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A.B.N. 41 009 570 030



## BRONCOS BRISBANE

25 March 2014

To: ASX Company Announcements Platform

### BRISBANE BRONCOS LIMITED 2013 ANNUAL REPORT, NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM

The directors of Brisbane Broncos Limited release the following attached documents:

- 2013 Annual Financial Statements and Reports
- Notice of Annual General Meeting and Explanatory Notes
- Proxy Form for Annual General Meeting and Instructions

As advised in the enclosed Notice, the details of the Annual General Meeting of Brisbane Broncos Limited are as follows:

Date: Tuesday 29 April 2014  
Time: 10am  
Place: Broncos Leagues Club  
92 Fulcher Road  
Red Hill QLD 4059

Yours faithfully

Brisbane Broncos Limited  
Louise Lanigan  
Company Secretary

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# 2013 ANNUAL FINANCIAL STATEMENTS & REPORTS

BRISBANE BRONCOS LIMITED AND ITS CONTROLLED ENTITIES





# 2013 WINNERS

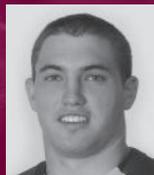
## PLAYER AWARD

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### NRL



**Player of the Year**  
Corey Parker



**Rookie of the Year**  
Corey Oates



**Best Forward**  
Corey Parker



**Best Back**  
Josh Hoffman



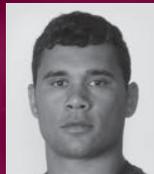
**Most Consistent**  
Corey Parker



**Play of the Year**  
Jack Reed



**Players' Player**  
Corey Parker

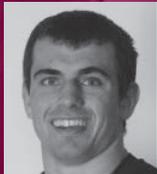


**Clubman of the Year**  
Jharal Yow Yeh



**XXXX Fan Player  
of the Year**  
Josh Hoffman

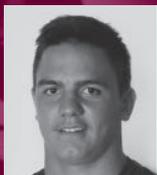
### NYC



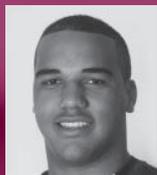
**NYC Player of the Year**  
Stephen Coombe



**NYC Best Forward**  
Francis Molo



**NYC Best Back**  
Kodi Nikorima



**NYC Players' Player**  
Ajuma Adams



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# CORPORATE INFORMATION

**A.B.N. 41 009 570 030**

## **DIRECTORS**

D M Watt (Chairman) (appointed Chairman 23 July 2013)  
K S Bickford  
J D Harvie (appointed 23 July 2013)  
A J Joseph  
D J Lockyer (appointed 30 October 2013)

## **COMPANY SECRETARY**

L A Lanigan

## **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Level 1, 92 Fulcher Road  
Red Hill Queensland 4059

## **SECURITIES REGISTER**

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001

Telephone: (within Australia) 1300 850 505; (outside Australia) +61 3 9415 4000  
Facsimile: +61 3 9473 2500  
Website: [www.computershare.com.au](http://www.computershare.com.au)

Brisbane Broncos Limited shares are listed on the Australian Securities Exchange.

## **SOLICITORS**

Creagh Weightman  
Level 1, 179 Mary Street  
Brisbane Queensland 4000

## **BANKERS**

Queensland Country Credit Union  
85 Patrick Street  
Aitkenvale Queensland 4814

## **AUDITORS**

Ernst & Young  
111 Eagle Street  
Brisbane Queensland 4000



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# YEAR IN REVIEW

## FINANCIAL PERFORMANCE

The Brisbane Broncos Limited and its Controlled Entities ("the Group") achieved a profit before tax for the financial year ended 31 December 2013 of \$3,005,000 (2012: \$3,174,000), down 5.3% on the previous year. The net profit after tax for the year decreased 5.5% to \$2,032,000 (2012: \$2,150,000).

Total revenues increased by 6.4% from \$32.9 million to \$35.0 million. Expenditure increased by \$2.3 million to \$32.0 million.

The Board has approved a fully franked dividend payment of half of one cent per share (2012: 1.75 cents).

Revenue was boosted by the first full year of grants flowing from the NRL's media rights agreement. Increased costs included higher player salaries in line with the increased salary cap; consolidating in-house membership and also football department re-structuring costs.

Traditional revenue streams (excluding the grant) fell by 0.5% with Corporate Sales and Game Day revenues negatively impacted by the scheduling of two Monday night home games and a Thursday night game during the 2013 season. Home game attendance was down 6.1% on last year, averaging 30,258 (2012: 32,235) reflecting lower casual gate attendance for the three games. The 2014 season draw released to date does not include any Monday night home games and this should result in higher average game attendance in the coming year.

Membership numbers increased to 26,366 (2012: 26,216). Ticketed membership numbers grew to 18,326 (2012: 18,103). The growth in Membership revenue offsets the shortfall in gate takings for the 2013 season. The in-house membership department is now well established. The team is working well and has received positive feedback via an NRL survey conducted during the year which showed our member satisfaction level had increased. We are also seeing the benefit of the initiative through increased membership sales with 2014 numbers tracking well up on sales for the same period last year.

Sponsorship revenues strengthened with 3.3% growth on the prior year inclusive of website and Broncos TV Insider sponsorship. Sponsorship renewals included our Principal sponsor, NRMA Insurance, and Premier sponsors, Sportingbet, Coca-Cola Amatil and Arrow Energy.

Our merchandise operation, now in its second full year as an in-house venture, generated \$0.3 million more in trading revenue during the financial year, with sales boosted by the success of the 25-year memorabilia and Heritage jersey. Non-trading merchandise revenues dropped marginally with royalty shortfalls related to a reduced consumer demand for player kit due to missing the finals.

Interest revenue decreased by 8.8% to \$0.7 million (2012: \$0.8 million) due to a reduction in average interest rates despite a higher average principal amount being invested.

## OPERATIONS

### Brisbane Broncos Rugby League Football Team

The NRMA Insurance Brisbane Broncos NRL team has a proud history which was celebrated during the year at the 25th Anniversary Gala Dinner and Banquet Auction. The milestone was marked with the naming of our 25-year grand final team with Wayne Bennett named as Coach and Allan Langer as Captain.

The on-field performance of the 2013 team did not reach the benchmark set in the past and we failed to make the finals for only the second time since 1992. Our ten NRL wins for the season was the worst result in our history. The loss of four crucial games by a total of four points cost us dearly. It was a tough year and the club completed a full review of performance, structure and people.

The review resulted in a number of changes to our staff, which included bringing a number of new professionals into the organisation. The Board and management are confident that decisions made will help ensure that we achieve both short-term improved performance while building a solid foundation for the future.

While our players were disappointed with their on-field results, their off-field commitment to the community has continued to remain very strong. Particular credit needs to go to those players with long-term injuries, including Jharal Yow Yeh who embraced his community work with the same commitment he has brought to his playing career as a strike player for the Broncos, the Queensland State of Origin and the Australian teams. Overall, our players and staff completed more than 8,000 hours of community work.

## YEAR IN REVIEW (CONTINUED)

### OPERATIONS (CONTINUED)

#### National Youth Competition (NYC) Under 20 Team

The team enjoyed success this season in making the finals and were unlucky to be knocked out in the first round. In common with many clubs, we see selection in the NYC team as a part of the player development process. The 2013 NYC side was one of the youngest in the competition and 23 of those players will be eligible to play NYC again in 2014. We have been rewarded with our investment in young players with 14 of our 2013 Elite Player Development programme cohort joining the 2014 NYC team.

#### Development

The Broncos' commitment to the Intrust Super Cup, junior rugby league and junior development has continued in 2013. Supporting and promoting this development path is at the core of our football department's philosophy and is vital to the ongoing health of our game.

The Broncos have continued partnerships with Intrust Super Cup clubs Redcliffe, Wynnum, Norths, Central Queensland and Ipswich.

The club has development officers based at South Brisbane (Michael Hancock), North-West Brisbane, East Brisbane (Michael De Vere), Brisbane North (Fletcher Holmes), Gympie/South Burnett (Darren Burns) and Brisbane West (Simona Vavega). The Broncos appreciate the support of Greenbank RSL, Arana RLFC, Carina Leagues Club, Aspley Leagues Club, Gympie Junior Rugby League, the Wests Seniors Rugby League Football Club and all levels of Government.

#### Supporting rugby league

The club once again joined with the Former Origin Greats organisation (FOGS) in conducting its regional dinner programme in support of the Queensland rugby league community. Four functions were held during the year in association with local clubs in Ipswich, Rockhampton, Gladstone and Toowoomba, lifting the profile of the local league community and raising a total of \$14,123 to support junior rugby league.

In addition to the regional dinner programme, the Broncos game development department conducted regional tours to Atherton, Bundaberg, Cairns, Clermont, Dalby, Emerald, Gladstone, Gold Coast, Gympie, Hervey Bay, Mackay, Middlemount, Moranbah, Moura, Muswellbrook, Rockhampton, St George, Singleton, South Burnett, Sunshine Coast, Toowoomba, Warwick, Wide Bay and Weipa.

#### Broncos Insider

Broncos Insider, the 30 minute lifestyle/club information programme produced by the club, was first aired in 2012 on Channel Nine in Brisbane. The programme was run for 12 episodes in 2013 and once again enjoyed commercial and ratings success.

#### High performance centre

In November 2013, the Board approved the development of a high performance and administration facility after having received confirmation from the State Government of the intended granting of a 99-year lease of the land adjacent to the current licensed club in Fulcher Road. The land will be leased directly to our landlord, the 50,000 member Brisbane Broncos Leagues Club, which will in turn sublet it to Brisbane Broncos Limited. The facility is considered a 'stay in business' investment as our existing football department building, gym and training fields, whilst 'fit for purpose,' are falling behind the facilities and amenities of many of our competitors. In addition to the needs of our football department our administration and commercial functions have also outgrown their current operating space, impacting longer term growth and operating efficiency. The new facility will allow for the first time both the football and administration operations to be housed together within the one building.

The Board has appointed Brisbane based architects, Populous, who bring internationally recognised expertise in designing and building elite sports training facilities to the project, along with DMA Partners who will act as our development and project managers.

The project is planned for completion before the start of the 2016 NRL season. The Federal Government has also committed \$5 million towards the project and the Board is exploring other avenues for funding assistance. It is expected that the Company will require borrowings to fund the project's completion. The Board expresses its gratitude to both the State and Federal Governments for helping not only ensure the success of the project but also through their commitments recognising the positive impact the Broncos have on the wider community.

# YEAR IN REVIEW

## OPERATIONS (CONTINUED)

### High performance centre (continued)

The new development will incur incremental operating costs for maintaining and running a larger facility and incremental depreciation in addition to interest costs (both foregone and new expense). The Board expects that opportunities to commercialise the new facility will partially offset these additional costs.

### Capital management

The Board has considered the Company's capital structure in relation to the possible funding requirements of the new high performance and administration centre and believes that even though borrowings may be required a dividend payout ratio of approximately 24% is appropriate in the short term.

## BOARD OF DIRECTORS, MANAGEMENT AND STAFF

Individual director details are listed in the Directors' Report and Notes to the Financial Statements in this publication.

During the year, Lawrence Brindle retired as Chairman and director after serving four and a half years with the club, the last two and a half years as Chairman. The Board sincerely thanks Mr Brindle for his significant and selfless contribution to the Brisbane Broncos and we wish him well in his future endeavours. Joining the Board during the financial year are two new directors, Jeff Harvie and Darren Lockyer. The Board welcomes the new directors and thanks them for bringing their expertise and their commitment to the Company.

The Board recognises the dedicated efforts of the executive management team led by Chief Executive Officer, Mr Paul White; Terry Reader, our General Manager Marketing and Commercial Operations, the football department led by Anthony Griffin (Head Coach) and Andrew Gee (General Manager Football Operations); Chief Financial Officer, Shirley Moro and Salary Cap Manager and Company Secretary, Louise Lanigan.

The Board also believes that we are very fortunate to have an outstanding team of employees who are at least the equal of any other sporting business in the country. Along with executive management, they help ensure that the capability of the organisation remains at a very high level.

## THE YEAR AHEAD

The Brisbane Broncos Limited Board is confident our management, staff and players will continue to maintain the standards and values that the Company has developed over the past 25 years of its operation. The Company has implemented a performance management system that identifies individual KPI's for all staff and these are linked to overall Company targets. Now in its third year, the performance management system is providing the direct link between current year performance and the long term strategic goals of the business. The Company's five-year strategic plan has been reviewed and updated by the Board and management prior to the budget planning and performance target cycle for the upcoming year.

The Company is working with the NRL to establish the foundations to help grow the whole of game. Management have participated in a number of NRL-facilitated committees during the year to contribute to this goal.

The revenues generated by the sale of media rights rely on the high ratings generated by clubs with significant supporter bases and as the Brisbane Broncos have the highest support base in the game it is important for the game as a whole that we continue to grow our following. The majority of our games have been scheduled for and will be telecast live on Friday nights. Free To Air partner, Nine Network, has stated that the amount paid for their broadcast rights depended upon the Brisbane Broncos being telecast live on Friday nights.

A focus for our Membership team in the year ahead is to convert multi-game casual attendees to full season members, in addition to maintaining our existing ticketed membership base.

The year ahead will see the renegotiation and renewal of the Suncorp Stadium hiring agreement. The existing 10-year agreement is due for review and renewal at the end of the season. Notification has been given to State government of our intention to re-negotiate. As with all clubs and stadium agreements, the Broncos will have the full support and involvement of the NRL.

In what was a very tough year on the field, the Brisbane Broncos can reflect with gratitude on a heartening level of continued support from members, fans, supporters and our sponsorship family led by our 2014 naming rights sponsor NRMA Insurance.

## YEAR IN REVIEW (CONTINUED)

### THE YEAR AHEAD (CONTINUED)

That on-going and unrelenting support adds to the historic resilience and the determination within the Broncos organisation to live up to the highest standards in 2014 and the years ahead.

On behalf of the Board



**Dennis Watt**  
Chairman  
19 February 2014



# SPONSOR OVERVIEW

Although the difficult economic climate continued to provide a challenging environment for the Australian sports sponsorship industry in 2013, the Brisbane Broncos again enjoyed extremely positive results.

The Broncos sponsorship programme generates the highest levels in the NRL, with growth of 3.3% compared with 2012, inclusive of website and Broncos Insider sponsorship.

The first full year of Firstmac's Premier category partnership with the club, in which they hold the sleeve branding position on our NRL playing jersey, was a key platform to our continued growth.

They were joined in the Premier category by continuing sponsors XXXX, Nike, Sportingbet, Arrow Energy and Coca-Cola Amatil, with NRMA Insurance again as our Principal Partner.

In the Platinum Category, the addition of first-time sponsors Brisclean and Hyundai along with the renewal of Nova 106.9 radio station in an enhanced agreement and the Broncos Leagues Club and were key pillars of our 2013 success. Other major new partners included News Queensland and Deadly Choices, both in the Associate Sponsor category.

Moving forward, continued uncertainty in the Australian economy is again likely to make for a challenging market in 2014. However, despite a season that fell short of expectations on-field, the Broncos continue to offer an outstanding brand and engagement opportunity for potential commercial partners.

The strength of our brand and popularity of our club, the wide variety of high-quality sponsorship platforms that we can offer and the value that comes through our regular free-to-air television exposure should all provide a level of confidence that the Broncos' sponsorship revenue will continue to grow in the future.

As always, we would like to take this opportunity to thank all of our partners for their loyal support and continued dedication to our club and brand, in particular, Principal sponsor NRMA Insurance who have renewed for a further three years. Thank you also to Premier sponsors, Sportingbet, Coca-Cola Amatil and Arrow Energy, who have also renewed during the year. Finally, we welcome to the Broncos sponsorship family, Pirtek who come on board as a Premier sponsor in 2014.

## 2013 PRINCIPAL SPONSOR

**NRMA Insurance** - part of one of Australia's largest general insurance groups Insurance Australia Group (IAG). As a provider of Motor, Home and a number of other insurance products, they are committed to ensuring Queenslanders can get on with their lives.



## 2013 PREMIER SPONSORS

**XXXX** - Queensland's favourite beer is proud to continue its 20 year partnership with the Brisbane Broncos as a Premier Sponsor. The partnership enables the two celebrated icons to unite as Queensland's most favoured identities.



**Nike** - sharing strong and common brand values as market leaders, in 1996 the Broncos established a partnership with Nike as our exclusive apparel, accessory and equipment sponsor. Our close working relationship has allowed for many new and exciting Nike product innovations on the football field and beyond.



**Firstmac** - Firstmac is a wholly Australian-owned financial institution with over 30 years' experience in home and investment loans. It has a range of financial products including general insurance and term deposits. Firstmac manages \$5 billion in mortgages and \$150 million in cash investments through offices in Sydney, Melbourne, Brisbane, the Gold Coast and Singapore.



**Sportingbet** - is one of the world's most well-known online gaming operators. Founded in 1998 they have been listed on the London Stock Exchange since 2001. With over two million customers in 30 markets across Europe, Australia, Canada, South America and South Africa, Sportingbet now offer more than 8,000 different betting opportunities every single day. Sportingbet became the Brisbane Broncos' back of jersey apparel sponsor in 2010.



**Arrow Energy** - Arrow Energy is an integrated coal seam gas company safely and sustainably delivering a world class coal seam gas to liquefied natural gas project.



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## SPONSOR OVERVIEW (CONTINUED)

**Coca Cola** - Coca-Cola Amatil is Australia's largest premium branded beverage and food company and one of the top five Coca-Cola bottlers in the world. A proud partner of the Brisbane Broncos since inception of the club in 1988, Coke is the longest serving major sponsor of the Brisbane Broncos. Major brands like Powerade, Coke Zero and Mount Franklin Spring Water hydrate the Broncos and their fans every day.



### BRONCOS SPONSORSHIP HIERARCHY 2013



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# DIRECTORS' REPORT

Your directors submit their report for the year ended 31 December 2013.

## DIRECTORS

The names and details of Brisbane Broncos Limited's (the Company) directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### Names, qualifications, experience and special responsibilities

**Dennis Michael Watt**  
Non-Executive Chairman  
(Appointed Chairman  
23 July 2013)

Mr Watt was appointed as Chairman on 23 July 2013 and has previously been a director since 11 February 2003. Mr Watt, a News Corporation Australia employee, is the former General Manager of Rugby League for News Limited (2010-2013). His previous career was in print media, as the former General Manager of Queensland Newspapers, publishing The Courier-Mail and The Sunday Mail. Mr Watt had earlier been General Manager of Quest Community Newspapers, publishing 20 newspapers across Brisbane and the Sunshine Coast. Mr Watt is a member of the Australian Institute of Company Directors.

**Katie Skye Bickford**  
Non-Executive Director  
Independent

Mrs Bickford was appointed as a director on 23 May 2011. Mrs Bickford has more than 24 years' experience in executive management across both public and private sectors. Her experience includes advising on strategy and business development, stakeholder and business engagement, risk and reputation management, strategic positioning, brand marketing and change management. Mrs Bickford is also a director of the Brisbane Transport Board and holds an executive advisory role with the John Holland Group. Mrs Bickford has held board roles in the past, the most recent, as director on the Australian Baseball Federation (ABF) Board, a position she held for more than seven years. Sport has been part of Mrs Bickford's life. For more than 17 years she was an accredited equestrian coach, judge and competitor at national and international level. Mrs Bickford is an Australian Institute of Management Fellow and member of the Australian Institute of Company Directors.

**Anthony John Joseph**  
Non-Executive Director  
Independent

Mr Joseph was appointed as a director on 22 February 2011. Mr Joseph is a director of a number of private companies and is Managing Director of Alfred E Chave Pty Ltd. He is Chairman of Brisbane Markets Limited and Vice Chairman of Brismark (Brisbane Markets Wholesale Members Organisation). Mr Joseph has been involved on a number of government committees and reviews of the marketing sector and has served on the Queensland State Government Horticultural Industrial Development Council. Mr Joseph has been passionately involved in Queensland Rugby League since the Brisbane Broncos formed in 1988, currently serving as a committee member of the Men of League (Queensland) and was previously a committee member of the Queensland Surf Lifesaving Foundation.

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## DIRECTORS' REPORT (CONTINUED)

**Jeffery David Harvie**  
Non-Executive Director  
(Appointed 23 July 2013)

Mr Harvie was appointed as a director on 23 July 2013 and Chairman of the Audit and Risk Management Committee on 8 August 2013. Mr Harvie works for News Corporation Australia as General Manager Finance Qld. He is responsible for the financial management of publishing operations across Queensland which includes the Courier Mail, Sunday Mail, Gold Coast Bulletin, Townsville Bulletin, Cairns Post and numerous other publications and websites. Mr Harvie has more than 25 years working in finance and accounting in both the private and public sectors, of which the past 14 years has been as divisional CFO in some of Australia's largest media companies. Previously Mr Harvie has also lived and worked in both New Zealand and the United Kingdom, as well as working across operations in a number of countries across Asia. Mr Harvie gained a Bachelor of Business degree from Massey University in New Zealand, completing his accounting studies at UTS in Sydney and has subsequently undertaken a number of management courses with AGSM. He has been a qualified CPA for over 20 years, is a member of Australian Institute of Company Directors and is a registered Commissioner of Declarations.

**Darren James Lockyer**  
Non-Executive Director  
(Appointed 30 October 2013)

Mr Lockyer was appointed as a director on 30 October 2013. Mr Lockyer's credentials as a rugby league player are unprecedented. He is the most capped Australian, Queensland and Brisbane Broncos player. He captained the club for seven years from 2005 to 2011, and remains the longest serving player in Broncos' history. Throughout his career, Mr Lockyer continuously engaged with the club's stakeholders, staff, members and supporters. His appointment to the Board will enable him to have a greater involvement in the delivery of key variables to the club's loyal supporter base. Since retiring from rugby league in 2011, Mr Lockyer has established himself as a successful sports commentator, has worked as an ambassador for several large corporate entities, and has pursued a number of personal business interests. These post-career undertakings have provided him with relevant expertise which in addition to his invaluable rugby league insight will be of significant benefit to the Brisbane Broncos.

**Lawrence George Brindle**  
Non-Executive Chairman  
(Retired as Chairman 23 July 2013 and as Director 8 August 2013)

Mr Brindle was appointed as a director on 26 February 2008. Mr Brindle was elected Chairman of Brisbane Broncos Limited on 22 February 2011 and has retired effective 23 July 2013. Mr Brindle retired as director and as Chairman of the Audit and Risk Management Committee on 8 August 2013. Mr Brindle formerly held the position of director of the Company (previously Pacific Sports Entertainment Limited) from 31 January 1996 to 16 November 1998. He was the Finance Director of the Queensland Press Group from 20 December 1990 until 31 December 2009. Formerly a director of the Australian Stockman's Hall of Fame and Outback Heritage Centre, the North Queensland Cowboys Rugby League Football Limited and The Big Pineapple

### COMPANY SECRETARY

**Louise Anna Lanigan**  
Company Secretary

Ms Lanigan was appointed Company Secretary and Chief Financial Officer on 3 July 2000. On 28 April 2011, Ms Lanigan resigned as Chief Financial Officer and continues in her new dual role as Salary Cap Manager and Company Secretary. Ms Lanigan has been a Chartered Accountant for 20 years. Prior to holding these positions she was Group Financial Controller of an ASX listed company for two years and worked in the Chartered Accounting industry for eight years.

### Interests in the shares and options of the company and related bodies corporate

As at the date of this report, one director holds shares in the Company as disclosed in note 25 to the financial statements. There were no options in the Company issued as at the date of this report.

## DIRECTORS' REPORT (CONTINUED)

### EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	2.07 cents
Diluted Earnings Per Share	2.07 cents

### DIVIDENDS

On 19 February 2014, the Board of Directors declared a final dividend of half of one cent per share franked to 100% at the 30% corporate income tax rate to the holders of fully paid ordinary shares for the financial year ended 31 December 2013. The financial effect of this dividend has not been brought into account in the financial statements for the year ended 31 December 2013 and will be recognised in the subsequent financial report.

On April 16 2013, a 2012 final dividend of one and three quarter cents per share franked to 100% at the 30% corporate income tax rate was paid to shareholders totalling \$1,715,712. This dividend was shown as declared but unrecognised in the 2012 financial report. Refer to note 8 to the financial statements for further details.

### PRINCIPAL ACTIVITIES

The principal activity of the Brisbane Broncos Group ("the Group") during the 2013 financial year was the management and operation of the Brisbane Broncos Rugby League Football Team ("the Broncos"). There were no significant changes in the nature of those activities during the year.

### OPERATING AND FINANCIAL REVIEW

#### Operating results for the year

The Group recorded a 5.5% decrease in profits after tax for the 31 December 2013 financial year to \$2,032,000 (2012: \$2,150,000). Profits before tax for the 2013 and 2012 financial years were \$3,005,000 and \$3,174,000 respectively.

As a result of the continued financial success and the strong cash position of the Group, the Board are pleased to announce a dividend of half of one cent per share, such dividend to be 100% franked to holders of fully paid ordinary shares.

#### Review of operations

##### Revenue

The Group recorded gross revenue for the 2013 financial year of \$34,990,195 which is a 6.4% increase on 2012.

Revenue was boosted by the first full year of grants flowing from the NRL's media rights agreement. Traditional revenue streams (excluding the grant) fell by 0.5% with Corporate Sales and Game Day revenues negatively impacted by the scheduling of two Monday night home games and a Thursday night game during the 2013 season. Home game attendance was down 6.1% on last year, averaging 30,258 (2012: 32,235) reflecting lower casual gate attendance for the three games.

Membership numbers increased to 26,366 (2012: 26,216). Ticketed membership numbers grew to 18,326 (2012: 18,103). Sponsorship revenues strengthened with 3.3% growth on the prior year inclusive of website and Broncos TV Insider sponsorship. Our merchandise operation, generated \$0.3 million more in trading revenue during the financial year, with sales boosted by the success of the 25-year memorabilia and Heritage jersey. Non-trading merchandise revenues dropped marginally with royalty shortfalls related to a reduced consumer demand for player kit due to missing the finals.

Interest revenue decreased by 8.8% to \$0.7 million (2012: \$0.8 million) due to a reduction in average interest rates despite a higher average principal amount being invested.

##### Expenditure

Total Group expenditure for the 2013 year was \$31,985,195, an increase of \$2,274,419 (7.7%) over 2012. A dissection of total expenditure is listed in note 6 to the financial statements.

Increased costs included higher player salaries in line with the increased salary cap, consolidating in-house membership and also football department re-structuring costs.

## DIRECTORS' REPORT (CONTINUED)

### OPERATING AND FINANCIAL REVIEW (CONTINUED)

#### Review of operations (continued)

##### Capital Expenditure

Expenditures on capital equipment were down 31% on last year reflecting normal day to day replacement of assets. In the prior year, outlays were incurred in relation to establishing the in-house membership operation, acquisition of a merchandise van, anti-gravity running machine, new gym server, training equipment and ipad fleet for players and coaching staff.

##### Financial Position

The directors believe the Group continues to remain in a sound financial position with \$16,489,265 cash assets and \$26,963,054 net assets.

##### Performance indicators

Management and the Board monitor the Group's overall performance from a strategic level through to the operating and financial performance of the Group. They regularly compare actual results of the business to operating plans and financial budgets to assess the Group's overall ongoing performance.

The Board and management have identified key performance indicators (KPIs) that are used together with budgeted targets to measure performance. The Board receives monthly operational and financial reports to enable all directors to actively monitor the Group's performance. These reports provide an operational update of all aspects of the business and a comprehensive financial analysis of actual results compared to budgets, full year forecasts, KPIs and a detailed explanation of all variances.

##### Dynamics of the business

The Group achieved solid results in 2013 despite an unfavourable draw and a below par performance by the NRL team. Season membership and sponsorship revenue continues to grow, whilst casual gate taking revenue continues to be influenced by the vagaries of match scheduling and weather.

The 2013 financial results and the work undertaken during the year help position the Company to take advantage of opportunities from non-traditional revenue streams. The Brisbane Broncos remain the most financially successful National Rugby League franchise with the highest supporter base in the game. Your Board believes that the Company has more opportunities to achieve international sports industry best practice to grow our business organically.

Management believes they have taken appropriate steps to ensure that the Group is in a strong position to deal with current economic uncertainties and capitalise on future profit making opportunities.

##### Risk management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board addresses these issues through the Audit and Risk Management Committee. The risk identification and review process is currently being further refined by the Audit and Risk Management Committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- Annual detailed review and update of the business' 2008 strategic plan completed during the 2013 financial year, which encompasses the Group's vision, mission and strategy statements designed to meet shareholders' needs and manage business risk.
- Annual review of the Group's insurance coverage.
- Detailed review and identification of Group's risks and documentation of appropriate responses to these risks.

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## DIRECTORS' REPORT (CONTINUED)

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 19 February 2014, the Board of Directors declared a final dividend on ordinary shares in respect of the 2013 financial year. The total amount of the dividend is \$490,203 which represents half of one cent dividend franked to 100% per share. The dividend has not been provided for in the 31 December 2013 financial statements.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the directors believe that it would be likely to result in unreasonable prejudice to one or more entities in the Group. The Group expects to focus on improving its on-field performance in the NRL and grow off-field revenues and results. The longer term focus of the Group will be on the development and utilisation of the High Performance Centre.

### SHARE OPTIONS

At 31 December 2013, there were no share options granted to directors or relevant officers as part of their remuneration. There are no share options issued by the Company.

### INDEMNIFICATION AND INSURANCE OF OFFICERS AND DIRECTORS

Insurance and indemnity arrangements established in the previous year concerning officers of the Group were renewed during the 2013 financial year. Each of the directors of the Company named earlier in this report and each full-time executive officer, director and secretary of all Group entities are indemnified via insurance cover against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. The monetary limit is \$10 million for each and every claim and in the aggregate during the policy period.

### DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

Board or Committee	Number of Meetings
Full Board	9
Audit and Risk Management	2

The attendance of the directors at meetings of the Board and of its Committees was:

	Full Board	Audit & Risk Management Committee
D M Watt	8 (9)	1 (2)
K S Bickford	9 (9)	2 (2)
J D Harvie	5 (5)	1 (1)
A J Joseph	9 (9)	2 (2)
D J Lockyer	2 (2)	0 (0)
L G Brindle	6 (6)	2 (2)

Where a director did not attend all meetings of the Board or relevant committee (or was not a director for the entire year), the number of meetings for which the director was eligible to attend is shown in brackets. The Board met twice during the 2013 financial year in their capacity as the Audit and Risk Management Committee. Given the size of the Company and the Board, it had been previously resolved that the entire Board comprises the Audit and Risk Management Committee.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED)

This Remuneration Report for the year ended 31 December 2013 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the Chief Executive Officer, executive directors, senior executives, general managers and secretary of the Parent and the Group and the term 'director' refers to non-executive directors only.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Board oversight of remuneration
3. Non-executive director remuneration arrangements
4. Executive remuneration arrangements
5. Company performance and the link to remuneration
6. Executive contractual arrangements

#### 1. Individual key management personnel disclosures

Details of KMP of the Parent and Group are set out below.

##### Key Management Personnel

###### (i) Directors

D M Watt	Chairman (Non-Executive)
K S Bickford	Director (Non-Executive)
J D Harvie	Director (Non-Executive)
A J Joseph	Director (Non-Executive)
D J Lockyer	Director (Non-Executive)

###### (ii) Executive

P M White	Chief Executive Officer
A D Gee	General Manager – Football Operations
L A Lanigan	Salary Cap Manager and Company Secretary
S A Moro	Chief Financial Officer
T M Reader	General Manager – Marketing and Commercial Operations

There were no changes to KMP after reporting date and before the date the financial report was authorised for issue.

#### 2. Board oversight of remuneration

##### Remuneration Committee

Due to the small size of the Board, a separate Remuneration Committee has not been established. The Board as a whole assesses the appropriateness of the nature and the amount of remuneration of non-executive directors and executives on a periodic basis by reference to relevant employment market conditions. The overall objective of this process is to ensure maximum stakeholder benefit from the retention of a high quality, high performing Board and executive team. The Board also consider all matters relevant to the nomination of directors. The non-executive directors are responsible for evaluating the performance of the Chief Executive Officer, who in turn evaluates the performance of all other senior executives.

##### Remuneration approval process

The Board approves the remuneration arrangements for the Chief Executive Officer and other executives. The Board also sets the aggregate remuneration of non-executive directors which is then subject to shareholder approval.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### 2. Board oversight of remuneration (continued)

##### Remuneration philosophy

The performance of the Company depends on the quality of its directors and executives. Brisbane Broncos Limited's strategy is designed to attract, motivate and retain highly skilled employees and non-executive directors by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

To this end, key objectives of the Company are to ensure that its remuneration practices:

- ▶ Are aligned to the Group's business strategy;
- ▶ Offer competitive remuneration benchmarked against the external market;
- ▶ Provide a strong link between individual and Group performance and rewards;
- ▶ Incorporate annual performance reviews to ensure executives are meeting pre-determined performance benchmarks; and
- ▶ Feature an in depth recruitment programme to ensure executives with the appropriate skills and experience are employed.

##### Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

#### 3. Non-executive director remuneration arrangements

##### Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's constitution and ASX Listing Rules specify that the non-executive director fee pool shall be determined from time to time by a general meeting. An amount not exceeding the determined amount is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 13 May 2010 where shareholders approved an aggregate remuneration of \$220,000 per year. Each director receives a fixed fee for being a director of the Company. Historically the Company's annual directors' fees paid have been below this limit. The total directors' fees paid for the 2013 financial year were \$95,516.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed periodically. The Board considers fees paid to non-executive directors of comparable companies when undertaking the periodical review process.

The Board will not seek any increase for the non-executive director pool at the 2013 Annual General Meeting.

##### Structure

Effective 1 October 2011, directors received a fee increase of 3.5%. No increases were received during 2013. Accordingly each non-executive director receives an annual fee of \$20,700 plus statutory superannuation for being a director of the Company, other than the Chairman who receives \$31,050 plus statutory superannuation. The News Corporation Australia employed director received \$10,350 paid directly to his employer. The News Corporation Australia employed Chairman received \$21,467 paid directly to his employer. The non-executive directors do not receive retirement benefits nor do they participate in any incentive programme.

The remuneration of non-executive directors for the period ended 31 December 2013 and 31 December 2012 is detailed in Table 1 and 2 respectively of this report.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### 4. Executive remuneration arrangements

##### Remuneration levels and mix

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company, business unit and individual performance against budgets and targets; and
- Ensure total remuneration is competitive by market standards.

##### Structure

The non-executive directors are responsible for evaluating the performance of the Chief Executive Officer, who in turn evaluates the performance of all other senior executives. In determining the level and composition of executive remuneration, comparable executive roles and individual skill and experience are taken into consideration. The executives of the Group are subject to a formal annual performance review. The results of this performance review, the financial and/or operational performance of the Company and market conditions are all taken into consideration when determining revisions to remuneration.

The Company has a detailed customised employment contract with the Chief Executive Officer and a standard contract with other executives. Details of the Chief Executive Officer's contract are provided below. Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) for each executive is set out in Table 1 and 2 of this report.

##### Fixed remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of Company, business unit and individual performance, and relevant comparative remuneration internally and externally. The Board has access to external advice independent of management if required.

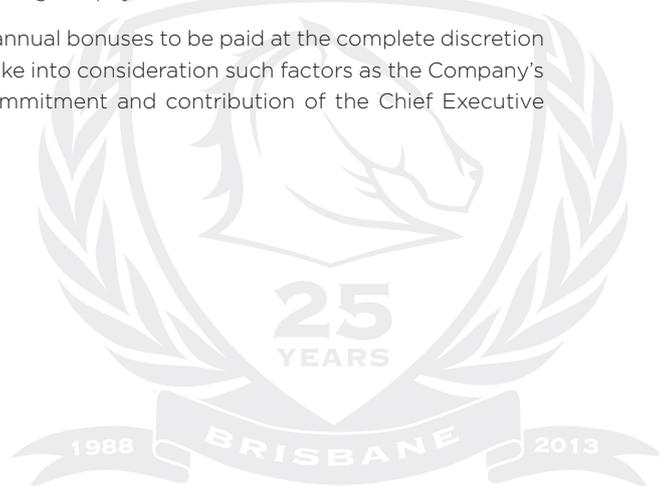
Senior managers and executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles at the discretion of the Chief Executive Officer. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. Executive contracts do not include any guaranteed base pay increases.

The fixed remuneration component of the Group and Company executives is detailed in Table 1 and 2.

##### Variable remuneration - Short Term Incentive (STI) and Long Term Incentive (LTI)

There are no formal STI or LTI payment programmes in place for senior management. Senior management may be paid annual bonuses at the Chief Executive Officer's discretion with the approval of the Board of Directors. The Chief Executive Officer considers results of performance reviews, effort, commitment, the financial and/or operational performance of the Company, and market conditions when considering the payment of bonuses.

The Chief Executive Officer's employment agreement provides for annual bonuses to be paid at the complete discretion of the Board. In considering this discretionary amount, the Board take into consideration such factors as the Company's overall financial performance, the personal efforts, dedication, commitment and contribution of the Chief Executive Officer, and the external conditions prevailing in the economy.



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## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### 5. Group Performance

Profit before tax has decreased to \$3,005,000 in 2013. The 2013 before tax profit result is a 5% decrease on the 2012 financial year. Earnings per share for the current year and the past four financial years are shown below:

Year ended	2013	2012	2011	2010	2009
Profit before tax	\$3.01 million	\$3.17 million	\$2.02 million	\$1.46 million	\$1.30 million
Earnings per share (cents)	2.07	2.19	1.39	1.00	.89
Share price	25 cents	23 cents	24.5 cents	32 cents	38 cents

The share price has moved from 23 cents at 1 January 2013 to 25 cents at 31 December 2013. The directors note that given the large shareholding of Nationwide News Pty Ltd (68.87%) and the low volume of trade, they do not necessarily consider the share price to reflect the true underlying value of the Company.

#### 6. Executive contractual arrangements

##### Chief Executive Officer

Mr Paul White's employment contract has been renewed for a three year period which expires on 31 December 2016. Prior to expiry, the Group may choose to commence negotiations to enter into a new contract with Mr White.

Details of Mr White's employment contract are as follows:

- ▶ In the first year of the renewed contract, Mr White will receive fixed remuneration of \$400,000 per annum plus statutory superannuation and a fully maintained motor vehicle.
- ▶ Mr White's salary package is reviewed annually by the Chairman and the Board of Directors and increased by at least an amount calculated in accordance with CPI and comparable market rates. The review is based on individual and Group performances, effort, commitment and the market rates or the salary packages of similar positions elsewhere in Australia.
- ▶ Mr White is entitled to be paid an annual bonus as a result of individual achievement, effort, dedication, commitment and the overall Group performance at the complete discretion of the Board of Directors.
- ▶ Mr White may resign from his position and thus terminate his contract by providing six months' written notice.
- ▶ The Company may terminate the contract immediately following written notice given by Mr White by providing payment of a minimum six months' salary in lieu of the notice period (based on the fixed component of Mr White's remuneration).
- ▶ The Company may terminate the contract by giving six months' written notice and providing a payment in lieu of six months' salary in lieu of the notice period. A payment of not less than six months' salary will also be paid in these circumstances. These payments are based on the fixed component of Mr White's remuneration.
- ▶ The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Chief Executive Officer is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

##### Other KMP

All other KMP, excluding Mr White, have rolling contracts. The Company may terminate the KMP's employment by providing four weeks' notice in writing or providing payment in lieu of the notice period (based on the fixed component of the KMP's remuneration). The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the KMP is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Remuneration of key management personnel

Table 1: Remuneration for the year ended 31 December 2013

	Short Term				Post Employment	Long Term Benefits	Total	Performance Related
	Salary & Fees \$	Cash Bonus \$	Allowances \$	Non Monetary Benefits \$	Superannuation \$	Long Service Leave \$		\$
<b>Non-executive directors</b>								
D M Watt - Non-executive +	21,467	-	-	-	-	-	21,467	-
K S Bickford – Non-executive	20,700	-	-	-	1,889	-	22,589	-
J D Harvie – Non-executive +	4,563	-	-	-	-	-	4,563	-
A J Joseph – Non-executive	20,700	-	-	-	1,889	-	22,589	-
D J Lockyer – Non-executive	3,506	-	-	-	324	-	3,830	-
L G Brindle – Non-executive (retired 8 August 2013)	18,780	-	-	-	1,698	-	20,478	-
<b>Sub-total non-executive directors</b>	<b>89,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,800</b>	<b>-</b>	<b>95,516</b>	
<b>Other key management personnel</b>								
P M White – Chief Executive Officer	350,000	50,000		20,000	36,563	9,593	466,156	10.7%
A D Gee – General Manager Football Operations	174,000	10,000	21,600	-	16,803	4,883	227,286	4.4%
L A Lanigan – Company Secretary & Salary Cap Manager	83,500	5,500		-	8,128	1,402	98,530	5.6%
S A Moro – Chief Financial Officer ++	129,250	12,000		20,000	20,270	2,470	183,990	6.5%
T M Reader – General Manager Commercial Operations	186,000	20,000		20,000	18,823	6,097	250,920	8.0%
<b>Sub-total executive KMP</b>	<b>922,750</b>	<b>97,500</b>	<b>21,600</b>	<b>60,000</b>	<b>100,587</b>	<b>24,445</b>	<b>1,226,882</b>	
<b>Totals</b>	<b>1,012,466</b>	<b>97,500</b>	<b>21,600</b>	<b>60,000</b>	<b>106,387</b>	<b>24,445</b>	<b>1,322,398</b>	

+ Fees for Dennis Watt and Jeff Harvie are paid directly to their employer

++ Shirley Moro salary sacrificed a portion of her salary to superannuation

If a person was not employed for the full year, the amounts above reflect the remuneration for the period the individual was employed.



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## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Remuneration of key management personnel (continued)

Table 2: Remuneration for the year ended 31 December 2012

	Short Term				Post Employment	Long Term Benefits	Total	Performance Related
	Salary & Fees \$	Cash Bonus \$	Allowances \$	Non Monetary Benefits \$	Superannuation \$	Long Service Leave \$		
<b>Non-executive directors</b>								
L G Brindle – Non-executive ++	5,525	-	-	-	28,320	-	33,845	-
K S Bickford – Non-executive ++	10,350	-	-	-	12,213	-	22,563	-
A J Joseph – Non-executive	20,700	-	-	-	1,863	-	22,563	-
D M Watt – Non-executive +	10,350	-	-	-	-	-	10,350	-
<b>Sub-total non-executive directors</b>	<b>46,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,396</b>	<b>-</b>	<b>89,321</b>	
<b>Other key management personnel</b>								
P M White – Chief Executive Officer	300,000	60,000	-	20,000	32,400	5,769	418,169	14.4%
A D Gee – General Manager Football Operations	156,000	10,000	21,600	-	14,940	3,000	205,540	4.9%
L A Lanigan – Company Secretary & Salary Cap Manager	80,000	5,500	-	-	7,695	1,538	94,733	5.8%
S A Moro – Chief Financial Officer ^	115,000	12,000	-	20,000	19,060	2,212	168,272	7.1%
T M Reader – General Manager Commercial Operations	167,500	20,000	-	20,000	16,875	3,221	227,596	8.8%
<b>Sub-total executive KMP</b>	<b>818,500</b>	<b>107,500</b>	<b>21,600</b>	<b>60,000</b>	<b>90,970</b>	<b>15,740</b>	<b>1,114,310</b>	
<b>Totals</b>	<b>865,425</b>	<b>107,500</b>	<b>21,600</b>	<b>60,000</b>	<b>133,366</b>	<b>15,740</b>	<b>1,203,631</b>	

+ Fees for Dennis Watt are paid directly to his employer

++ Lawrence Brindle and Katie Bickford salary sacrificed a portion of their fees to superannuation

^ Shirley Moro salary sacrificed a portion of her salary to superannuation

If a person was not employed for the full year, the amounts above reflect the remuneration for the period the individual was employed.

## DIRECTORS' REPORT (CONTINUED)

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Brisbane Broncos Limited support and adhere to where practical the principles of corporate governance. The Company's Corporate Governance Statement is contained in the following section of this annual report.

### AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the declaration on page 22 from the auditor of Brisbane Broncos Limited.

### NON-AUDIT SERVICES

Details of non-audit services provided by the entity's auditor, Ernst & Young, are included at note 27 of the financial report. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of the directors.



**Dennis Watt**

Chairman  
Brisbane  
19 February 2014



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## Auditor's Independence Declaration to the Directors of Brisbane Broncos Limited

In relation to our audit of the financial report of Brisbane Broncos Limited for the financial year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Brad Tozer  
Partner  
19 February 2014

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# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Brisbane Broncos Limited ('the Company') is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council ('CGC') published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business affairs of the Group on behalf of its shareholders by whom they are elected and to whom they are accountable.

Where practical, the Group has complied with the ASX CGC Principles and Recommendations. However, there are some instances whereby due to the limited size of the Board, or News Corporation's substantial shareholding in the Company, it is not considered economical or practical to implement particular Recommendations. The Principles and Recommendations that have not been complied with are disclosed below.

## RECOMMENDATION

Comply  
Yes/No

### Principle 1 - Lay solid foundations for management and oversight

1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes

### Principle 2 - Structure the Board to add value

2.1	A majority of the Board should be independent directors.	No
2.2	The Chair should be an independent director.	No
2.3	The roles of Chair and Chief Executive Officer ('CEO') should not be exercised by the same individual.	Yes
2.4	The Board should establish a Nomination Committee.	No
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes

### Principle 3 - Promote ethical and responsible decision making

3.1	Companies should establish a Code of Conduct and disclose the Code of Conduct or a summary of the code as to: <ul style="list-style-type: none"> <li>➤ The practices necessary to maintain confidence in the Company's integrity;</li> <li>➤ The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</li> <li>➤ The responsibility and accountability of individuals for reporting and investigation reports of unethical practices.</li> </ul>	Yes
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	Yes
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	Yes
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes

### Principle 4 - Safeguard integrity in financial reporting

4.1	The Board should establish an Audit Committee.	Yes
4.2	The Audit Committee should be structured so that it: <ul style="list-style-type: none"> <li>➤ Consists only of non-executive directors;</li> <li>➤ Consists of a majority of independent directors;</li> <li>➤ Is chaired by an independent chair, who is not the Chair of the Board; and</li> <li>➤ Has at least three members.</li> </ul>	No
4.3	The Audit Committee should have a formal charter.	Yes
4.4	Companies should provide the information indicated in the guide to reporting on Principle 4.	Yes

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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### RECOMMENDATION

Comply  
Yes/No

#### Principle 5 – Make timely and balanced disclosure

5.1	Companies should establish written policies to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes

#### Principle 6 – Respect the rights of shareholders

6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes

#### Principle 7 – Recognise and manage risk

7.1	Companies should establish policies for oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and to report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes
7.3	The Board should disclose whether it has received assurance from the CEO (or equivalent) or the Chief Financial Officer ('CFO') (or equivalent) that the declaration provided in accordance with section 295A of the <i>Corporations Act 2001</i> is founded on a system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risk.	Yes
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes

#### Principle 8 – Remunerate fairly and responsibly

8.1	The Board should establish a Remuneration Committee.	No
8.2	The Remuneration Committee should be structured so that it: <ul style="list-style-type: none"> <li>➤ Consists of a majority of independent directors;</li> <li>➤ Is chaired by an independent chair; and</li> <li>➤ Has at least three members.</li> </ul>	No
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes

Brisbane Broncos Limited's corporate governance practices were in place throughout the year ended 31 December 2013. Various corporate governance practices are discussed within this statement. All formal policies and charters required under the ASX CGC Principles and Recommendations were updated and adopted by the Board on 19 February 2013. For further information on corporate governance policies adopted by the Company, refer to the corporate section of our website: [www.broncos.com.au](http://www.broncos.com.au).

### BOARD FUNCTIONS

The Board of Directors and executive management operate in accordance with a Board Charter. A copy of this document is available on the corporate section of the Brisbane Broncos website [www.broncos.com.au](http://www.broncos.com.au). The Board oversees the business of the Company and its controlled entities and is responsible for corporate governance of the Group. The Board establishes broad corporate policies, sets the strategic direction for the Group and oversees management. They are also responsible for guiding and monitoring the Group on behalf of the shareholders.

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. It also addresses issues relating to internal controls and approaches to risk management.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board. The documented procedures for the nomination, selection and appointment of directors are available on the corporate section of the Company's website [www.broncos.com.au](http://www.broncos.com.au).

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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### BOARD FUNCTIONS (CONTINUED)

The Board is responsible for overseeing the financial position and for monitoring the business and affairs on behalf of the shareholders, by whom the directors are elected and to whom they are accountable.

Various information reports are regularly sent to the Board in order to keep them informed of the Group's business. Directors also receive monthly operating and financial reports and have access to senior management at Board and Committee meetings. The Board holds regular meetings (average 9) each year and special meetings if necessary.

The responsibility for the operation and administration of the Group is delegated, by the Board, to the CEO and the executive management team. It is the Board's responsibility to appoint or remove the CEO and to ratify the appointment or removal of key executives and the Company Secretary. The Board ensures that this executive team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and executive management team. The Board ensures appropriate resources are available to senior executives to enable them to achieve performance objectives.

As the current Board comprises only five directors, it is considered logical that the Board as a whole addresses all matters of the business in relation to Risk, Nomination, Remuneration and Finance. Accordingly, it is not considered necessary to establish separate committees for these functions. Given the size of the Company, the directors also believe it practical and beneficial that the entire Board undertakes the role and function typically performed by the audit committee. To support the Group's Corporate Governance focus, the Board has adopted and follows a charter whilst performing the responsibilities as an Audit Committee.

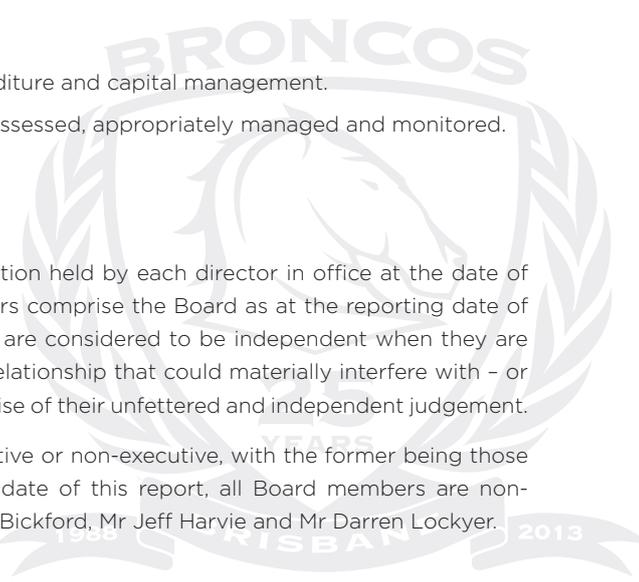
The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risk identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- ▶ Board approval and regular monitoring of the strategic plan designed to meet stakeholders' needs and manage business risk.
- ▶ Strategic meetings with executives to discuss initiatives and strategies concerning operations and business improvement recommendations.
- ▶ Approving initiatives and strategies designed to ensure the continued growth and success of the Group.
- ▶ Monitoring the employee performance management system including detailed and customised Performance Contracts for all staff members incorporating formalised and measurable targets, objectives, development strategies and KPIs to achieve results that align with the Group's core business values.
- ▶ Implementation of budgets by management and monitoring progress against budget - via the establishment and reporting of both financial and non-financial key performance indicators.
- ▶ Ongoing monitoring of senior executives' performance.
- ▶ Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.
- ▶ Approval of annual and half-yearly financial reports.
- ▶ Approving and monitoring progress of major capital expenditure and capital management.
- ▶ Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
- ▶ Reporting to shareholders.

### STRUCTURE OF THE BOARD

The names and skills, experience and expertise relevant to the position held by each director in office at the date of the annual report are included in the Directors' Report. Five directors comprise the Board as at the reporting date of which two are independent. Directors of Brisbane Broncos Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with - or could reasonably be perceived to materially interfere with - the exercise of their unfettered and independent judgement.

Directors of Brisbane Broncos Limited are classified as either executive or non-executive, with the former being those directors engaged in full time employment by the Group. At the date of this report, all Board members are non-executive being Mr Dennis Watt as Chair, Mr Tony Joseph, Mrs Katie Bickford, Mr Jeff Harvie and Mr Darren Lockyer.



### STRUCTURE OF THE BOARD (CONTINUED)

There have been some changes to the Board during the reporting period. Mr Lawrence Brindle retired from the roles of Chair and director of Brisbane Broncos Limited and its controlled entities effective from 23 July 2013 and 8 August 2013 respectively. Mr Brindle was appointed as director on 26 February 2008. He also formerly held the position of director of the Company from 31 January 1996 to 16 November 1998. Mr Brindle was appointed Chair on 22 February 2011.

Non-executive director Mr Dennis Watt was appointed as Chair of the Group following Mr Brindle's retirement. Mr Watt is currently employed by News Corporation Australia (a 68.87% shareholder in the Company) where he most recently held the role of General Manager Rugby League until June 2013. He therefore cannot be deemed independent. Hence, Principle 2.2 'The Chair should be an independent director' is not complied with. Mr Watt was elected as Chair as he was considered to have the most relevant experience, skill and expertise to fulfil the role.

Mr Jeff Harvie was appointed as a non-executive director on 23 July 2013. Mr Harvie is employed by News Corporation Australia as General Manager Finance Qld, responsible for the financial management of publishing operations across Queensland. Accordingly he is not independent. Mr Harvie brings significant value to the Board. He has been a qualified CPA for over 20 years and has extensive experience in the finance and accounting industry in both the public and private sector.

Mr Darren Lockyer was appointed as a non-executive director on 30 October 2013. Mr Lockyer was a professional rugby league player employed by the Brisbane Broncos Group for 17 years from 1995 until his retirement in 2011 - captaining the club from 2005. His credentials as a rugby league player are unprecedented. Since 2011, Mr Lockyer has fulfilled a promotional role and assisted with coaching and leadership programmes for the organisation. Given only two years have passed since his retirement, and taking into account his history and continued involvement with the Brisbane Broncos, the Board do not consider Mr Lockyer independent. Mr Lockyer has also established himself as a successful sports commentator, has worked as an ambassador for several large corporate entities and has pursued a number of personal business interests. The Board believe that Mr Lockyer's post career undertakings, his profile and his unparalleled rugby league insight ensure he will be an invaluable member of the Brisbane Broncos Limited Board.

Mr Tony Joseph and Mrs Katie Bickford are both independent directors. As previously mentioned, Mr Dennis Watt, Mr Jeff Harvie and Mr Darren Lockyer are not considered independent. Therefore, ASX Best Practice Recommendation 2.1 "A majority of the Board should be independent directors" has not been complied with during the reporting period.

Mr Paul White has been Chief Executive Officer of the Group since 1 January 2011. He is not a director of the Company.

The term in office held by each director at the date of this report is as follows:

D M Watt	11 years
L G Brindle (retired 8 August 2013)	5 years 6 months
A J Joseph	3 years
K S Bickford	2 years 9 months
J Harvie	7 months
D Lockyer	4 months

As News Corporation controls 68.87% of the Company, it intends to maintain at least two non-executive Board representatives.

In the event that a potential conflict of interest may arise, involved directors withdraw from all deliberations concerning the matter and are not permitted to exercise any influence over other Board members or receive relevant Board papers.

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense. If appropriate, any advice so received will be made available to all directors.

If applicable, executive directors do not receive any additional compensation for serving as a director. Non-executive directors receive fees for serving on the Board.

For additional details regarding Board appointments, please refer to our website [www.broncos.com.au](http://www.broncos.com.au).

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### PERFORMANCE EVALUATION OF BOARD AND KEY EXECUTIVES

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. The Group has a formal, documented process in place for the review and evaluation of all employees, including key executives. This occurs on an annual basis. During the reporting period, the CEO conducted written and verbal performance evaluations for all senior executives and managers assessing their results against individualised Performance Contracts. These documents also address the personal development of employees and assess how well staff have demonstrated adherence to Brisbane Broncos Core Values whilst performing their roles. This process occurs in November and December each year and is extensively documented. It involves assessment of personalised measurable key targets, objectives and performance indicators, and comparing these to results achieved by reviewing qualitative and quantitative performance criteria.

A formal, documented review process is also in place for the Board of Directors. The entire Board annually reviews their own performance and that of the Chairman, CEO, the directors individually and the Board as a whole. Directors whose performance is consistently unsatisfactory may be asked to retire. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of the Group. This process was completed in December 2013.

As mentioned previously, due to the small size of the Board, a separate Remuneration Committee has not been established. The Board as a whole assesses the appropriateness of the nature and the amount of remuneration of non-executive directors and executives on a periodic basis by reference to relevant employment market conditions.

### DISCLOSURES ABOUT DIRECTORS

Details of the directors' remuneration and retirement benefits are disclosed in note 25(b) and in the Directors' Report. Details of the indemnity given to directors are disclosed in the Directors' Report. Details of directors' shareholdings are disclosed in note 25(c) and in the Directors' Report.

### TRADING POLICY

Under the Company's Securities Trading Policy, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities. Before commencing to trade, an executive must first obtain approval from the Company Secretary to do so and a director must first obtain approval of the Chairman. They must advise of their intention to trade in securities, confirm that they do not hold inside information and confirm there is no reason to preclude the trading in the Company's securities.

Executives, directors and officers are prohibited from trading in the Company's securities during the following specific 'closed periods':

- Midnight 30 June until the half-year results are released; and
- Midnight 31 December until after the full-year results are released.

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by directors in the securities of the Company. The Company's Securities Trading Policy, which was reviewed and updated during the reporting period, is available on the Brisbane Broncos website [www.broncos.com.au](http://www.broncos.com.au).

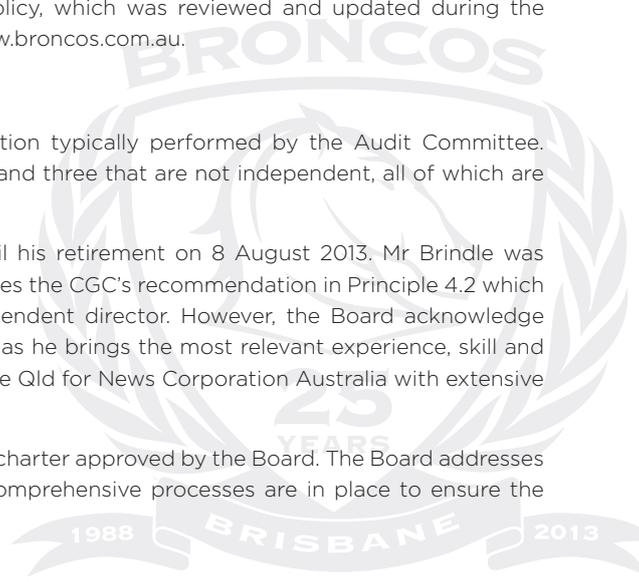
### AUDIT COMMITTEE

As stated above, the entire Board undertakes the role and function typically performed by the Audit Committee. Accordingly, there are currently five members – two independent and three that are not independent, all of which are non-executive directors.

The Chair of the Audit Committee was Mr Lawrence Brindle until his retirement on 8 August 2013. Mr Brindle was replaced as Chair at this time by Mr Jeff Harvie. The Board recognises the CGC's recommendation in Principle 4.2 which stipulates the Chair of the Audit Committee should be an independent director. However, the Board acknowledge that Mr Harvie is the most appropriate director to fill this position as he brings the most relevant experience, skill and qualifications to the role. He is the current General Manager Finance Qld for News Corporation Australia with extensive expertise in the finance and accounting sector as outlined above.

The Board in its capacity as the Audit Committee operates under a charter approved by the Board. The Board addresses all issues that a separate Audit Committee would address and comprehensive processes are in place to ensure the integrity of the Company's financial reporting.

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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### AUDIT COMMITTEE (CONTINUED)

The Board is responsible for ensuring that an effective internal control network exists within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information and well as non-financial considerations such as the benchmarking of operational key performance indicators. The full Board as the Audit Committee together with executive management oversee the establishment and implementation of the risk management system, and review annually the effectiveness of this system.

Due to its size, the Company does not have an internal audit function however it is Company policy for management to regularly conduct an assessment of the following:

- ▶ Adequacy, appropriateness and effectiveness of accounting and operating controls.
- ▶ Management processes supporting external reporting.
- ▶ A continuous improvement programme for accounting and operating controls.
- ▶ Extent of compliance with Group policies and procedures.
- ▶ Accuracy and security over data and information.
- ▶ Accountability for the Group's assets to safeguard against loss.
- ▶ Continual review of the cost structure of the business in an attempt to identify inefficiencies
- ▶ Economy and efficiency with which resources are employed.

If deficiencies in any of the above are identified, management will promptly implement a policy to overcome the deficiency.

The Audit Committee is also responsible for monitoring the independence and suitability of the external auditors and all professional advisors. For additional details regarding the Audit Committee, including a copy of its charter, please refer to the Brisbane Broncos website [www.broncos.com.au](http://www.broncos.com.au). For the names, qualifications and skills of the members of the Audit Committee (i.e. the entire Board) and the number of meetings attended, please refer to the Directors' Report.

### RISK

The Board has a proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Group's approach to creating long-term shareholder value.

In recognition of this, the Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. In doing so, the Board has taken the view that it is crucial for all Board members to be a part of this process and as such has not established a separate Risk Management Committee.

The Board oversees a periodic assessment of the effectiveness of risk management and internal control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the CEO, including responsibility for the day to day design and implementation of the Company's risk management and internal control systems. Management reports to the Board through regular formal and informal Board reporting processes on the Company's key risks and the extent to which it believes these risks are being adequately managed. The executive team is currently revising and updating the Company's written risk management strategies and policies.

The Company's process of risk management and internal compliance and control currently includes:

- ▶ Establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives.
- ▶ Review and monitoring of the Group's strategic plan, which encompasses its vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- ▶ Continuously identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors that affect these risks.
- ▶ Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and controls.
- ▶ Monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal control compliance and controls, including an annual assessment of the effectiveness of risk management and internal compliance and control.

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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### RISK (CONTINUED)

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- ▶ Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- ▶ Receipt of detailed monthly Board reports assessing actual performance of the Group and potential risks or issues foreseen by management.
- ▶ Monitoring the strategic plan which encompasses the Group's vision, mission and strategy statements designed to meet shareholders' needs and manage business risk.
- ▶ Annual review of the Group's insurance coverage.

To this end, the risk management practices in place are directed towards achieving the following objectives:

- ▶ Effectiveness and efficiency in the use of Company resources.
- ▶ Compliance with applicable laws and regulations.
- ▶ Preparation of reliable published financial information.

The Board and senior management are about to embark on the detailed process of reviewing, updating and redrafting the Group's risk management policy and assessments.

### REMUNERATION

It is the Group's objective to provide maximum shareholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. For a full discussion of the Group's remuneration philosophy and framework, and the remuneration received by directors and executives in the current period please refer to the Remuneration Report which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to non-executive directors.

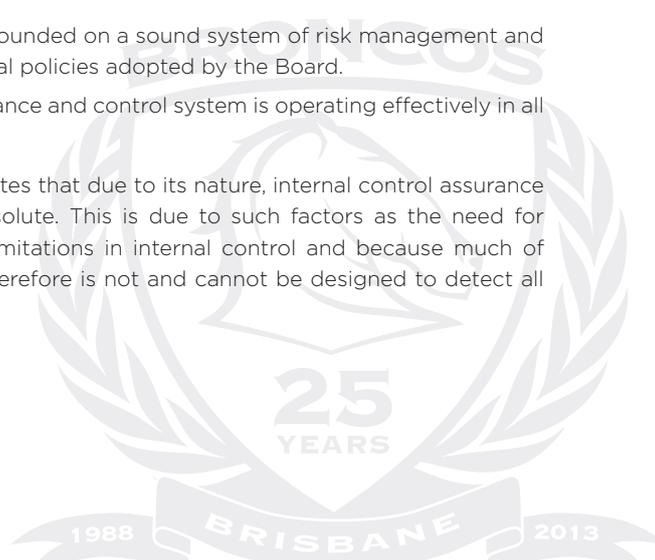
The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the CEO and executive team. The Board believes it is important for all directors to be involved in nomination and remuneration issues so separate Nomination and Remuneration Committees have not been established. Therefore, ASX Best Practice Recommendations 2.4 and 8.1 have not been complied with. The full Board deals with nomination and remuneration issues as and when required. There are Board processes in place which raise the issues that would otherwise be considered by a Nomination or Remuneration Committee.

### CEO AND CFO CERTIFICATION

In accordance with section 295A of the Corporations Act, the CEO and the CFO have provided a written statement to the Board that:

- ▶ Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements financial policies adopted by the Board.
- ▶ That the Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.



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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### CODE OF ETHICS AND CONDUCT FOR THE CEO AND KEY EXECUTIVES

The Board acknowledges the need for and continued maintenance of the highest standards of corporate governance practice and ethical conduct by all directors and employees of the Group. To further promote ethical and responsible decision making, as well as part of its commitment to corporate governance, the Board has implemented an overall framework of internal control and business risk management process, and established a Standards of Business Conduct for directors, officers and employees and a Code of Ethics for the CEO and executives.

The full text of the Code of Ethics and Conduct is available on the Group's website [www.broncos.com.au](http://www.broncos.com.au).

### CONTINUOUS DISCLOSURE POLICY

Principle 5.1 stipulates that companies should establish written policies designed to ensure ASX Listing Rule disclosure requirements to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies. A copy of the Company's Continuous Disclosure Policy is available on the Group's website [www.broncos.com.au](http://www.broncos.com.au). This policy was reviewed and updated during the reporting period.

### SHAREHOLDER COMMUNICATION POLICY

Pursuant to Principle 6, Brisbane Broncos Limited's objective is to promote effective communication with its shareholders at all times. Brisbane Broncos Limited is committed to:

- ▶ Ensuring that shareholders and the financial markets are provided with full and timely information about Brisbane Broncos Limited's activities in a balanced and understandable way.
- ▶ Complying with continuous disclosure obligations contained in the ASX listing rules and the Corporations Act in Australia.
- ▶ Communicating effectively with its shareholders and making it easier for shareholders to communicate with Brisbane Broncos Limited.

The Company seeks to provide balanced communication to existing and potential shareholders. Company announcements are factual and produced in plain language. To promote effective communication with shareholders, and encourage effective participation at general meetings, information is communicated to shareholders in the following ways:

- ▶ Any price sensitive information is released to the market via the Australian Securities Exchange (ASX) and subsequently posted immediately on the Company's website;
- ▶ The distribution of the annual report, interim report and Notices of Annual General Meeting;
- ▶ The Explanatory Memoranda of the Annual General Meetings which provides additional information concerning the resolutions and business of the meeting;
- ▶ The Annual General Meeting at which shareholders are provided with the opportunity to ask questions regarding the Company's governance and business matters;
- ▶ The external auditor attends the Annual General Meeting who is available to receive questions from shareholders;
- ▶ Through letters and other forms of communication directly to shareholders; and
- ▶ By posting relevant information and ASX releases on the Group's website.

The Brisbane Broncos' website [www.broncos.com.au](http://www.broncos.com.au) has a dedicated corporate section for the purpose of publishing all important Company information and relevant announcements made to the ASX. A copy of the Company's Shareholder Communication Policy is available on the website [www.broncos.com.au](http://www.broncos.com.au). This policy was reviewed and updated during the reporting period.

### DIVERSITY AT BRISBANE BRONCOS

The Group recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience. The Brisbane Broncos believes a diverse workforce is the key to its continued growth, improved productivity and performance.

The Brisbane Broncos actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. While the Brisbane Broncos are committed to fostering diversity at all levels, gender diversity has been and continues to be a priority for the Group.

### DIVERSITY AT BRISBANE BRONCOS (CONTINUED)

To this end, the Group supports and complies with the recommendation contained in ASX Corporate Governance Principles and Recommendations. The Group has established a diversity policy outlining the Board's measurable objectives for achieving diversity. This is assessed annually to measure the progress towards achieving those objectives. The diversity policy is available in the corporate section of the Group's website [www.broncos.com.au](http://www.broncos.com.au).

Outlined below are the measurable objectives established by the Board to achieve diversity, the steps taken during the year to achieve these objectives and the outcomes.

#### **Monitor the number of females in the workplace, including senior management positions and at Board level**

The Group has three females in senior positions as at the reporting date:

Mrs Katie Bickford	Non-executive Director
Ms Shirley Moro	Chief Financial Officer
Ms Louise Lanigan	Company Secretary and Salary Cap Manager

As at reporting date, women represented 32% of the Group's total workforce (excluding football players), 40% in senior management positions and 20% at Board level. The Board are extremely comfortable with this position given the male concentrated industry of professional rugby league in which the Brisbane Broncos operates within. To avoid distorting the true composition of the proportion of females working at the Brisbane Broncos, the quoted percentages exclude the professional rugby league footballers employed by the organisation whom by the nature of their role must be male.

Mrs Katie Skye Ann Bickford was appointed in May 2011 as the first female director of Brisbane Broncos Limited.

#### **Create development opportunities for men and women that develop skills and experience for advancement to prepare them to take on senior positions**

Employees are encouraged to undertake professional development and skill enhancement training each year. All reasonable requests are approved by the CEO. The Group allocates funds in its financial budgets annually to meet the cost of these training programmes.

#### **Provide flexible workplace arrangements including part time positions and other incentives to be assessed on a case by case basis**

During the 2013 financial year, the Group continued to approve flexible and part time positions on a case by case basis. The Brisbane Broncos will continue to do this where practical.

#### **Provide employment opportunities for people with disabilities**

The Group ensures the workplace is free of discrimination and accommodates employees with disabilities. As at reporting date, the Brisbane Broncos workforce includes employees with disabilities.

#### **Promote an inclusive culture that treats the workforce with fairness and respect**

The Brisbane Broncos has a zero tolerance policy against discrimination of employees at all levels. The Company also encourages employees to voice their concerns and encourages them to report any discrimination. No cases of discrimination were reported during the year.

#### **Review gender gaps on an annual basis**

The Board will continue to review gender gaps on an annual basis and are currently comfortable with the percentage of females in the workplace.

#### **Provide career development opportunities for every employee, irrespective of any cultural, gender or other differences**

All employees are encouraged to undertake personal development and skill enhancement training each year. All reasonable requests are approved by the CEO. The Group allocates funds in its financial budgets annually to meet the cost of these training programmes.



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# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Consolidated		Parent	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	10	16,489,265	16,115,721	15,704,695	15,741,325
Trade and other receivables	11	2,282,766	2,099,488	207,225	247,513
Inventories	12	248,477	170,492	-	-
Other current assets		807,029	768,287	23,649	156,155
<b>Total Current Assets</b>		<b>19,827,537</b>	<b>19,153,988</b>	<b>15,935,569</b>	<b>16,144,993</b>
<b>Non-current Assets</b>					
Other financial assets	15	-	-	5	5
Property, plant and equipment	14	2,447,050	2,372,094	100,989	-
Deferred income tax asset	7(c)	68,652	588	5,865	-
Intangible assets	16(a)	12,668,617	12,734,277	-	-
Other non-current assets		391,944	274,167	-	-
<b>Total Non-current Assets</b>		<b>15,576,263</b>	<b>15,381,126</b>	<b>106,859</b>	<b>5</b>
<b>TOTAL ASSETS</b>		<b>35,403,800</b>	<b>34,535,114</b>	<b>16,042,428</b>	<b>16,144,998</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	17	1,918,368	1,647,583	232,236	382,248
Provisions	18	575,233	559,173	129,087	104,715
Income taxes payable	7	277,117	421,984	277,117	421,984
Unearned revenue		5,466,464	5,041,469	-	-
<b>Total Current Liabilities</b>		<b>8,237,182</b>	<b>7,670,209</b>	<b>638,440</b>	<b>908,947</b>
<b>Non-current Liabilities</b>					
Trade and other payables	19	-	-	4,253,818	4,412,234
Provisions	20	203,564	218,139	47,841	24,552
Deferred income tax liability	7(c)	-	-	-	23,893
<b>Total Non-current Liabilities</b>		<b>203,564</b>	<b>218,139</b>	<b>4,301,659</b>	<b>4,460,679</b>
<b>TOTAL LIABILITIES</b>		<b>8,440,746</b>	<b>7,888,348</b>	<b>4,940,099</b>	<b>5,369,626</b>
<b>NET ASSETS</b>		<b>26,963,054</b>	<b>26,646,766</b>	<b>11,102,329</b>	<b>10,775,372</b>
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Parent</b>					
Contributed equity	21	28,991,500	28,991,500	28,991,500	28,991,500
Accumulated losses	22	(2,028,446)	(2,344,734)	(17,889,171)	(18,216,128)
<b>TOTAL EQUITY</b>		<b>26,963,054</b>	<b>26,646,766</b>	<b>11,102,329</b>	<b>10,775,372</b>

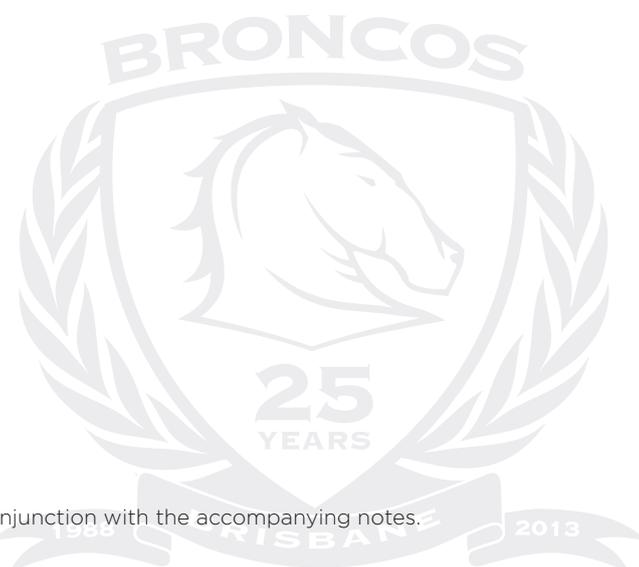
The above statement of financial position should be read in conjunction with the accompanying notes.

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## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated		Parent	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>Continuing operations</b>					
Sale of goods		1,316,125	995,027	-	-
Rendering of services		32,934,593	31,044,508	-	-
Dividend revenue		-	-	2,909,143	2,798,886
Interest revenue		713,480	782,105	713,327	781,796
Other revenue		25,997	63,135	4,510	50,050
<b>Revenue</b>	6(a)	<b>34,990,195</b>	<b>32,884,775</b>	<b>3,626,980</b>	<b>3,630,732</b>
Expenses	6(b)	(31,985,195)	(29,710,775)	(1,953,338)	(1,741,950)
<b>Profit from continuing operations before income tax</b>		<b>3,005,000</b>	<b>3,174,000</b>	<b>1,673,642</b>	<b>1,888,782</b>
Income tax benefit/(expense)	7(a)	(973,000)	(1,024,000)	369,027	271,913
<b>Net profit and comprehensive income for the period attributable to members of the Parent</b>		<b>2,032,000</b>	<b>2,150,000</b>	<b>2,042,669</b>	<b>2,160,695</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>					
Basic earnings per share	9	2.07 cents	2.19 cents		
Diluted earnings per share	9	2.07 cents	2.19 cents		



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

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## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated		Parent	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		37,392,513	35,298,758	-	-
Payments to suppliers & employees		(34,143,870)	(31,061,518)	(1,931,559)	(1,676,188)
Other revenue received		502,413	568,216	4,510	50,050
Inventories		(846,952)	(672,226)	-	-
Interest received		762,144	767,088	761,991	766,779
Income tax paid		(1,185,931)	(692,021)	(1,185,931)	(692,021)
<b>Net cash flows from/(used in) operating activities</b>	23	<b>2,480,317</b>	<b>4,208,297</b>	<b>(2,350,989)</b>	<b>(1,551,380)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividends received		-	-	2,909,143	2,798,886
Purchase of property, plant and equipment		(391,061)	(568,730)	(100,989)	-
Purchase of intangibles	16(b)	-	(287,500)	-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(391,061)</b>	<b>(856,230)</b>	<b>2,808,154</b>	<b>2,798,886</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid		(1,715,712)	(980,406)	(1,715,712)	(980,406)
Proceeds from / (payments to) controlled entities		-	-	1,221,917	2,450,163
<b>Net cash flows from/(used in) financing activities</b>		<b>(1,715,712)</b>	<b>(980,406)</b>	<b>(493,795)</b>	<b>1,469,757</b>
Net increase in cash and cash equivalents		373,544	2,371,661	(36,630)	2,717,263
Cash and cash equivalents at beginning of the period		16,115,721	13,744,060	15,741,325	13,024,062
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	10	<b>16,489,265</b>	<b>16,115,721</b>	<b>15,704,695</b>	<b>15,741,325</b>

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

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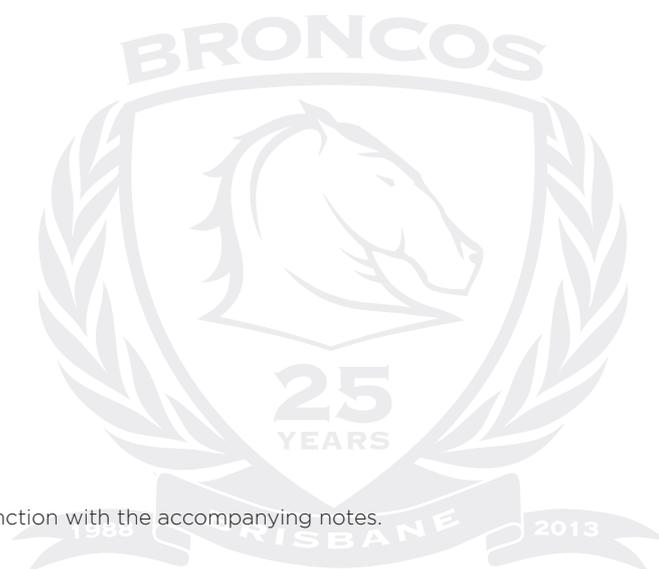
## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Attributable to equity holders of the Parent		
		Contributed Equity	(Accumulated Losses)	Total Equity
<b>CONSOLIDATED</b>				
<b>At 1 January 2012</b>		28,991,500	(3,514,328)	25,477,172
Dividends paid	8(a)	-	(980,406)	(980,406)
Total comprehensive income for the year		-	2,150,000	2,150,000
<b>At 31 December 2012</b>		<b>28,991,500</b>	<b>(2,344,734)</b>	<b>26,646,766</b>
Dividends paid	8(a)	-	(1,715,712)	(1,715,712)
Total comprehensive income for the year		-	2,032,000	2,032,000
<b>AT 31 DECEMBER 2013</b>	21/22	<b>28,991,500</b>	<b>(2,028,446)</b>	<b>26,963,054</b>

	Note	Attributable to equity holders of the Parent		
		Contributed Equity	(Accumulated Losses)	Total Equity
<b>PARENT</b>				
<b>At 1 January 2012</b>		28,991,500	(19,396,417)	9,595,083
Dividends paid	8(a)	-	(980,406)	(980,406)
Total comprehensive income for the year		-	2,160,695	2,160,695
<b>At 31 December 2012</b>		<b>28,991,500</b>	<b>(18,216,128)</b>	<b>10,775,372</b>
Dividends paid	8(a)	-	(1,715,712)	(1,715,712)
Total comprehensive income for the year		-	2,042,669	2,042,669
<b>AT 31 DECEMBER 2013</b>	21/22	<b>28,991,500</b>	<b>(17,889,171)</b>	<b>11,102,329</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. CORPORATE INFORMATION

The financial report of Brisbane Broncos Limited for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of directors on 19 February 2014.

Brisbane Broncos Limited (the Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The immediate parent of Brisbane Broncos Limited is Nationwide News Pty Ltd which owns 68.87% of the ordinary shares with the ultimate parent being News Corporation.

The nature of operations and principal activities of the Group are described in the Directors' Report.

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(a)	Compliance with IFRS
(b)	New accounting standards and interpretations
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(f)	Trade and other receivables – refer note 11
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(j)	Leases – refer note 26
(k)	Impairment of non-financial assets other than goodwill and indefinite life intangibles – refer note 16
(l)	Goodwill and intangibles – refer note 16
(m)	Trade and other payables – refer note 17
(n)	Interest-bearing loans and borrowings
(o)	Provisions and employee leave benefits – refer note 18 and 20
(p)	Contributed equity – refer note 21
(q)	Revenue recognition – refer note 6
(r)	Income tax and other taxes – refer note 7
(s)	Earnings per share – refer note 9

#### Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost and going concern basis. The financial report is presented in Australian dollars. The financial report has been prepared under ASIC Class Order 10/654.

The accounting policies and methods of computation are consistent with those adopted in the 2012 financial report, except for the changes in accounting policy noted below and the revision of the methods of depreciation of property, plant and equipment which have been reviewed and changed during the period to 31 December 2013 from diminishing value to a straight line basis. The effect of this revision was a favourable adjustment of \$37,980. The future impact of the change in depreciation method is not expected to have a material impact on the financial position and performance of the Group.

#### (a) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(b) New accounting standards and interpretations**

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2013, none of which had a material impact on the financial position or performance of the Group:

- ▶ AASB 10 - *Consolidated Financial Statements*
- ▶ AASB 11 - *Joint Arrangements*
- ▶ AASB 12 - *Disclosure of Interests in Other Entities*
- ▶ AASB 13 - *Fair Value Measurement*
- ▶ AASB 2012-2 - *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*
- ▶ AASB 2012-5 - *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 December 2013. Adoption of these standards and interpretations is not likely to have a material impact on the financial position or performance of the Group:

- ▶ AASB 1053 - *Application of Tiers of Australian Accounting Standards*
- ▶ AASB 2011-4 - *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]*
- ▶ AASB 2012-3 - *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*
- ▶ AASB 9 - *Financial Instruments*
- ▶ AASB 2013-4 - *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]*
- ▶ AASB 2013-5 - *Amendments to Australian Accounting Standards - Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]*
- ▶ Annual Improvements 2010-2012 Cycle - Annual Improvements to IFRSs 2010-2012 Cycle
- ▶ Annual Improvements 2011-2013 Cycle - Annual Improvements to IFRSs 2011-2013 Cycle
- ▶ AASB 2013-9 - *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments*

The Group has early adopted AASB 2013-3 - *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* during the year ended 31 December 2013. Early adoption removes certain fair value measurement disclosures however has no impact on the recorded position, performance and cash flows of the Group.

### **(c) Basis on consolidation**

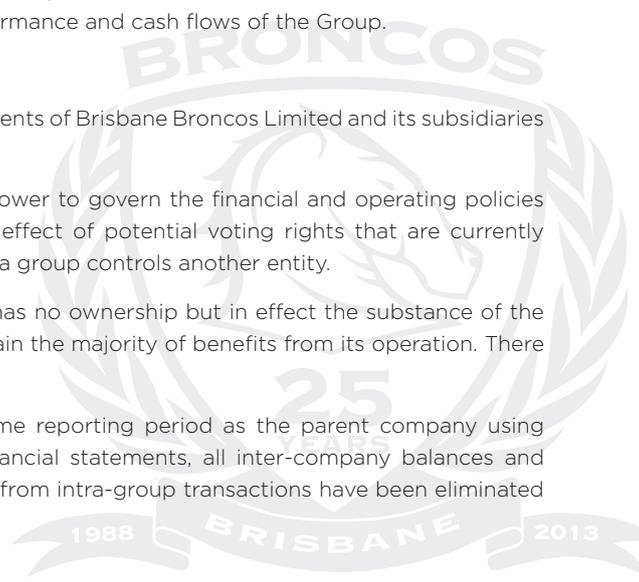
The consolidated financial statements comprise the financial statements of Brisbane Broncos Limited and its subsidiaries (as outlined in note 24) as at 31 December each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Special purpose entities are those entities over which the Group has no ownership but in effect the substance of the relationship is such that the Group controls the entity so as to obtain the majority of benefits from its operation. There are no special purpose entities in the Group.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(c) Basis on consolidation (continued)**

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Brisbane Broncos Limited are accounted for at cost less any impairment charges in the separate financial statements of the parent entity.

### **(d) Operating segments – refer note 5**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Operating segments have been identified based on the information and internal reports provided to the chief operating decision maker being the Chief Executive Officer.

### **(e) Cash and cash equivalents – refer note 10**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits convertible to cash within 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. If applicable, bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Statement of Financial Position.

### **(f) Trade and other receivables – refer note 11**

Trade receivables, which generally have 30-90 day terms, are recognised at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is raised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, together with lack of payment or commitment following correspondence from the Group's solicitor and debts that are more than 90 days old are considered objective evidence of impairment.

### **(g) Inventories – refer note 12**

Inventories which consist of finished goods are valued at the lower of cost and net realisable value. Cost reflects the weighted average cost of each item. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **(h) Investments and other financial assets**

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

### **Recognition and derecognition**

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the assets if it has transferred control of the assets.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Investments and other financial assets (continued)**

**Subsequent measurement**

**(i) Financial assets at fair value through profit or loss**

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

**(ii) Loans and receivables – refer note 11 and 13**

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date which are classified as non-current.

**(iii) Available-for-sale securities**

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

**(i) Property, plant and equipment – refer note 14**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

The methods of depreciation have been revised and prospectively adjusted during the period. The depreciation method has changed from diminishing value to a straight line basis over the estimated useful lives of the assets as follows:

Plant and equipment – over 4 to 8 years

Leasehold improvements – over 10 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

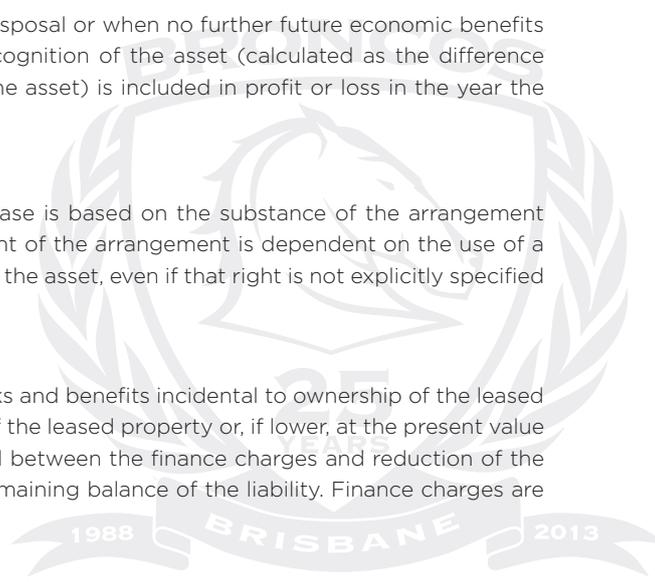
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(j) Leases – refer note 26**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

**(i) Group as lessee**

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Leases (continued)**

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

**(k) Impairment of non-financial assets other than goodwill and indefinite life intangibles  
- refer note 16**

Non financial assets other than goodwill and indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Brisbane Broncos Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount 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 impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets for groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

There is no goodwill with a finite life within the Group. During the 2011 financial year, the Group acquired intangible assets with a deemed finite life of 5 years as discussed at note 16.

**(l) Goodwill and intangibles - refer note 16**

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each report period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to definite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible asset is as follows:

	<b>Sporting Franchise</b>	<b>Merchandise Licence Rights</b>
Useful life	Indefinite	5 years
Method used	No amortisation	Amortisation
Internally generated/acquired	Acquired	Acquired
Impairment testing	Annually and more frequently where an indication of impairment exists	Reviewed annually

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(m) Trade and other payables – refer note 17**

Trade payables and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. The difference in the respective carrying amounts is recognised in the income statement.

### **(n) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **(o) Provisions and employee leave benefits – refer note 18 and 20**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

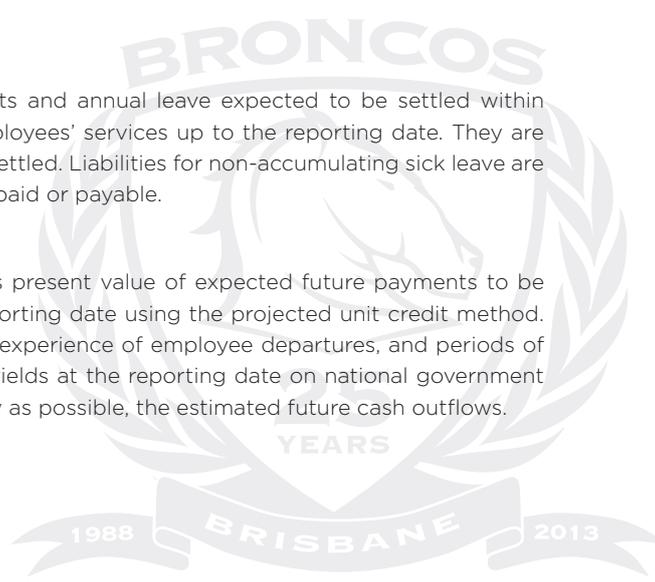
### **Employee leave benefits**

#### **(i) Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

#### **(ii) Long service leave**

The liability for long service leave is recognised and measured as present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.



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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(p) Contributed equity – refer note 21**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **(q) Revenue recognition – refer note 6**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **Sponsorship revenue**

Sponsorship revenue is recognised evenly on a monthly basis wholly within the year to which it relates.

#### **Game day related revenue**

Revenue relating to Brisbane Broncos home games is recognised in the period in which the game is held. Revenues received in advance of a playing season are deferred as unearned income in the statement of financial position and brought to account over the relevant sporting seasons.

#### **NRL grant revenue**

NRL grant revenue is recognised evenly on a monthly basis over the course of the year to which the grant relates. Any one-off amounts are recognised in the year to which they relate.

#### **Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. Government grants are recognised as revenue over the period to match the costs that it is intended to recover.

#### **Prize money**

Prize money is recognised in the financial year in which it is earned.

#### **Interest**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Rental income**

Rental income is accounted for in the period in which it is earned.

### **(r) Income tax and other taxes – refer note 7**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(r) Income tax and other taxes (continued)**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except:

- ▶ when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ▶ when the deductible temporary differences is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

#### **Tax consolidation legislation**

Brisbane Broncos Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004.

The head entity, Brisbane Broncos Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the stand-alone taxpayer approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Brisbane Broncos Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed in note 7(e).

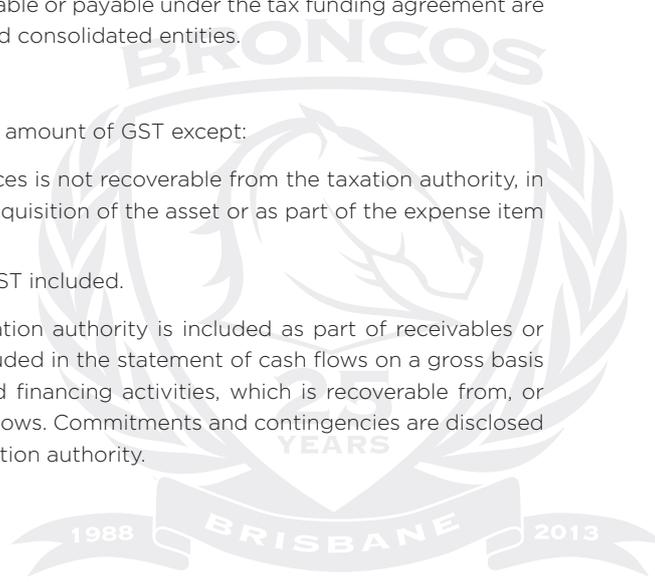
Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned consolidated entities.

#### **Other Taxes**

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- ▶ when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ▶ receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.



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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (s) Earnings per share - refer note 9

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to include any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from operations. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements. The Group does not have any exposure to foreign exchange movements.

The financial risk management policies of the Parent are consistent with the Group's.

### Risk exposures and responses

#### Interest rate risk

The Group has minimal exposure to market interest rates due to its debt free status. As at balance date, the only financial assets or liabilities exposed to Australian variable interest rate risk were cash and cash equivalents outlined below:

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Cash at bank and in hand	1,989,265	1,615,721	1,204,695	1,241,325
Short-term deposit	14,500,000	14,500,000	14,500,000	14,500,000
	<b>16,489,265</b>	<b>16,115,721</b>	<b>15,704,695</b>	<b>15,741,325</b>

The Group invests its cash in short-term deposits earning interest at an average rate of 4.66% (2012: 5.57%) per annum. It is reasonably possible that movements in interest rates (+ 1%, - 1%) would impact interest revenue by approximately \$142,486 (2012: \$117,768) and not have any material effect on net profit or equity of the consolidated group or parent entity for the year ended 31 December 2013.

#### Credit Risk

The Group is exposed to minimal risk from its financial instruments as a result of its debt free status. Therefore the main risk affecting the Group is credit risk. To minimise credit risk exposure, the Group trades only with recognised, creditworthy third parties. It is Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored by regular assessment for impairment of balances aged greater than 90 days with the result that the Group's exposure to bad debts is not significant.

#### Liquidity Risk

The Group's objective is to maintain sufficient funds to finance its current operations and to ensure its long term survival. The Group currently maintains sufficient cash reserves to meet this objective. The Group has \$565,021 (2012: \$549,162) financial liabilities with six months or less contractual maturity and has no (2012: \$nil) financial liabilities with greater than six months to five years contractual maturity. The contractual maturities of the Parent's financial liabilities are \$45,599 (2012: \$212,272) with six months or less contractual maturity and no financial liabilities with greater than six months to five years contractual maturity.

#### Capital Risk

The Board has considered the company's capital structure in relation to the possible funding requirements of a new high performance centre and believes that, even though borrowings may be required, a dividend payout ratio of approximately 24% is appropriate in the short term. In the longer term this ratio may fall to adequately service debt.

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#### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

##### **(i) Significant accounting judgements**

###### **Impairment of non-financial assets**

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves the value in use calculations, which incorporate a number of key estimates and assumptions.

###### **Taxation**

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future income and expenditure levels, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

###### **Consolidation of Brisbane Broncos Rugby League Club Limited**

As disclosed in Note 24(a)(ii), the Group consolidates the results and position of Brisbane Broncos Rugby League Club Limited ("BBRLC"). BBRLC is a company limited by guarantee and has no share capital. Through operating and other arrangements, the Group has the ability to control BBRLC. The Group holds power over BBRLC through these agreements and is exposed to and has rights over the returns from BBRLC. All Board members of BBRLC are directors of the Group and the Group's approval is required for all operational and financial decisions by BBRLC. Based on these facts and circumstances, management determined that, in substance, the Group controls BBRLC with no non-controlling interests.

##### **(ii) Significant accounting estimates and assumptions**

###### **Impairment of intangibles with indefinite lives**

The Group determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units using a value in use discounted cash flow methodology to which the intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of intangibles with indefinite useful lives are discussed in note 16.

###### **Long service leave provision**

As discussed in note 2(o), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### (ii) Significant accounting estimates and assumptions (continued)

##### Estimate of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included at note 6.

### 5. SEGMENT INFORMATION

The principal activity of the Group during the 2013 financial year was the management and operation of the Brisbane Broncos Rugby League football team. There were no significant changes in the nature of those activities during the year. The Group operates in Australia only.

Revenue from one customer amounted to \$8,407,585 arising from sales and grants in respect of the 2013 financial year (2012: \$6,040,642).

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 6. REVENUE AND EXPENSES

#### (a) Revenue

Sale of goods	1,316,125	995,027	-	-
Rendering of services	25,809,593	26,169,508	-	-
Grant received from National Rugby League	7,125,000	4,875,000	-	-
Interest revenue	713,480	782,105	713,327	781,796
Dividend revenue	-	-	2,909,143	2,798,886
Other revenue	25,997	63,135	4,510	50,050
	<b>34,990,195</b>	<b>32,884,775</b>	<b>3,626,980</b>	<b>3,630,732</b>

#### (b) Expenses

Cost of sales	768,989	625,311	-	-
Administration expense	3,560,967	3,374,379	1,953,338	1,741,950
Stadium operations expense	5,234,646	5,372,968	-	-
Corporate sales, merchandise and ticketing expense	3,922,181	4,105,239	-	-
Marketing, community, sponsorship and advertising expense	3,899,798	3,640,262	-	-
Development and indigenous programme costs	998,917	1,050,940	-	-
Football related expense	13,599,697	11,541,676	-	-
	<b>31,985,195</b>	<b>29,710,775</b>	<b>1,953,338</b>	<b>1,741,950</b>

#### Included in the above expenses are the following:

Lease payments – operating leases	1,987,677	2,073,867	-	-
Depreciation of property, plant and equipment	316,105	438,754	-	-
Amortisation of intangibles	65,660	65,660	-	-
Provision for employee benefits	489,150	460,308	117,580	92,588
Provision for doubtful debts	55,000	2,110	-	-
Salary and wage expense	13,715,514	11,369,526	1,214,440	990,112

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

## 7. INCOME TAX

### (a) Income tax expense

The major components of income tax expense/(benefit) are:

#### Statement of comprehensive income

##### Current income tax

Current income tax charge/(benefit)	1,041,064	1,025,036	(339,269)	(270,218)
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##### Deferred income tax

Relating to origination and reversal of temporary differences	(68,064)	(1,036)	(29,758)	(1,695)
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#### Income tax expense/(benefit) reported in the statement of comprehensive income

	<b>973,000</b>	<b>1,024,000</b>	<b>(369,027)</b>	<b>(271,913)</b>
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### (b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

<b>Accounting profit/(loss) before tax from continuing operations</b>	<b>3,005,000</b>	<b>3,174,000</b>	<b>1,673,642</b>	<b>1,888,782</b>
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At the Group's statutory income tax rate of 30% (2012: 30%)	901,500	952,200	502,093	566,635
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#### Expenditure not allowed for income tax purposes

Entertainment	51,892	51,977	1,713	993
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Amortisation of intangibles	19,698	19,698	-	-
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Inter-company dividend	-	-	(872,743)	(839,666)
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Other	(90)	125	(90)	125
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<b>Aggregate income tax expense/(benefit)</b>	<b>973,000</b>	<b>1,024,000</b>	<b>(369,027)</b>	<b>(271,913)</b>
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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 7. INCOME TAX (CONTINUED)

#### (c) Recognised deferred tax assets and liabilities

Deferred income tax at 31 December relates to the following:

<b>CONSOLIDATED</b>				
<i>(i) Deferred tax assets/(liabilities)</i>				
Unearned revenue	(87,720)	(145,926)	58,205	(14,698)
Doubtful debts	36,750	25,288	11,462	(3,907)
Employee benefits	121,455	107,284	14,172	20,752
Prepayments	(4,209)	(4,398)	189	(775)
Fixed Assets	(12,368)	-	(12,368)	-
Accruals	13,863	17,450	(3,587)	(296)
Expenses capitalised for income tax purposes	881	890	(9)	(40)
<b>Deferred tax assets/(liabilities)</b>	<b>68,652</b>	<b>588</b>		
<b>Deferred tax income/(expense)</b>			<b>68,064</b>	<b>1,036</b>

<b>PARENT</b>				
<i>(ii) Deferred tax assets/(liabilities)</i>				
Unearned revenue	(55,134)	(69,731)	14,598	(4,505)
Employee benefits	51,461	36,102	15,359	9,183
Prepayments	(576)	(454)	(122)	(65)
Accruals	9,860	9,683	177	(2,664)
Expenses capitalised for income tax purposes	254	507	(254)	(254)
<b>Deferred tax assets/(liabilities)</b>	<b>5,865</b>	<b>(23,893)</b>		
<b>Deferred tax income/(expense)</b>			<b>29,758</b>	<b>1,695</b>

#### (d) Tax losses

The Group has no carry forward tax losses arising in Australia as at the reporting date (2012: \$nil).

#### (e) Tax Consolidation

##### (i) Members of the tax consolidated group and the tax sharing arrangement

Brisbane Broncos Limited and its 100% owned Australian resident subsidiaries (except Brisbane Broncos Rugby League Club Limited) have formed a tax consolidated group with effect from 1 January 2004. Brisbane Broncos Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

##### (ii) Tax effect accounting by members of the consolidated group

##### Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the separate taxpayer within group approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 7. INCOME TAX (CONTINUED)

##### (e) Tax Consolidation (continued)

##### (ii) Tax effect accounting by members of the consolidated group (continued)

##### Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement under which the wholly owned entities compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the current and deferred tax amounts recognised by the controlled entities.

The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable/ (payable) which is at call. The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The terms and conditions for these transactions are disclosed in note 24.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

#### 8. DIVIDENDS PAID AND PROPOSED

##### (a) Recognised Amounts

Paid during the year:				
Final franked dividend for 2012: 1.75 cents paid in 2013 (2012: for 2011 1.0 cent paid in 2012)	1,715,712	980,406	1,715,712	980,406

##### (b) Unrecognised Amounts

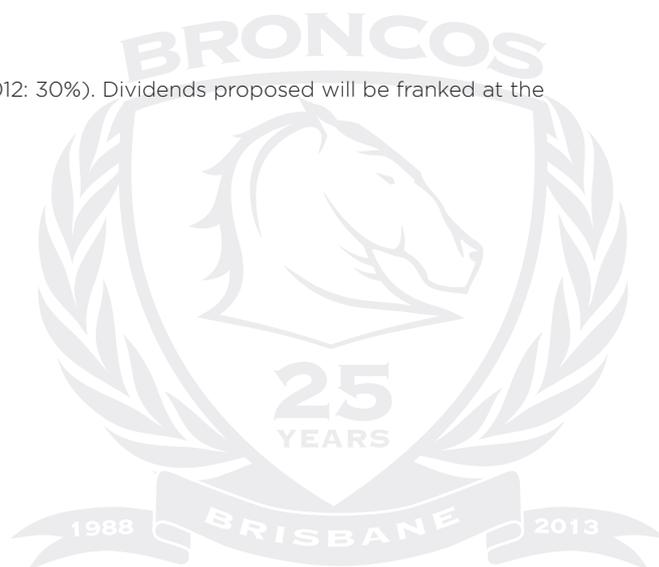
Dividends on ordinary shares:				
Final franked dividend for 2013: 0.5 cent (2012: final franked dividend for 2012 1.75 cents)	490,203	1,715,712	490,203	1,715,712

##### (c) Franking Account Balance

The amount of franking credits available for the subsequent financial year are:				
➤ franking account balance as at the end of the financial year at 30% (2012: 30%)			2,763,313	2,312,686
➤ franking credits that will arise from the payment of income tax as at the end of the financial year			277,117	413,135
➤ franking debits that will arise from the payment of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period			(210,087)	(735,305)
			<b>2,830,343</b>	<b>1,990,516</b>

##### (d) Tax Rates

The tax rate at which paid dividends have been franked is 30% (2012: 30%). Dividends proposed will be franked at the rate of 30% (2012: 30%).



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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year. No dilution factors need to be taken into consideration for Brisbane Broncos Limited. The following reflects the income and share data used in the basic earnings per share computation:

	Consolidated	
	2013 \$	2012 \$
Net profit from continuing operations attributable to equity holders of the Parent	\$2,032,000	\$2,150,000
Weighted average number of ordinary shares for basic earnings per share	98,040,631	98,040,631

There have been no transactions involving the issue or cancellation of ordinary shares since the reporting date and before the completion of these financial statements.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Cash at bank and in hand	1,989,265	1,615,721	1,204,695	1,241,325
Short-term deposit	14,500,000	14,500,000	14,500,000	14,500,000
	<b>16,489,265</b>	<b>16,115,721</b>	<b>15,704,695</b>	<b>15,741,325</b>

Cash at bank earns interest at variable rates based on the Group's bank deposit rates. Excess cash is placed on short-term deposit for varying periods depending on the immediate cash requirements of the Group and earn interest at the Queensland Country Credit Union's short term deposit rate.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 11. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Trade receivables	1,708,322	1,462,838	-	-
Allowance for impairment loss (a)	(55,000)	(8,056)	-	-
	<b>1,653,322</b>	<b>1,454,782</b>	-	-
Other receivables	629,444	644,706	207,225	247,513
<b>Carrying amount of trade and other receivables</b>	<b>2,282,766</b>	<b>2,099,488</b>	<b>207,225</b>	<b>247,513</b>

Other receivables for the Group include GST receivable of \$238,808, interest receivable on term deposits of \$183,778 and NRL Merchandise Royalties receivable of \$108,624. Other receivables for the Parent include GST receivable of \$23,447 and interest receivable on term deposits of \$183,778.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 11. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES (CONTINUED)

##### (a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. The majority of trade receivables at 31 December 2013 are aged within the 30-90 day terms with \$784,447 of trade receivables past due but not considered impaired.

	Consolidated	
	2013 \$	2012 \$
<b>Allowance for impairment loss</b>		
Balance as at 1 January	8,056	9,864
Amount charged to the Statement of Comprehensive Income	55,000	2,110
Amount written back to the Allowance for Impairment Loss	(8,056)	(3,918)
<b>Balance as at 31 December</b>	<b>55,000</b>	<b>8,056</b>

##### (b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

#### 12. CURRENT ASSETS - INVENTORIES

Finished goods – at cost	248,477	173,127	-	-
Provision for net realisable value write down	-	(2,635)	-	-
<b>Total inventories at the lower of cost and net realisable value</b>	<b>248,477</b>	<b>170,492</b>	<b>-</b>	<b>-</b>

On 1 November 2011, the Group commenced its in-house merchandise operations when it acquired the rights to sell Broncos merchandise on home game days at the game venue. Inventories recognised as an expense for the year ended 31 December 2013 totalled \$768,989 (2012: \$625,311) for the Group. This expense has been included in the cost of sales line item as a cost of inventories.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

#### 13. NON-CURRENT ASSETS - RECEIVABLES

Receivables from controlled entities	-	-	13,900,000	13,900,000
Provision for non-recovery	-	-	(13,900,000)	(13,900,000)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### Related party receivables

For terms and conditions of related party receivables refer to note 24.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 14. NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

#### Reconciliation of carrying amounts at the beginning and end of the period

	CONSOLIDATED			
	Plant and Equipment \$	Leasehold Improvements \$	Construction in Progress \$	Total \$
<b>Year ended 31 December 2013</b>				
At 1 January 2013 net of accumulated depreciation and impairment	1,053,793	1,318,301	-	2,372,094
Additions	239,100	50,972	100,989	391,061
Depreciation charge for year	(241,256)	(74,849)	-	(316,105)
<b>At 31 December 2013 net of accumulated depreciation and impairment</b>	<b>1,051,637</b>	<b>1,294,424</b>	<b>100,989</b>	<b>2,447,050</b>
<b>At 31 December 2013</b>				
Cost	1,866,264	2,249,429	100,989	4,216,682
Accumulated depreciation and impairment	(814,627)	(955,005)	-	(1,769,632)
<b>Net carrying amount</b>	<b>1,051,637</b>	<b>1,294,424</b>	<b>100,989</b>	<b>2,447,050</b>
<b>Year ended 31 December 2012</b>				
At 1 January 2012 net of accumulated depreciation and impairment	847,369	1,394,749	-	2,242,118
Additions	550,760	17,970	-	568,730
Depreciation charge for year	(344,336)	(94,418)	-	(438,754)
<b>At 31 December 2012 net of accumulated depreciation and impairment</b>	<b>1,053,793</b>	<b>1,318,301</b>	<b>-</b>	<b>2,372,094</b>
<b>At 31 December 2012</b>				
Cost	1,689,461	2,198,457	-	3,887,918
Accumulated depreciation and impairment	(635,668)	(880,156)	-	(1,515,824)
<b>Net carrying amount</b>	<b>1,053,793</b>	<b>1,318,301</b>	<b>-</b>	<b>2,372,094</b>

The parent entity Property, Plant and Equipment balances represent Construction in Progress only and present as shown above for the consolidated entity in 2013 and 2012.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 15. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

Unlisted				
Shares in controlled entities – at cost	-	-	130,005	130,005
Provision for diminution	-	-	(130,000)	(130,000)
	-	-	<b>5</b>	<b>5</b>

Further information regarding shares in controlled entities is shown in note 24.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated			Parent
	Sporting Franchise \$	Merchandise Licence Rights \$	Total \$	Total \$

### 16. NON-CURRENT ASSETS - INTANGIBLE ASSETS

#### (a) Reconciliation of carrying amounts at the beginning and end of the period

At 31 December 2013				
Cost	13,382,857	328,300	13,711,157	-
Accumulated amortisation and impairment	(900,277)	(142,263)	(1,042,540)	-
<b>Net carrying amount</b>	<b>12,482,580</b>	<b>186,037</b>	<b>12,668,617</b>	<b>-</b>
At 31 December 2012				
Cost	13,382,857	328,300	13,711,157	-
Accumulated amortisation and impairment	(900,277)	(76,603)	(976,880)	-
<b>Net carrying amount</b>	<b>12,482,580</b>	<b>251,697</b>	<b>12,734,277</b>	<b>-</b>

There have been no acquisitions of intangible assets during the year. Amortisation expense has been recorded for the merchandise licence rights for the year (2012: 12 months' amortisation).

#### (b) Description of Group's intangible assets

Effective 10 February 2012, Brisbane Broncos Limited became a member of the Australian Rugby League Commission Limited ("ARLC"), as a Licensee. The ARLC was established to be, amongst other things, the single controlling body and administrator of the game of rugby league football in Australia. National Rugby League Limited is a wholly controlled entity of the ARLC. As a Licensee, the Group enjoys the benefits from competing in the NRL competition. The Sporting Franchise is considered to have an indefinite useful life based on an analysis of all relevant factors. There is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The licence granted by the National Rugby League may be renewed indefinitely at no cost and has been renewed until 2018. The Club Agreement signed between the Group and the National Rugby League provides that termination can only take place if an Insolvency Event occurs, or if the Licensee commits a material breach or commits persistent breaches of any provision of the Club Agreement. Management is confident that the conditions necessary to obtain renewal will continue to be met on an ongoing basis.

On 1 November 2011, the Group acquired the rights to sell Broncos merchandise on home game days at the game venue. The consideration paid and payable to the third party above the value of inventory acquired and other services provided has been booked as an intangible. The intangible is deemed to be of fixed life equivalent to the vendor's licence renewal period of five years and accordingly is being amortised over that time. Associated with this acquisition was an amount of \$287,500 of deferred consideration which was paid during the year ended 31 December 2012.

Intangible assets are subject to annual impairment testing.



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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 16. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

##### (c) Impairment testing of intangibles with indefinite lives

The Group's tangible and intangible assets are all used in the operation and management of the Brisbane Broncos Rugby League Football Team and all revenue streams are dependent and reliant upon these operations i.e. gate takings, season tickets, corporate sponsorship, signage, corporate sales and National Rugby League grant monies. It is therefore considered that the cash generating unit to which the Sporting Franchise belongs is the Group and its operations, and as such the future maintainable earnings of the Group, excluding interest income, has been used to support the recoverable amount of the Group's net assets and therefore the Sporting Franchise.

For the purpose of determining whether the carrying amount of the Sporting Franchise is impaired, management has considered the future maintainable earnings of the Group based on financial budgets and forecasts. Factors considered in the calculation of future maintainable earnings were:

- ▶ market research results on brand recognition
- ▶ the success of the Brisbane Broncos Rugby League Team since its inception
- ▶ the long term tenancy at Suncorp Stadium
- ▶ the level of current sponsorship and signage sales
- ▶ the growth trend of crowd attendances, gate takings and season memberships
- ▶ the probability of the Group to renew its rugby league licence and receive grants under this licence

An annual growth rate of 3% has been used in the future maintainable earnings calculation and a pre-tax discount rate of 12% (2012: 12%) has been applied to the cash flow projections. Value in use has been calculated using a 5 year model with a terminal value (based on continued 3% terminal growth).

Budgets and forecasts have been prepared based on the above factors and trends and the assumption that there will be no major events or changes in circumstances that will significantly affect the revenue streams, financial performance of the Group or key assumptions that would cause the carrying value of the cash generating unit to materially exceed its recoverable amount.

There is no present indication that these factors will change in the foreseeable future. As a result, management is of the opinion that the future maintainable earnings calculation can be justified based on these assumptions.

As at 31 December 2013, the present value of the cash flow projections supported the carrying value of the cash generating unit and there is therefore no impairment.

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$

#### 17. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	565,021	549,162	45,599	212,272
Other payables	1,353,347	1,098,421	186,637	169,976
	<b>1,918,368</b>	<b>1,647,583</b>	<b>232,236</b>	<b>382,248</b>

##### (a) Fair value

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of three months. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

##### (b) Financial guarantees

The Group has not provided any external financial guarantees on these payables.

##### (c) Related party payables

For terms and conditions relating to related payables, refer to note 24.

##### (d) Interest rate risk

Information relating to interest rate risk is set out in note 3.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 18. CURRENT LIABILITIES - PROVISIONS

Fringe benefits tax	65,757	115,168	5,390	8,925
Annual leave	285,491	256,134	93,495	68,857
Long service leave	223,985	187,871	30,202	26,933
	<b>575,233</b>	<b>559,173</b>	<b>129,087</b>	<b>104,715</b>

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 19. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Related party payables - amounts payable to controlled entities	-	-	4,253,818	4,412,234
	-	-	<b>4,253,818</b>	<b>4,412,234</b>

For terms and conditions related to related party payables refer to note 24.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 20. NON-CURRENT LIABILITIES - PROVISIONS

Long service leave	203,564	218,139	47,841	24,552
	<b>203,564</b>	<b>218,139</b>	<b>47,841</b>	<b>24,552</b>

#### Long Service Leave

Refer to note 2(o) for the relevant accounting policy and a discussion of the estimations and assumptions applied in the measurement of this provision.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 21. CONTRIBUTED EQUITY

Ordinary shares - issued and fully paid	28,991,500	28,991,500	28,991,500	28,991,500
Number of ordinary shares on issue	98,040,631	98,040,631	98,040,631	98,040,631

Fully paid ordinary shares carry one vote per share and carry the right to dividends. When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns and the creation of long-term shareholder value.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$

### 22. ACCUMULATED LOSSES

Balance 1 January	(2,344,734)	(3,514,328)	(18,216,128)	(19,396,417)
Net profit	2,032,000	2,150,000	2,042,669	2,160,695
Dividends	(1,715,712)	(980,406)	(1,715,712)	(980,406)
<b>Balance 31 December</b>	<b>(2,028,446)</b>	<b>(2,344,734)</b>	<b>(17,889,171)</b>	<b>(18,216,128)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>23. CASH FLOW STATEMENT RECONCILIATION</b>				
<b>Reconciliation of net profit after tax to net cash flows from operations</b>				
Net profit/(loss)	2,032,000	2,150,000	2,042,669	2,160,695
<b>Adjustments for:</b>				
Depreciation and amortisation	381,765	504,414	-	-
Doubtful debts expense	55,000	2,110	-	-
Sundry provision reversal	(11,165)	(15,137)	-	-
Employee benefits provisions	50,896	102,520	51,197	30,612
Amounts recovered from subsidiaries under tax funding agreement	-	-	(1,380,333)	(1,295,254)
Dividends classified as investment cash flow	-	-	(2,909,143)	(2,798,886)
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in trade and other receivables	(423,100)	440,581	44,507	(145,387)
(Increase)/decrease in inventories	(77,985)	(44,280)	-	-
(Increase)/decrease in deferred tax asset	(68,064)	(1,036)	(29,758)	(1,695)
(Decrease)/increase in current tax liability	(144,867)	333,014	(144,867)	333,014
(Decrease)/increase in creditors and accruals	296,727	395,862	(21,726)	175,317
(Decrease)/increase in unearned revenue	438,521	355,886	-	-
(Decrease)/increase in provisions	(49,411)	(15,637)	(3,535)	(9,796)
<b>Net cash from/(used in) operating activities</b>	<b>2,480,317</b>	<b>4,208,297</b>	<b>(2,350,989)</b>	<b>(1,551,380)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 24. RELATED PARTY DISCLOSURE

#### (a) Subsidiaries

The consolidated financial statements include the financial statements of Brisbane Broncos Limited and the subsidiaries listed in the following table:

Name of Controlled Entity	Country of Incorporation		% of Shares Held	
			2013	2012
Brisbane Broncos Corporations Trust	Australia		100	100
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia		100	100
Brisbane Broncos Management Corporation Pty Ltd	Australia	(i)	100	100
Brisbane Broncos Rugby League Club Ltd	Australia	(ii)	n/a	n/a
Queensland Entertainment Services Pty Ltd	Australia	(i)	100	100
Laurelgrove Pty Ltd	Australia	(i)	100	100
Pacific Sports International Pty Ltd	Australia	(i)	100	100
Brisbane Broncos (Licencee) Pty Ltd	Australia		100	100
A.C.N. 067 052 386 Pty Ltd	Australia		100	100
Pacific Sports Holdings Pty Ltd (Trustee)	Australia	(i)	100	100
Brisbane Professional Sports Investment Pty Ltd	Australia		100	100
AH BR Pty Ltd	Australia		100	100

The financial years of all controlled entities are the same as that of the parent entity.

All controlled entities were incorporated in Australia, have only issued ordinary share capital, and are controlled either directly or through its subsidiaries by the parent entity.

- (i) These companies have entered into a deed of cross guarantee with Brisbane Broncos Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each Company participating in the deed on winding up of that company. Closed group disclosures are not presented as no company within the closed group is required to avail itself of the relief from preparation of financial statements granted by ASIC Class Order 98/1418.
- (ii) Brisbane Broncos Rugby League Club Ltd is a company limited by guarantee, is owned by its members but has been consolidated as a controlled entity under AASB 10 *Consolidated Financial Statements*.

#### (b) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 25.

#### (c) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances at year-end, refer to note 19).

		Sales to related parties \$	Grants from related parties \$	Purchases from related parties \$
<b>CONSOLIDATED</b>				
<b>Major shareholder</b>				
News Corporation	2013	108,608	-	134,978
	2012	10,184	-	182,165
<b>Other</b>				
National Rugby League Limited	2013	752,835	7,654,750	73,341
	2012	613,642	5,427,000	88,575

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 24. RELATED PARTY DISCLOSURE (CONTINUED)

##### (c) Transactions with related parties (continued)

###### Inter-group loans and advances

During the financial year, loans were advanced and repayments received on inter-company accounts between Brisbane Broncos Limited and its subsidiaries. The contractual maturity amount is the same as the carrying amount as it is non-interest bearing. These are shown as non-current liabilities as the subsidiaries have agreed not to call on these loans within twelve months.

###### Majority shareholder

News Corporation owned 68.87% of the Group as at 31 December 2013 (2012: 68.87%). News Corporation and its related entities provided the Group with sponsorship and commercial income during the financial year. Advertising and other services were also provided during the financial year by News Corporation and its related entities to the value of \$134,978 (2012: \$182,165).

It is noted that on 28 June 2013, Twenty-First Century Fox, Inc. (previously called News Corporation) completed the separation of Twenty-First Century Fox, Inc. and News Corporation Inc.. As a result, News Corporation is a subsidiary of News Corporation Inc. and has ceased to be a subsidiary of Twenty-First Century Fox, Inc..

###### Other

The licence held by the Group during the year was provided by National Rugby League Limited which was, until 10 February 2012, 50% owned by News Limited. On 10 February 2012 News Limited transferred its interest in National Rugby League Limited. The licence entitles the Group to receive an annual grant from National Rugby League Limited. Further advertising grants and merchandise royalty income were also provided to the Group during the financial year. Various amounts were paid to the National Rugby League by the Group during the year relating to tickets to rugby league matches and other functions, insurances, fines, travel and other miscellaneous game day related items.

#### 25. KEY MANAGEMENT PERSONNEL

##### (a) Details of Key Management Personnel

###### (i) Directors

D M Watt	Chairman (Non-Executive) (appointed Chairman 23 July 2013)
K S Bickford	Director (Non-Executive)
J D Harvie	Director (Non-Executive) (appointed 23 July 2013)
A J Joseph	Director (Non-Executive)
D J Lockyer	Director (Non-Executive) (appointed 30 October 2013)
L G Brindle	Director (Non-Executive) (retired 8 August 2013)

###### (ii) Executives

P M White	Chief Executive Officer
A D Gee	General Manager Football Operations
L A Lanigan	Company Secretary and Salary Cap Manager
S A Moro	Chief Financial Officer
T M Reader	General Manager Marketing and Commercial Operations

##### (b) Compensation of Key Management Personnel

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Short-term employee benefits	1,191,566	1,054,525	754,966	654,425
Post-employment	106,142	133,366	75,592	106,551
Other long-term benefits	24,445	15,740	13,465	9,519
	<b>1,322,153</b>	<b>1,203,631</b>	<b>844,023</b>	<b>770,495</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 25. KEY MANAGEMENT PERSONNEL (CONTINUED)

##### (c) Shareholdings of Key Management Personnel (Consolidated)

Shares held in Brisbane Broncos Limited (number):

	Balance 1 Jan 2013	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 31 Dec 2013
<b>Directors</b>					
D M Watt	-	-	-	-	-
K S Bickford	-	-	-	-	-
J D Harvie	-	-	-	-	-
A J Joseph *	60,000	-	-	-	60,000
D J Lockyer	-	-	-	-	-
L G Brindle	-	-	-	-	-
<b>Executives</b>					
P M White	-	-	-	-	-
A D Gee	-	-	-	-	-
L A Lanigan	-	-	-	-	-
S A Moro	-	-	-	-	-
T M Reader	-	-	-	-	-
<b>Total</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>

\* Mr Joseph held 53,141 ordinary shares on appointment date and subsequently acquired 3,000 ordinary shares on 9 March 2011 and 3,859 ordinary shares on 14 March 2011. His total shareholding has not changed in 2013 and as at reporting date is 60,000 ordinary shares.

All equity transactions with key management personnel are entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length. No shares were held by the above listed personnel in the 2012 financial year other than Mr Joseph as noted in the footnote above.

##### (d) Other transactions and balances with Key Management Personnel

Mr Watt and Mr Harvie are employees of News Corporation Australia which is a related party of the Group. Transactions conducted with News Corporation Australia and its related entities are disclosed in note 24 of this report.

A Licence and Endorsement Agreement exists between Mr Lockyer and a subsidiary of Brisbane Broncos Limited. The purpose of the agreement is for Mr Lockyer to provide promotional services and intellectual property access to the Brisbane Broncos. The term of this agreement is three years which commenced on 1 November 2011 and expires on 31 October 2014. The Licence Fee payable in relation to this agreement is \$80,000, \$100,000 and \$120,000 (exc GST) per annum. In accordance with the agreement, payments totalling \$103,333 (2012: \$83,333) were made to Mr Lockyer in consideration for services provided during the financial year. Mr Lockyer also received payment of \$1,500 during the year in respect of memorabilia signing property rights.

#### 26. COMMITMENTS AND CONTINGENCIES

##### (a) Commitments

##### (i) Leasing Commitments

##### Operating lease commitments - Group as lessee

The Group has entered into commercial leases of property. No motor vehicles leases are held in the current or prior year. Property leases have an average life of ten years with a renewable option included in the contracts. It is noted that the current long term property lease is due for renewal in 2014, and notification has been given to enter into negotiations. There are no restrictions placed upon the lessee by entering into these leases. Equipment rentals have an average life of two years.



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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### (a) Commitments (continued)

##### (i) Leasing Commitments (continued)

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Within one year	124,243	142,586	-	-
After one year but not more than five years	2,836	43,995	-	-
After more than five years	-	-	-	-
<b>Total minimum lease payments</b>	<b>127,079</b>	<b>186,581</b>	<b>-</b>	<b>-</b>

Included above as an operating lease commitment is the minimum amount payable (GST exclusive) under the Hiring Agreement with Suncorp Stadium. Additional amounts payable under this agreement are based on proceeds from sales of corporate facilities, signage, ticket sales, and other revenue per game which cannot be reliably forecast. Refer to note 6(b) for amounts actually paid.

##### (ii) Player Contract Commitments

Commitments for the payment of player contracts in existence at the reporting date but not recognised as liabilities are:

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Within one year	7,756,465	6,306,962	-	-
After one year but not more than five years	10,088,627	7,163,212	-	-
	<b>17,845,092</b>	<b>13,470,174</b>	<b>-</b>	<b>-</b>

##### (iii) Affiliate Club Commitments

Commitments for the payment of affiliate club grant contracts in existence at the reporting date but not recognised as liabilities are:

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Within one year	195,455	186,364	-	-
After one year but not more than five years	127,273	272,727	-	-
	<b>322,728</b>	<b>459,091</b>	<b>-</b>	<b>-</b>

##### (iv) Key Management Personnel Remuneration Commitments

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

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Within one year	457,500	401,500	-	-
After one year but not more than five years	1,002,563	-	-	-
	<b>1,460,063</b>	<b>401,500</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### (a) Commitments (continued)

#### (iv) Key Management Personnel Remuneration Commitments (continued)

Mr Paul White was appointed as Chief Executive Officer on 1 January 2011. Amounts disclosed as 2012 and 2013 remuneration commitments include commitments arising from Mr White's employment agreements, the original which expired on 31 December 2013 and renewed agreement which expires on 31 December 2016. The amounts include cash salary, superannuation and the provision of a motor vehicle.

#### (v) Merchandise Order Commitments

Commitments for the purchase of merchandise at the reporting date but not recognised as liabilities are:

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
Within one year	293,245	264,355	-	-
After one year but not more than five years	-	-	-	-
	<b>293,245</b>	<b>264,355</b>	<b>-</b>	<b>-</b>

Forward orders are placed in respect of stock deliveries required for the 2014 season.

#### (b) Contingencies

No contingencies exist as at the reporting date.

### 27. AUDITORS' REMUNERATION

The auditor of Brisbane Broncos Limited is Ernst & Young.

	Consolidated		Parent	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>Amounts received, or due and receivable, by Ernst &amp; Young (Australia) for:</b>				
▶ an audit or review of the financial report of the entity and any other entity in the consolidated group	92,700	86,000	84,100	77,700
▶ other services in relation to the entity and any other entity in the consolidated group				
▶ taxation services	-	1,800	-	1,800
▶ other	17,809	1,400	17,809	-
	<b>110,509</b>	<b>89,200</b>	<b>101,909</b>	<b>79,500</b>
<b>Amounts received, or due and receivable, by non Ernst &amp; Young audit firms for:</b>				
▶ Taxation services	5,700	5,400	5,700	5,400

### 28. EVENTS AFTER BALANCE DATE

On 19 February 2014, the Board of Directors declared a final dividend on ordinary shares in respect of the 2013 financial year. The total amount of the dividend is \$409,203 which represents half of one cent dividend franked to 100% per share.

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# DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Brisbane Broncos Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true view of the Company's and consolidated entity's financial position as at 31 December 2013 and of their performance for the year ended on that date; and
    - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
  - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a),
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
  - (d) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 24 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
2. This declaration is made after receiving the declarations required to be made to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial period ended 31 December 2013.

On behalf of the Board



**Dennis Watt**  
Chairman  
Brisbane  
19 February 2014



**1992 WINFIELD CUP PREMIERS**



**1993 WINFIELD CUP PREMIERS**



**1997 SUPER LEAGUE PREMIERS**



**1998 TELSTRA CUP PREMIERS**



**2000 TELSTRA CUP PREMIERS**



**2006 TELSTRA CUP PREMIERS**



*indicative concept only*



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## Independent auditor's report to the members of Brisbane Broncos Limited

### Report on the financial report

We have audited the accompanying financial report of Brisbane Broncos Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *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 about 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 judgment, 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

#### *Independence*

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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### Opinion

In our opinion:

- a. the financial report of Brisbane Broncos Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the Company's and consolidated entity's financial positions as at 31 December 2013 and of their performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a).

### Report on the remuneration report

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 31 December 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

#### Opinion

In our opinion, the Remuneration Report of Brisbane Broncos Limited for the year ended 31 December 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Brad Tozer  
Partner  
Brisbane  
19 February 2014

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# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and now shown elsewhere in this report is as follows. This information is current as at 6 February 2014.

## (a) Distribution of equity securities

98,040,631 fully paid ordinary shares are held by 768 individual shareholders. All issued shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding in each class is as follows:

Size of Holding	Ordinary Shareholders	Ordinary Share Option-holders
1 – 1000	56	-
1001 – 5000	427	-
5001 – 10000	144	-
10001 – 100000	127	-
100001 – OVER	14	-
	<b>768</b>	-
<b>Holding less than a marketable parcel</b>	<b>77</b>	-

## (b) Substantial shareholders

Ordinary Shareholders	Fully Paid Shares	Percentage
Nationwide News Pty Ltd	67,521,089	68.87%
BGM Projects Pty Ltd	19,588,352	19.98%
	<b>87,109,441</b>	<b>88.85%</b>

## (c) Twenty largest holders of quoted equity securities

Ordinary shareholders	Number of ordinary shares	Percentage Held
Nationwide News Pty Ltd	67,521,089	68.87%
BGM Projects Pty Ltd	19,588,352	19.98%
BXB Pty Ltd	1,510,333	1.54%
AEG Ogden Pty Ltd	631,666	0.64%
Scanlon Group Holdings Pty Ltd	522,287	0.53%
Mr Sean Ryan and Mrs Julia Ryan	388,464	0.40%
Bartlett Management Pty Ltd	325,000	0.33%
Mr James Dyer and Mrs Kellyanne Dyer	317,490	0.32%
Meingrove Pty Ltd	300,000	0.31%
W F M Motors Pty Ltd	300,000	0.31%
Moonton Pty Ltd	288,550	0.29%
Mr Adrian Charles Vos	132,536	0.14%
Ms Joan Ann Mary Enever	110,000	0.11%
Mr Raymond John Balkin	104,627	0.11%
Bushfly Air Charter Pty Ltd	100,000	0.10%
George Enever Pty Ltd	100,000	0.10%
Mr D'Wayne Wigley and Mrs Lynne Wigley	97,319	0.10%
ACT Demo Pty Ltd	83,333	0.08%
Mr John James Nuell	79,000	0.08%
Mr David Neil Holland	78,000	0.08%
	<b>92,578,046</b>	<b>94.42%</b>

# NOTICE OF ANNUAL GENERAL MEETING

**Registered Office: Level 1, Broncos Leagues Club, Fulcher Road, Red Hill QLD 4059.**

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Shareholders of BRISBANE BRONCOS LIMITED will be held at the Broncos Leagues Club, 92 Fulcher Road, Red Hill QLD 4059 on Tuesday 29 April 2014 commencing at 10.00 am.

## BUSINESS

### Item 1 Financial Statements and Reports

To receive and consider the Annual Financial Report of Brisbane Broncos Limited and its controlled entities together with the Directors' Report and Auditor's reports for the financial year ended 31 December 2013.

### Item 2 Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"To adopt the Remuneration Report for Brisbane Broncos Limited and its controlled entities for the year ended 31 December 2013."

(Note: The vote on this resolution is advisory only and does not bind the directors of Brisbane Broncos Limited).

### Voting Exclusion Statement

For all resolutions that are directly or indirectly related to the remuneration of a director, officer or a member of the Key Management Personnel ("KMP") of the Company (being item 2), the *Corporations Act 2001* restricts KMP and their closely related parties from voting in some circumstances. Closely related party is defined in the *Corporations Act* and includes spouse, dependants, and certain other close family members, as well as any companies controlled by the directors, officers or KMPs.

The Company will disregard any votes cast on item 2 by or on behalf of the directors, officers or KMPs (and their closely related parties) named in the Remuneration Report. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form.

### Item 3 Re-election of Director - Mr Anthony Joseph

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That Mr Anthony Joseph, who retires by rotation in accordance with Clause 75 of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a director of Brisbane Broncos Limited."

### Item 4 Election of Director - Mr Jeff Harvie

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That Mr Jeff Harvie, having consented to act as a director of the Company, and having been appointed by the directors on 23 July 2013 in accordance with Clause 71 of the Company's Constitution, be and is hereby elected as a director of Brisbane Broncos Limited."

### Item 5 Election of Director - Mr Darren Lockyer

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That Mr Darren Lockyer, having consented to act as a director of the Company, and having been appointed by the directors on 30 October 2013 in accordance with Clause 71 of the Company's Constitution, be and is hereby elected as a director of Brisbane Broncos Limited."

### Voting Entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of shareholders as at 7.00 pm (Brisbane time) on Sunday, 27 April 2014. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitlements to attend and vote at the Annual General Meeting.

On a show of hands, every shareholder present has one vote. On a poll, shareholders have one vote for every fully paid ordinary share held. All items will be determined on a show of hands unless a poll is duly called on an item.

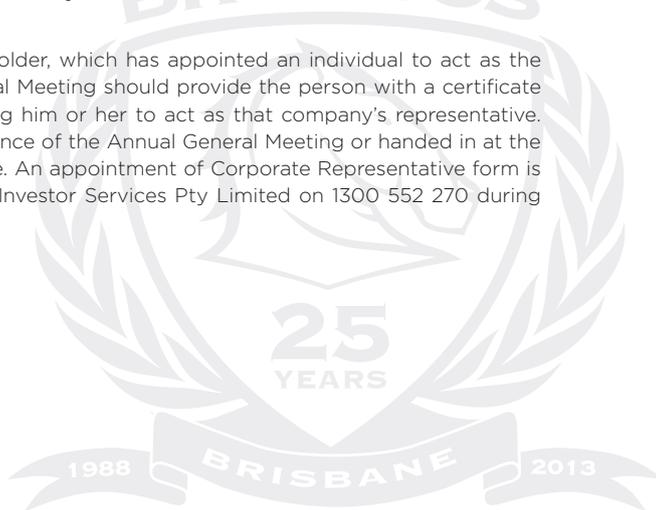
### Corporate Representatives

Any corporate shareholder or corporate proxy appointed by a shareholder, which has appointed an individual to act as the shareholder's or proxy's corporate representative at the Annual General Meeting should provide the person with a certificate or letter executed in accordance with the *Corporations Act* authorising him or her to act as that company's representative. The authority may be sent to the Company or its share register in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. An appointment of Corporate Representative form is available by contacting the Company's share registry Computershare Investor Services Pty Limited on 1300 552 270 during business hours.

By order of the Board of BRISBANE BRONCOS LIMITED



**Ms Louise Lanigan**  
Company Secretary  
25 March 2014



# EXPLANATORY NOTES

Registered Office: Level 1, Broncos Leagues Club, Fulcher Road, Red Hill QLD 4059.

## 1. INTRODUCTION

These Explanatory Notes have been prepared for the information of shareholders in connection with the resolutions to be considered by them at the Annual General Meeting to be held at the Broncos Leagues Club, 92 Fulcher Road, Red Hill QLD 4059 on Tuesday 29 April 2014 commencing at 10.00 am.

The purpose of the Explanatory Notes is to provide shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the resolutions in the accompanying Notice of Meeting. This document is important and should be read in conjunction with all of the information included in the Notice of Meeting and Annual Report.

## 2. BUSINESS

### Item 1 – Financial Statements and Reports

As required by section 317 of the *Corporations Act 2001 (Cth)* (the 'Act'), the Financial Report, Directors' Report and Auditor's Report of Brisbane Broncos Limited and its controlled entities for the most recent financial year will be laid before the meeting.

These reports are contained in the Company's 2013 Annual Report. Shareholders can access a copy of the Annual Report on the corporate section of the Brisbane Broncos website [www.broncos.com.au](http://www.broncos.com.au). A printed copy of the Company's 2013 Annual Report has been sent to all shareholders.

Neither the *Corporations Act 2001* nor the Company's Constitution requires a vote of shareholders at the Meeting on such reports or statements, however shareholders will be provided with the opportunity to ask questions with respect to these reports or about the Broncos generally at the Annual General Meeting.

### Item 2 – Remuneration Report

It is a requirement under the *Corporations Act 2001* that the Annual Report for the financial year ended 31 December 2013 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities and reports on the remuneration arrangements in place for directors, officers and senior executives.

The *Corporations Act 2001* requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote is advisory only and does not bind the directors or the Company. However, directors will have regard to the outcome of the vote and any discussion when setting the remuneration policies in future years. Shareholders will have the opportunity to ask questions about the Brisbane Broncos Limited Remuneration Report at the Annual General Meeting.

A voting exclusion statement applies to this item of business as set out in the Notice of Meeting.

*The directors unanimously recommend that members vote in favour of adopting the Remuneration Report. The Chairman of the meeting intends to vote all available proxies in favour of this Resolution.*

### Item 3 Re-election of Director – Mr Anthony Joseph

Pursuant to Clause 75 of the Company's Constitution, Mr Anthony Joseph must retire by rotation from the Board. In accordance with Clause 75, Mr Anthony Joseph, being eligible, offers himself for re-election at the Meeting. Mr Joseph, because of his interest, makes no recommendation in relation to this resolution.

Mr Joseph's qualifications and experience are detailed in the Directors' Report included in the Annual Report.

*The Board recommends the election of Mr Joseph. The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.*

### Item 4 Election of Director – Mr Jeff Harvie

The directors of the Company appointed Mr Jeff Harvie as director on 23 July 2013 pursuant to Clause 71 of the Company's Constitution. Mr Harvie, having been appointed as director since the last Annual General Meeting must retire from office and in accordance with Clause 71, being eligible and having consented to act, offers himself for election at the meeting. Mr Harvie, because of his interest, makes no recommendation in relation to this resolution.

Mr Harvie's qualifications and experience are detailed in the Directors' Report included in the Annual Report.

*The Board recommends the election of Mr Harvie. The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.*

### Item 5 Election of Director – Mr Darren Lockyer

The directors of the Company appointed Mr Darren Lockyer as director on 30 October 2013 pursuant to Clause 71 of the Company's Constitution. Mr Lockyer, having been appointed as director since the last Annual General Meeting must retire from office and in accordance with Clause 71, being eligible and having consented to act, offers himself for election at the meeting. Mr Lockyer, because of his interest, makes no recommendation in relation to this resolution.

Mr Lockyer's qualifications and experience are detailed in the Directors' Report included in the Annual Report.

*The Board recommends the election of Mr Lockyer. The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.*

# PROXY FORM - 2014 ANNUAL GENERAL MEETING

## STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/WE

Name(s) of Individual or Corporate Holder(s)

OF

Address of shareholder(s) as shown on the register of members

A member of BRISBANE BRONCOS LIMITED (ABN 41 009 570 030) hereby appoint

The Chairman of the Meeting (mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate you are appointing as your proxy. Do not insert your own name.

Leave this box blank if you are selecting the Chairman

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Brisbane Broncos Limited to be held at the Broncos Leagues Club, 92 Fulcher Road, Red Hill, Brisbane on Tuesday 29 April 2014 at 10.00 am (Brisbane time), and at any adjournment of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 2** by marking the appropriate box in step 2 below.

## STEP 2 ITEMS OF BUSINESS - PLEASE MARK 'X' TO INDICATE YOUR DIRECTIONS

ORDINARY BUSINESS		For	Against	Abstain*
<b>Item 2</b>	Remuneration Report			
<b>Item 3</b>	Re-election Director – Mr Anthony Joseph			
<b>Item 4</b>	Election Director – Mr Jeff Harvie			
<b>Item 5</b>	Election Director – Mr Darren Lockyer			

\*If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED

Individual or Shareholder 1

Individual/Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

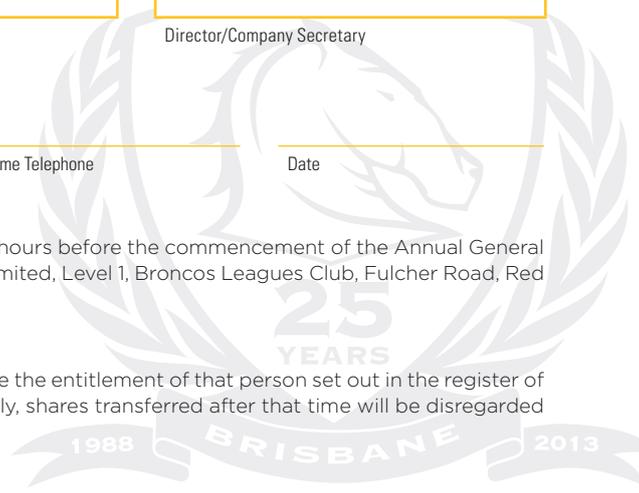
Date

### Return Proxy Forms

Proxy forms must be received at our Registered Office no later than 48 hours before the commencement of the Annual General Meeting. Proxy forms can be delivered or mailed to Brisbane Broncos Limited, Level 1, Broncos Leagues Club, Fulcher Road, Red Hill, Queensland, 4059, or faxed to (07) 3858 9112.

### Voting Entitlement

A shareholder's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of shareholders as at 7.00 pm (Brisbane time) on 27 April 2014. Accordingly, shares transferred after that time will be disregarded in determining entitlements to attend and vote at the Meeting.



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# INSTRUCTIONS FOR HOW TO COMPLETE THIS PROXY FORM

## 1. YOUR ADDRESS

This is your address as it appears on the Company's share register.

## 2. APPOINTMENT OF PROXY

Please write the name of your proxy where indicated in Step 1. If you wish to appoint the Chairman of the Meeting as your proxy, mark the box on the left in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Please do not write the name of the Company or the registered shareholder in the space provided.

### Voting 100% of your holding

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

### Voting a portion of your holding

Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

### Appointing a second proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. The sum of the percentages allocated to each proxy must not exceed 100%. When appointing a second proxy, write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

## 3. VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any one item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose. If you mark more than one box on an item, your vote on that item will be invalid unless the marks are a number or percentage of shares. If you attempt to vote in excess of your shareholding on the register, whether by one proxy or two, your vote will be invalid.

**The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.**

## 4. SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. Delete titles as applicable.

If a representative of a corporate shareholder or proxy is to attend the Meeting, the appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission.

## 5. LODGEMENT OF PROXY FORM

This Proxy Form must be received no later than 10.00 am (Brisbane time) on Sunday 27 April 2014. Any Proxy Form received after that time will not be valid for the scheduled meeting. Proxy forms can be delivered or mailed to Brisbane Broncos Limited, Level 1, Broncos Leagues Club, Fulcher Road, Red Hill, Queensland, 4059, or faxed to (07) 3858 9112.



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NRMA INSURANCE BRONCOS



**BRISBANE BRONCOS**

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T: 07 3858 9111 F: 07 3858 9112

**[www.broncos.com.au](http://www.broncos.com.au)**

A.B.N. 41 009 570 030