,199	82,927
Net change in cash for period		1,927	(66,728)
Cash and cash equivalents at end of period		18,126	16,199
		-	-

The notes on page 27 to 31 are an integral part of these financial statements



NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1. Reporting entity

The Tonga Rugby Union Incorporated is incorporated under the Incorporated Societies Act and succeeds the Tonga Football Incorporated as the exclusive governing authority of the game of rugby union in the Kingdom, and also is the affiliated member of the World Rugby Board.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Tonga Rugby Union Constitution 2013 and the Tongan Rugby Union Incorporated Financial Accounting Policies & Procedures Manual June 2014.

The financial statements were authorized for issue by the Board on 14th May 2024.

(b) Basis of measurement

In refutation to Note 2(a) above, Tonga Rugby Union Incorporated has elected to apply a simple format reporting - Cash basis. All transactions are reported using the cash basis of accounting. The annual report is prepared from bank statements under the assumption that all revenue and expenditures were recorded at the time of cash payment.

(c) Functional and presentation currency

The financial statements are presented in Tongan Pa'anga (T\$), which is TRU's functional currency. All amounts have been rounded to the nearest Pa'anga.

(d) Cash and Cash Equivalents

Cash and Cash Equivalents comprises Cash Balances as the Bank and on hand at balance date.

(e) Comparative Information

Comparative information has been stated and/or formatted with the current year's amounts.

(f) Income Tax

TRU is exempted from Income Tax.

(g) Donation and Other Income

The Income from donated funds were recognized as Income as these funds were received.

3. Commencement

Tonga Rugby Union Incorporated (TRU) was established by the Tonga Rugby Union Authority Ordinance 2010. TRU incorporated was established on 1st January 2012.

FINANCIAL REPORT

NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

4. Cash at Bank	2023	2022
General Account	9,638	5,909
Rise Rugby Account	6,235	10,290
ANZ Card Account	2,253	-
	18,126	16,199

5. Prepayment		
Travel Insurance	45,769	-
	45,769	-

6. Property, Plant and Equipment					
	Gym&Rugby Equipment TOP	Motor Vehicle TOP	Office Equipment TOP	Work in Progress TOP	TOTAL TOP
At 31 December 2021					
Cost	-	-	42,889	-	42,889
Accumulated Depreciation	-	-	(5,361)	-	(5,361)
Net Book Amount	-	-	37,528	-	37,528
Year ended 31 December 2022					
Opening net book amount	-	-	37,528	-	37,528
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Transfer	-	-	-	-	-
Depreciation for the year	-	-	(5,361)	-	(5,361)
Closing net book amount	-	-	32,167	-	32,167
Year ended 31 December 2023					
Opening net book amount	-	-	32,167	-	32,167
Additions	108,759	15,000	27,039	2,413	153,211
Disposal	-	-	-	-	-
Transfer	-	-	-	-	-
Depreciation for the year	(6,166)	(1,563)	(7,690)	-	(15,419)
Closing net book amount	102,593	13,437	51,516	2,413	169,959
At 31 December 2023					
Cost	108,759	15,000	69,928	2,413	196,100
Accumulated Depreciation	(6,166)	(1,563)	(18,412)	-	(26,141)
Net Book Amount	102,593	13,437	51,516	2,413	169,959

8. Other Payable	2023	2022
Quick Rip Fund	8,540	-
WC Rate Card	14,952	-
Peter Harding - Laptop	3,863	-
Salary-Peter Harding	9,225	-
	36,580	-



FINANCIAL REPORT

NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

9. Revenue

	2023	2022
(a) Government of Tonga Grants		
Ikale Tahi	1,276,302	622,249
Women Rugby	12,000	-
Seven	113,065	-
	1,401,367	622,249
(b) World Rugby Grants		
Development Fund	784,644	104,127
High Performance Fund	3,245,484	1,580,535
	4,030,128	1,684,662
(c) Sponsorship Revenue		
Japan Rugby Infrastructure	2,413	-
Fexco Limited-Ikale Tahi	153,290	-
Waste Authority	2,000	-
Tanoa Hotel	20,000	-
Undefined sponsor	-	222,581
	177,703	222,581
(d) Rise Rugby		
Rise Rugby	189,130	77,972
	189,130	77,972
(e) Other Income		
Ticket Sales	267,462	114,387
Jersey Sales	8,325	-
Others	71,041	-
	346,828	114,387
	6,145,156	2,721,851

10. Administration and Operation Cost

Hire Expenses	282,936	117,858
Repair Vehicle	3,448	603
Communication Cost	2,507	21,179
Rent Expenses	57,960	57,572
Advertisement	3,393	363
Depreciation	15,419	5,361
Stationery	30,263	21,659
Fuel	2,200	714
Repair & Maintenance - Teufaiva Stadium	99,862	36,335
Donation	1,000	571
Legal Expenses	8,400	-
Public Relation	29,911	19,207
Internet Expenses	11,230	246
Store Material	59,544	18,220
Other Sundry	53,923	29,948
Licence & Subscription Software	122,316	173,601
Support Equipment & Tools	13,777	-
Electricity	6,323	-
	804,412	503,437



FINANCIAL REPORT

NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

11. Team Expenses	2023	2022
Players Allowance	1,069,794	483,608
Contractors	898,698	679,419
Accommodation	1,040,481	231,460
Fares	751,399	211,552
Rugby Kits	373,161	91,858
Visa Application Fees	23,766	13,158
Medical Supplies	72,758	6,466
Other Team Cost	179,334	63,106
Insurance	341,465	-
	4,750,856	1,780,627
12. Personnel Expenses	728,354	500,774
	728,354	500,774
13. Board of Directors	20,801	6,304
	20,801	6,304
14. Finance Expenses		
Bank Fees (Maintenance)	2,783	2,798
	2,783	2,798
15 IRB/TRU ANZ Bank Accounts		

The IRB makes Grants to the TRU in respect of Development and Administration (Development Trust Grant) and also for High Performance and High Performance Strategic Investments. Such funds are not paid direct to the TRU in the first instance but into bank accounts maintained at the ANZ Bank in Tonga. These bank accounts are under the control of the IRB and the External Accounting Service Provider (EASP).

These bank accounts are not brought to account in the books of the TRU as the accounts are not held in the name of the TRU and the TRU does not have control over the accounts. However as and when payments are made from those accounts in relation to approved budget expenditure in the areas of HP and Development covered under the Grant Agreements between IRB and TRU, those funds at that point become funds of the TRU and the related expenditures are then taken up in the books of the TRU with a corresponding entry to Revenue.

As of 31st December 2023, the remaining balance in these accounts are as follow:

	2023	2022
	TOP\$	TOP\$
High Performances Account	92,383	392,786
Development Account	152,769	644,268
Infrastructure Account	176,624	27,369
TOTAL	421,776	1,064,423



NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

16 Related party disclosures

(a) Board members

Directors fees of \$20,801 (2022: \$6,304) was paid during the year and the directors in office during the financial year are as follows.

The Directors in office during the financial year were as follows:

1. Hon. Hu'akavameiliku (Chairman)
2. Manu Mataele
3. 'Aisea ' Aholelei
4. Maluafisi Falekaono
5. Tomifa Paea
6. Sione Siotonu Fakahua
7. Viliami Finau



TRU