



25 February 2005

To: ASX Company Announcements Platform

**BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES
2004 FINANCIAL RESULTS**

Please find attached the following documents in relation to the 2004 financial results for Brisbane Broncos Limited and its controlled entities:

- Earnings Release
- Appendix 4E – Preliminary Final Report
- 2004 Financial Report
- Independent Audit Report

Yours faithfully

Brisbane Broncos Limited
Louise Lanigan
Company Secretary



EARNINGS RELEASE FOR THE FISCAL YEAR ENDED 31 DECEMBER 2004

Brisbane, 25 February 2005

FINANCIAL PERFORMANCE

The Brisbane Broncos Group ("the Group") recorded a profit for the 2004 financial year to 31 December of \$996,210 compared to the \$313,480 profit posted in 2003. Directors of the Group were satisfied with the final result, achieved in the first full season at Suncorp Stadium since the move from ANZ Stadium in June 2003.

The total operating revenue for the Group was \$18.3 million being approximately \$2.3 million more than 2003. There were two major contributing factors to this increase in revenue.

A significant portion of the increase is due to the 17% growth in average home crowds from 24,404 in 2003 to 28,605 in 2004. The 2004 average included a 'sellout' game against the Canterbury Bulldogs on 15 August 2004 and a crowd of 37,745 against the Penrith Panthers on Anzac Day. The 2003 average does include four games that were played at ANZ Stadium prior to the relocation to Suncorp Stadium in June 2003 which needs to be considered when comparing the two years. All twelve games in 2004 were played at the redeveloped Suncorp Stadium. The growth in average home crowds together with the full year effect of higher ticket prices that were implemented upon the relocation to Suncorp Stadium resulted in gate taking and season membership revenue increasing by \$1.8 million compared to 2003.

The strength of home game attendances in 2004 was also supported by the fortunate weather conditions and match scheduling during the season. Rain was only experienced for one game and there were minimal clashes with other Brisbane sporting and cultural events. These two factors do have the potential to significantly affect home crowds.

2004 was also strong year for sponsorship revenue at the Broncos increasing by approximately \$0.5 million from 2003. The Broncos were in high demand in the commercial world in 2004 and the signing of NRMA insurance in December 2003 meant that for the first time in a number of years the playing strip was fully sponsored. The Brisbane Broncos Leagues Club also reinstated a portion of their sponsorship which contributed to the growth.

Total operating expenses were \$17.3 million which is approximately \$1.6 million more than last year. The major contributing factor to this increase was the additional game day related costs that can be directly attributed to the increase in game day revenue. Generally the costs associated with leasing Suncorp Stadium are higher than that of ANZ Stadium. This is expected given the 'world class' quality of the venue.

The costs of running the football operations also increased in season 2004 due to the investment in the future of the Club by allocating additional funds to junior development programs and player rosters.

Cash reserves on call increased by \$1.4 million during the year. This was mostly due to the strong financial performance of the Group in both the areas of game day revenue and sponsorship.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

The Broncos NRL team made huge gains on the previous year improving their overall position from eighth in 2003 to third in 2004. The players again began the season in excellent form and entered the State of Origin series in a prime position. The team performed magnificently during this time and won all three games following the Origin matches. A review of the season highlighted the horrendous injury toll the team suffered from about mid season and resulted in another disappointing end. Barry Berrigan, Brett Seymour and Mick De Vere were all out for the season before the half way mark and serious injuries to Darren Lockyer, Shane Webcke, Gorden Tallis, Shaun Berrigan and Craig Frawley all impacted on the important build up to the finals.

However, the reward for the team's solid form throughout the season was a home final against Melbourne Storm. This then led to the remarkable staging of the Broncos versus Cowboys semi final in Townsville. Despite the loss which ended the team's season, the game was a huge boost for rugby league in Queensland and credit goes to all those associated with its staging, particularly those from the Broncos including the coaching and playing staff. The Broncos was proudly represented by Darren Lockyer (captain), Shane Webcke, Petero Civoniceva, Tony Carroll, Brent Tate and Shaun Berrigan in the Australian Tri Nations tour of New Zealand and Great Britain.

THE BOARD

There were some changes to the non-executive directors of the Company during the 2004 financial year. Most significantly, Chairman Don Nissen retired in October after six years on the Board of the Broncos. He joined the Board in November 1998 and became Chairman in November 2001. Mr Nissen made an outstanding contribution to the Broncos during his tenure and helped build tremendous support with the Group's corporate partners. The Board sincerely thank him for his input and commitment and wish him well in his future endeavours.

Other changes to the Board during 2004 include the appointment of Wayne Goss as a director on 24 May 2004 who recently resigned on 14 February 2005. Keith Brodie also resigned on 13 April 2004. The directorships of Don Jackson, Peter Jourdain and Dennis Watt remained unchanged during the reporting period.

The Board announced on 17 February 2005 the appointment of Mr Darryl Somerville as a director. This was ratified at the board meeting of the Company on 24 February 2005.

THE YEAR AHEAD

After the first full season at Suncorp Stadium the future looks bright for improved financial returns for the Group. The experiences of 2004 combined with new sales strategies are expected to produce these improved results.

As a result of the team's performance in 2004 and the work of the sponsorship team, sponsorship levels are at an all time high. Confirmed new sponsors for 2005 include the Q.L.D Group, Queensland Health, Queensland Country Credit Union, and CDS Gourmet Foods. It is pleasing to see the new companies come on board and it is equally satisfying to have the vast majority of the existing sponsors renew and upgrade their association with the Broncos. All corporate partners, headed by our Principal Sponsor Ergon Energy, are vital contributors to the Broncos overall success and we thank them for their invaluable support.



BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

APPENDIX 4E

**PRELIMINARY FINAL REPORT
FOR YEAR ENDED 31 DECEMBER 2004**

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities (\$000)	Up	14%	to	18,281
Profit from ordinary activities after tax attributable to members (\$000)	Up	218%	to	996
Basic earnings per share (cents)	Up	219%	to	1.02 cents
Diluted earnings per share (cents)	Up	219%	to	1.02 cents
Net tangible asset backing per ordinary share (\$)	Up	30%	to	4.4 cents

DIVIDENDS	Amount per security	Franked amount per security
Interim Dividend	Nil	Nil
Total amount per share relating to the year ended 31 December 2004	Nil	Nil
Previous corresponding period	Nil	Nil

AUDIT INFORMATION
The financial statements have been audited and a copy of the independent audit report is attached to the financial statements.

Louise Lanigan
Company Secretary
25 February 2005

YEAR IN REVIEW	2
DIRECTORS' REPORT	4
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	9
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2004.....	12
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2004	13
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004.....	14
NOTES TO THE FINANCIAL STATEMENTS	15
DIRECTORS' DECLARATION.....	31
INDEPENDENT AUDIT REPORT	32
SHAREHOLDER INFORMATION	34

Year in review

FINANCIAL PERFORMANCE

The Brisbane Broncos Group ("the Group") recorded a very satisfying and much improved profit for the 2004 financial year ended 31 December of \$996,210 compared to the \$313,480 recorded in 2003. After the move to Suncorp Stadium mid season 2003, last year was our first full year at the new venue and directors of the Group were very satisfied with the final result.

SUNCORP STADIUM

The Broncos played their first full season at the redeveloped Suncorp Stadium in season 2004 and the financial result for the year in part reflects good returns from the stadium.

The official average attendance for 2004 was 28,605 which included a 'sellout' game against the Canterbury Bulldogs on 15 August 2004 and a crowd of 37,745 against the Penrith Panthers on Anzac Day. This average was a 17% improvement on the official average attendance for 2003 of 24,404, which included four games at ANZ Stadium.

The visiting teams have really taken to the stadium and enjoy the rare experience of playing there. This is reflected in the fact that the team won ten of twelve games on the road and only seven of twelve at home. The coaching staff and players realise that gaining a home ground advantage at Suncorp Stadium will be much more difficult than at normal suburban grounds with their unique settings. Despite these facts the administration team is working on a number of angles to improve the experience of coming to Broncos games at the stadium and improving the financial returns from these events.

From a financial perspective, it is evident from the 2004 result that Suncorp Stadium will provide the Group with an opportunity to produce results that are more commensurate to the size of the organisation.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

The Broncos NRL team made huge gains on the previous year improving their overall position from eighth in 2003 to third in 2004. The players again began the season in excellent form and entered the State of Origin series up with the leaders. As in 2003 the team performed magnificently during this time and won all three games following the Origin matches. A review of the season highlighted the horrendous injury toll the team suffered from about mid season and resulted in another disappointing end. Barry Berrigan, Brett Seymour and Mick De Vere were all out for the season before the half way mark and serious injuries to Darren Lockyer, Shane Webcke, Gorden Tallis, Shaun Berrigan and Craig Frawley all impacted on the important build up to the finals. However the reward for the team's solid form throughout the season was a home final against Melbourne Storm which unfortunately we lost. This then led to the remarkable staging of the Broncos verse Cowboys semi final in Townsville. Despite the loss which ended the team's season, the game was a huge boost for rugby league in Queensland and credit goes to all those associated with its staging, particularly those from the Broncos including the coaching and playing staff. The Broncos was proudly represented by Darren Lockyer (captain), Shane Webcke, Petero Civoniceva, Tony Carroll, Brent Tate and Shaun Berrigan in the Australian Tri Nations tour of New Zealand and Great Britain.

BOARD AND SENIOR MANAGEMENT

There were some changes to the non-executive directors of the Company during the 2004 financial year. Most significantly, Chairman Don Nissen retired in October after six years on the Board of the Broncos. He joined the Board in November 1998 and became Chairman in November 2001. Mr Nissen made an outstanding contribution to the Broncos during his tenure and helped build tremendous support with the Group's corporate partners. The Board sincerely thank him for his input and commitment and wish him well in his future endeavours. As at the date of this report, a replacement for the role of Chairman has not been appointed.

Other changes to the Board during 2004 include the appointment of Wayne Goss as a director on 24 May 2004 who recently resigned on 14 February 2005. Keith Brodie also resigned on 13 April 2004. The directorships of Don Jackson, Peter Jourdain and Dennis Watt remained unchanged during the reporting period.

The Board announced on 17 February 2005 the appointment of Mr Darryl Somerville as a director. This will be effective from the board meeting of the Company on 24 February 2005.

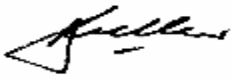
Individual director details are listed in the Directors' Report in this publication.

Managing Director Bruno Cullen, General Manager Administration and Finance, and Company Secretary Louise Lanigan and Marketing Manager Fraser Kendall made up the senior management team. Fraser Kendall was appointed in April 2004 following the resignation of Craig Richards in December 2003.

THE YEAR AHEAD

After the first full season at Suncorp Stadium the future looks bright for improved financial returns for the Group. The experiences of 2004 combined with new sales strategies are expected to produce these improved results.

As a result of the team's performance in 2004 and the work of the sponsorship team, sponsorship levels are at an all time high. Confirmed new sponsors for 2005 include the Q.L.D Group, Queensland Health, Queensland Country Credit Union, and CDS Gourmet Foods. It is pleasing to see the new companies come on board and it is equally satisfying to have the vast majority of the sponsorship stable renew and upgrade their association with the Broncos. All corporate partners, headed by our Principal Sponsor Ergon Energy, vital contributors to the Broncos overall success and we thank them for their invaluable support.



Brian Patrick Cullen
Managing Director

Directors' Report

Your directors submit their report for the financial year ended 31 December 2004.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as set out below. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Donald Ian Nissen
*Non-Executive Chairman
Independent
(Retired 25 October 2004)*

Mr Nissen has had approximately 40 years experience in the banking and finance industry and was appointed as director on 16 November 1998. He was elected to Chairman on 20 November 2001 where he remained until his retirement in October 2004.

Brian Patrick Cullen
*Managing Director
Executive*

Prior to Mr Cullen's appointment as Managing Director on 6 January 2003 he was employed by Queensland Country Credit Union for 26 years – 12 of those as Chief Executive Officer. He is also a director of Queensland Country Credit Union Limited and Brisbane Broncos Leagues Club.

Donald Stanley Jackson
*Non Executive Director
Independent*

Mr Jackson was appointed as a director on 20 November 2001. Mr Jackson was employed by Castlemaine Perkins in the liquor industry spanning a period of almost 25 years. He is a member of the board of the Brisbane Broncos Leagues Club, Brisbane Markets Limited, and Golden Casket Lottery Corporation Limited and Chairman and Managing Director of DBCT Holdings Pty Ltd.

Peter William Jourdain
Non Executive Director

Mr Jourdain was appointed as a director on 11 February 2003. Mr Jourdain is a Chartered Accountant and is the Business Development Manager and Company Secretary for the News Limited group of companies. He is a director of the North Queensland Cowboys and the Melbourne Storm Rugby League Clubs, and is also on the board of the New South Wales Rugby League.

Dennis Michael Watt
Non Executive Director

Mr Watt was appointed as a director on 11 February 2003. Mr Watt has had a career in print media, and for the past four years he has been general manager of Quest Community Newspapers which publishes 17 Brisbane community newspapers from Bribie Island to Beenleigh. He was previously Chief of Staff and Assistant Editor with The Courier Mail.

Wayne Keith Goss
*Non Executive Director
(Appointed 24 May 2004)
(Resigned 14 February 2005)*

Mr Goss was appointed as director on 24 May 2004 and resigned on 14 February 2005. Mr Goss was Premier of Queensland from 1989 to 1996.

Keith Douglas Brodie
*Non Executive Director
(Resigned 13 April 2004)*

Mr Brodie was appointed as a director on 18 April 2002 and resigned on 13 April 2004. He also served on the Board from December 1994 to April 2000. Mr Brodie is a Chartered Accountant and the Director of Human Resources of News Limited.

COMPANY SECRETARY

Louise Anna Lanigan
Company Secretary

Ms Lanigan has been Company Secretary and General Manager of Finance and Administration since 3 July 2000. She has been a Chartered Accountant for 10 years. Prior to holding this position she was Group Financial Controller of a small ASX listed company for 2 years and worked in the Chartered Accounting industry for 8 years.

Directors' Report (continued)

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Brisbane Broncos Limited were:

<i>Directors</i>	<i>Ordinary shares</i>	<i>Options</i>
B P Cullen	-	-
D S Jackson	28,500	-
P W Jourdain	-	-
D M Watt	-	-
W K Goss (Appointed 24 May 2004 and Resigned 14 February 2005)	-	-
D I Nissen (Retired 25 October 2004)	50,000	-
K D Brodie (Resigned 13 April 2004)	35,000	-

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	1.02
Diluted Earnings Per Share	1.02

DIVIDENDS

No dividends have been paid, declared or recommended since the end of the preceding financial year.

CORPORATE STRUCTURE AND INFORMATION

Brisbane Broncos Limited is a company limited by shares that is incorporated and domiciled in Australia. Brisbane Broncos Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. The address of the registered office is Fulcher Road, Red Hill, Queensland.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the 2004 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.

REVIEW AND RESULTS OF OPERATIONS

Results

The Brisbane Broncos Group ("the Group") recorded a profit for the 2004 financial year to 31 December of \$996,210 compared to the \$313,480 profit posted in 2003. Directors of the Group were satisfied with the final result, achieved in the first full season at Suncorp Stadium since the move from ANZ Stadium in June 2003.

Review of Operations

The total operating revenue for the Group was \$18.3 million being approximately \$2.3 million more than 2003. There were two major contributing factors to this increase in revenue.

A significant portion of the increase is due to the 17% growth in average home crowds from 24,404 in 2003 to 28,605 in 2004. The 2003 average does include four games that were played at ANZ Stadium prior to the relocation to Suncorp Stadium in June 2003 which needs to be considered when comparing the two years. All twelve games in 2004 were played at the redeveloped Suncorp Stadium. The growth in average home crowds together with the full year effect of higher ticket prices that were implemented upon the relocation to Suncorp Stadium resulted in gate taking and season membership revenue increasing by \$1.8 million compared to 2003.

The strength of home game attendances in 2004 was also supported by the fortunate weather conditions and match scheduling during the season. Rain was only experienced for one game and there were minimal clashes with other Brisbane sporting and cultural events. These

Directors' Report (continued)

two factors do have the potential to significantly affect home crowds.

2004 was also a strong year for sponsorship revenue at the Broncos, increasing by approximately \$500,000 from 2003. The Broncos were in high demand in the commercial world in 2004 and the signing of NRMA insurance in December 2003 meant that for the first time in a number of years the playing strip was fully sponsored. The Brisbane Broncos Leagues Club also reinstated a portion of their sponsorship which contributed to the growth.

Total operating expenses were \$17.3 million which is approximately \$1.6 million more than last year. The major contributing factor to this increase were the additional game day related costs that can be directly attributed to the increase in game day revenue. Generally the costs associated with leasing Suncorp Stadium are higher than that of ANZ Stadium. This is expected given the 'world class' quality of the venue. The costs of operating the football operations also increased in 2004 due to the investment in the future of the Club by allocating additional funds to junior development programs and player rosters.

Cash reserves on call increased by \$1.4 million during the year. This was mostly due to the strong financial performance of the Group in both the areas of game day revenue and sponsorship.

Management is still negotiating some minor operational matters in relation to the long-term hiring agreement for Suncorp Stadium. The financial terms of the long-term contract were finalised and the entire contract was agreed to in principle prior to the commencement of the 2004 season. An official document is yet to be executed however the Board expects the execution of the hiring agreement to be imminent. This will officially commit the Broncos as long-term tenants of Suncorp Stadium. The Board believe this to be a successful 'partnership' that will provide the Group with the foundations to develop growth and improve financial performance on an ongoing basis.

Finally, there are some contracts in connection with ANZ Stadium which are in the process of being terminated. It is not anticipated at this stage that there will be any material liabilities arising from the early termination of those contracts.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs since 31 December 2004.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors have excluded from this report any further information on the likely developments in the operations of the consolidated entity 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 consolidated entity.

SHARE OPTIONS

At 31 December 2004, 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 consolidated entity were renewed during 2004.

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 \$5 million for each and every claim and in the aggregate during the policy period.

DIRECTORS' AND OFFICERS' REMUNERATION

Due to the size of the Board, a separate Remuneration Committee has not been established. The Board as a whole is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. They also consider all matters relevant to the nomination of directors.

Directors' Report (continued)

The Board assesses the appropriateness of the nature and amount of emoluments of such officers and executives on a periodic basis. The overall objective of this process is to ensure maximum stakeholder benefit from the retention of a high quality Board and executive team. The non-executive directors are responsible for evaluating the performance of the chief executive, who in turn evaluates the performance of all other senior executives. The executive officers 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. Executive officers receive their base emolument in a variety of forms including cash, superannuation and fringe benefits such as motor vehicles. The Chief Executive Officer is entitled to annual bonuses payable on achievement of budgeted profit before tax and overall company performance.

Further details on the remuneration of directors and executives are also provided in Note 24 to the financial statements.

Details of the nature and amount of each element of the emolument of each director of the Company and the two executive officers of the Company and the consolidated entity are as follows:

	Base Salary	Bonus	Fee	Benefits (Motor Vehicle)	Super	Total
Emoluments of Executive Directors of Brisbane Broncos Limited						
B P Cullen	208,500	100,000**	-	20,000	22,200	350,700
Emoluments of Non Executive Directors of Brisbane Broncos Limited						
D S Jackson	-	-	10,000	-	900	10,900
P W Jourdain +	-	-	10,000	-	-	10,000
D M Watt +	-	-	10,000	-	-	10,000
W K Goss (Appointed 24-05-04 Resigned 14-02-05) *	-	-	6,048	-	544	6,592
D I Nissen (Retired 25-10-04) *	-	-	16,667	-	1,500	18,167
K D Brodie (Resigned 13-04-04) * +	-	-	2,665	-	-	2,665
Emoluments of the two Executive Officers of the Company and the consolidated entity						
L A Lanigan – Company Secretary and General Manager Finance	100,917	-	-	15,000	9,083	125,000
F P Kendall – Marketing Manager * (Appointed 27 April 2004)	51,554	-	-	14,968	4,640	71,162

*The amount presented reflects the remuneration for the period these individuals were directors or executive officers during the financial year.

+Directors' fees for Keith Brodie, Peter Jourdain and Dennis Watt are paid directly to their employer.

** A \$50,000 bonus was paid during the 2004 financial year in relation to the 2003 financial year. \$50,000 has been accrued in relation to the 2004 financial year.

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 were as follows:

<i>Board or Committee</i>	<i>Number of Meetings</i>
Full Board	8
Audit and Risk Management	2

Directors' Report (continued)

DIRECTORS' MEETINGS (continued)

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

	<i>Full Board</i>	<i>Audit & Risk Management Committee</i>
B P Cullen	8 (8)	2 (2)
D S Jackson	7 (8)	2 (2)
P W Jourdain	8 (8)	2 (2)
D M Watt	8 (8)	2 (2)
W K Goss (Appointed 24 May 2004 and Resigned 14 February 2005)	5 (6)	1 (1)
D I Nissen (Retired 25 October 2004)	5 (6)	1 (2)
K D Brodie (Resigned 13 April 2004)	2 (2)	1 (1)

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 Audit and Risk Management Committee met twice during the 2004 financial year. 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.

TAX CONSOLIDATION

Effective 1 January 2004, for the purposes of income taxation, Brisbane Broncos Limited and its 100% owned subsidiaries have formed a tax consolidated group.

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.

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



Brian Cullen
Managing Director

Brisbane, Queensland
24 February 2005

Statement of Corporate Governance Practices

The Board of Directors of Brisbane Broncos Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business affairs of the consolidated entity on behalf of its shareholders by whom they are elected and to whom they are accountable.

The format of the Corporate Governance Statement has changed in comparison to the previous year due to the introduction of the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's Recommendations, the Corporate Governance Statement must now contain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with reasons for the departure. Brisbane Broncos Limited's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations which are as follows:

Principle 1	Lay solid foundations for management and oversight.
Principle 2	Structure to the board to add value.
Principle 3	Promote ethical and responsible decision making.
Principle 4	Safeguard integrity in financial reporting.
Principle 5	Make timely and balanced disclosure.
Principle 6	Respect the rights of shareholders.
Principle 7	Recognise and manage risk.
Principle 8	Encourage enhanced performance.
Principle 9	Remunerate fairly and responsibly.
Principle 10	Recognise the legitimate interests of stakeholders.

For further information on corporate governance policies adopted by Brisbane Broncos Limited, refer to our website: www.broncos.com.au.

BOARD OF DIRECTORS

The Board of Directors and executive management operate in accordance with a Board Charter. The Board oversees the business of Brisbane Broncos Limited (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.

Executive directors do not receive any additional compensation for serving as a director. Non-executive directors receive fees for serving on the Board. Details of the members of the Board, their experience, remuneration, qualifications, and term in office are set out in the Directors' Report.

Directors 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 independent judgment.

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. It also addresses issues relating to internal controls and approaches to risk management.

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

The responsibility for the operation and administration of the Company is delegated by the Board to the Chief Executive Officer and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of this team.

It is the Board's responsibility to appoint or remove the Chief Executive Officer and to ratify the appointment or removal of key executives and the Company Secretary.

Statement of Corporate Governance Practices (continued)

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.

The Board is empowered to seek external professional advice as considered necessary at the Company's expense, subject to prior consultation with the Chair. If appropriate, any advice so received will be made available to all directors.

The Audit and Risk Management Committee is responsible for monitoring the independence and suitability of all professional advisors.

NON COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS OF ASX CORPORATE GOVERNANCE COUNCIL

Where practical, the Group has complied with the Best Practice Recommendations suggested by the ASX Corporate Governance Council. However, there are some instances whereby due to the limited size of the Board, or News Limited's substantial shareholding in the Company, it is not considered economical or practical to implement some Recommendations. The Best Practice Recommendations that have not been complied with are disclosed below.

Composition of Board of Directors

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. As at the end of the financial year the Board comprised of five members, four non- executive and one executive member being the Chief Executive Officer. Of the four non-executive board members, two were independent.

Therefore, ASX Best Practice Recommendation 2.1 "A majority of the Board should be independent directors" is not complied with.

At this point in time, due to the size of the Company, it is considered most practical and economical to limit the size of the Board to five members. As News Limited controls 69% of the Company, they intend to maintain at least two non-executive Board members.

Performance Evaluation of Board and Key Executives

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.

This formal review process does not encompass the Board of Directors. Given the size of the Board and the absence of a Nomination Committee, ASX Best Practice Recommendation 8.1 has not been complied with. The Board as a whole regularly reviews their own performance and that of the Chief Executive Officer.

Board Committees

The Board has established an Audit and Risk Management Committee to deal with audit issues. However, due to the limited size of the Board it is impractical to comply with ASX Best Practice Recommendation 4.3 that dictates the recommended composition of the Audit Committee. The full Board comprises the Audit Committee of Brisbane Broncos Limited. The Chairman of the Audit Committee is Mr Peter Jourdain.

Given the size of the Board, separate Nomination and Remuneration Committees have not been established. Therefore, ASX Best Practice Recommendations 2.4 and 9.2 have not been complied with. The full Board deals with nomination and remuneration issues as and when required.

DISCLOSURES ABOUT DIRECTORS

Details of the directors' remuneration and retirement benefits are disclosed in **Note 24** 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 24** and in the Directors' Report.

INTERNAL CONTROLS AND RISK MANAGEMENT

The full Board in conjunction with the Audit and Risk Management Committee and management oversee the establishment and implementation of the risk management system, and review at least 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:

Statement of Corporate Governance Practices (continued)

- Adequacy, appropriateness and effectiveness of accounting and operating controls
- A continuous improvement program for accounting and operating controls
- Extent of compliance with Group policies and procedures
- Accuracy and security over data and information
- Accountability for 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.

CODE OF CONDUCT FOR THE CHIEF EXECUTIVE AND KEY EXECUTIVES

To further promote ethical and responsible decision making, the Board has established a Code of Conduct for the Chief Executive and Key Executives that is included in the Group's Code of Conduct. The full text of the Code of Conduct is available on the Group's website (www.broncos.com.au).

SHAREHOLDER COMMUNICATION

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through:

- The annual report and interim report
- Disclosures made to the Australian Stock Exchange
- Notices and explanatory memoranda of annual general meetings
- The annual general meeting
- The Group's website (www.broncos.com.au) which has a dedicated investor relations section

It is both Company policy and the policy of the auditor for the lead engagement partner to be present at the annual general meeting and to answer questions if necessary about the conduct of the audit and the preparation and content of the Independent Audit Report. Shareholders are invited to raise matters of concern at general meetings.

ETHICAL STANDARDS AND PERFORMANCE

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 consolidated entity. Consistent with its legal obligations, 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 Chief Executive Officer and Key Executives.

**Statement of Financial Performance
for the year ended 31 December 2004**

	Note	Consolidated		Parent	
		2004	2003	2004	2003
		\$	\$	\$	\$
Revenues from ordinary activities					
Sales revenue		18,271,135	15,442,389	-	-
Other revenue		9,494	530,288	545,542	726,704
	2	<u>18,280,629</u>	<u>15,972,677</u>	<u>545,542</u>	<u>726,704</u>
Expenses from ordinary activities					
Expenses from ordinary activities	3	(17,284,299)	(15,658,992)	(1,085,938)	(1,013,822)
Borrowing costs expense	3	(120)	(205)	(6)	(2)
		<u>(17,284,419)</u>	<u>(15,659,197)</u>	<u>(1,085,944)</u>	<u>(1,013,824)</u>
Profit/(Loss) from ordinary activities before income tax expense					
	17	996,210	313,480	(540,402)	(287,120)
Income tax expense related to ordinary activities	4	-	-	-	-
Net profit/(loss) attributable to members of Brisbane Broncos Limited					
		996,210	313,480	(540,402)	(287,120)
Total changes in equity other than those resulting from transactions with owners as owners					
		996,210	313,480	(540,402)	(287,120)
Dividends provided for or paid		-	-	-	-
Basic earnings per share		1.02 cents	0.32 cents	-	-
Diluted earnings per share		1.02 cents	0.32 cents	-	-

The accompanying notes form an integral part of this Statement of Financial Performance.

Statement of Financial Position at 31 December 2004

	Note	Consolidated		Parent	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT ASSETS					
Cash assets	18	2,481,706	1,076,134	2,293,164	838,811
Receivables	5	1,177,636	606,183	37,822	37,500
Inventories	6	5,220	4,615	-	-
Other	7	286,679	266,098	15,010	2,884
Total current assets		3,951,241	1,953,030	2,345,996	879,195
NON-CURRENT ASSETS					
Receivables	8	3,600,000	3,600,000	3,600,000	5,456,229
Other financial assets	9	-	-	5	5
Property, plant and equipment	10	128,415	105,681	-	-
Intangible assets	11	12,482,580	12,482,580	-	-
Total non-current assets		16,210,995	16,188,261	3,600,005	5,456,234
TOTAL ASSETS		20,162,236	18,141,291	5,946,001	6,335,429
CURRENT LIABILITIES					
Payables	12	712,640	502,461	137,986	70,446
Provisions	13	138,663	118,019	66,930	44,727
Other – unearned revenue		2,439,429	1,631,368	-	-
Total current liabilities		3,290,732	2,251,848	204,916	115,173
NON-CURRENT LIABILITIES					
Payables	14	-	-	60,808	-
Provisions	15	49,047	63,196	17,565	17,142
Total non-current liabilities		49,047	63,196	78,373	17,142
TOTAL LIABILITIES		3,339,779	2,315,044	283,289	132,315
NET ASSETS		16,822,457	15,826,247	5,662,712	6,203,114
EQUITY					
Contributed equity	16	28,991,500	28,991,500	28,991,500	28,991,500
Accumulated losses	17	(12,169,043)	(13,165,253)	(23,328,788)	(22,788,386)
TOTAL EQUITY		16,822,457	15,826,247	5,662,712	6,203,114

The accompanying notes form an integral part of this Statement of Financial Position.

**Statement of Cash Flows
for the year ended 31 December 2004**

	Note	Consolidated		Parent	
		2004	2003	2004	2003
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		17,919,508	16,042,033	-	658
Payments to suppliers & employees		(17,009,475)	(16,264,929)	(1,001,853)	(1,187,115)
		910,033	(222,896)	(1,001,853)	(1,186,457)
Rent received		36,000	36,000	36,000	36,000
Other revenue received		9,494	530,288	9,079	212,346
Interest received		507,979	484,873	500,463	478,363
Interest and other costs of finance paid		(120)	(205)	(6,370)	(6,666)
Net operating cash flows	18	1,463,386	828,060	(462,681)	(466,414)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(57,814)	(33,291)	-	-
Net investing cash flows		(57,814)	(33,291)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Funds received from controlled entities		-	-	1,917,034	1,054,495
Net financing cash flows		-	-	1,917,034	1,054,495
Net increase in cash held		1,405,572	794,769	1,454,353	588,081
Cash at the beginning of the financial year		1,076,134	281,365	838,811	250,730
Cash at the end of the financial year	18	2,481,706	1,076,134	2,293,164	838,811

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the financial statements

Note 1. Statement of significant accounting policies

Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 including applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial statements are prepared on a basis consistent with the previous year and in accordance with the historical cost convention.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

Principles of consolidation

The consolidated financial statements include the financial statements of the parent entity, Brisbane Broncos Limited, and its controlled entities, referred to collectively throughout these financial statements as the "consolidated entity". The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All inter-company balances and transactions have been eliminated in full.

Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash included cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at principal amount. Interest is charged as an expense as it accrues.

Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Other investments, including equity interests in non-subsiary, non-associated corporations are included in investments at the lower of cost or recoverable amount.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Recoverable Amount

Non current assets measured using the cost basis are not carried at an amount above their recoverable amount. All non-current assets are reviewed at least annually to determine whether their carrying amounts require write down to recoverable amount. This is assessed by the directors on the basis of expected net cash inflows arising from the assets' continued use and/or disposal. Expected net cash inflows have not been discounted to their present value in determining recoverable amounts.

Intangible assets - Sporting franchise

Sporting franchise is recorded at cost less provision for diminution. Cost includes all net outgoings (including reorganisation costs) incurred up until such time as the consolidated entity can exercise practical and effective control over the operations of the relevant entity. Where the future cash flows from franchises are dependent upon revenue streams that are uncertain, a provision for diminution in value of the franchise is made.

No amortisation is provided against the sporting franchise, as in the opinion of the directors, the life of the Brisbane Broncos is indefinite.

In determining the recoverable amount of the Sporting Franchise, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate of 12%.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Property, Plant and Equipment

All classes of property, plant and equipment are measured at cost. Property, plant and equipment is depreciated or amortised over their useful economic lives as follows:

	Life	Method
Owned plant and equipment	4 – 8 years	Straight-line

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are charged against operating profit in the period in which they are incurred.

Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

Provisions

Provisions are recognised when the consolidated entity has a legal, equitable, or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of obligation.

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising from the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Revenues

Revenues are measured at the fair value of the consideration or contributions received or receivable. This includes sponsorship revenue received by way of goods and services.

The revenue from the Brisbane Broncos sporting franchise is recognised as income in the relevant sporting year on the following bases:

- sponsorship revenue from the naming rights sponsor is recognised on a monthly basis wholly within the financial year to which it relates;
- other sponsorship revenue and revenue from corporate and season membership sales are recognised in the financial year to which they relate on a home game basis, and
- revenues received in advance of a playing season are deferred as unearned revenue in the Statement of Financial Position and brought to account over the respective sporting seasons.

Taxes

Income Tax

Tax effect accounting is applied using the liability method whereby income tax is recognised as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent that timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

GST

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

- ◆ Where 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.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability are used.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Employee benefits (continued)

Employee benefits expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits

are recognised against profits on a net basis in their respective categories.

Financial instruments included in equity

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
<hr/>				
Note 2. Revenue from ordinary activities				
Sales revenue – services	15,096,489	12,421,515	-	-
Grant received from National Rugby League	2,630,667	2,500,000	-	-
Other revenue				
Rent received/receivable	36,000	36,000	36,000	36,000
Interest received/receivable – from other persons	507,979	484,873	500,463	478,363
Other	9,494	530,289	9,079	212,341
Total other revenue	553,473	1,051,162	545,542	726,704
<hr/>				
Total revenue from ordinary activities	18,280,629	15,972,677	545,542	726,704
<hr/>				

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$

Note 3. Expenses from ordinary activities

Expenses from ordinary activities, classified according to their function, are as follows:

Administration expenses	1,963,851	1,794,949	1,085,938	1,013,822
Commercial Operations	7,517,679	6,471,228	-	-
Grant paid to:				
Brisbane Broncos Rugby League Club Ltd	7,802,769	7,392,815	-	-
	<u>17,284,299</u>	<u>15,658,992</u>	<u>1,085,938</u>	<u>1,013,822</u>

Operating profit/(loss) before income tax is arrived at after charging the following specific categories of expenses:

Charging as expense:

Operating leases – other	124,912	183,081	6,364	56,663
Depreciation of property, plant and equipment	35,081	33,808	-	257
Provision for employee benefits	74,501	120,714	36,516	46,467
Provision for diminution	-	100,000	-	-
Provision for doubtful debts	111,192	-	-	-

Borrowing Costs

Interest paid/payable – other persons	120	205	6	2
---------------------------------------	-----	-----	---	---

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$

Note 4. Income tax

The difference between income tax provided in the financial statements and the prima facie income tax is reconciled as follows:

Net profit/(loss) before income tax	996,210	313,480	(540,402)	(287,120)
Prima facie tax at 30%	298,863	94,044	(162,121)	(86,135)
Tax effect of permanent differences:				
Recoupment of prior year losses	49,357	(15,343)	(10,560)	(51,065)
Other non-deductible items	18,362	17,873	1,286	2,909
Income tax attributable to operating profit/(loss)	366,582	96,574	(171,396)	(134,291)
Tax losses previously not brought to account recovered	(366,582)	(96,574)	-	-
Future tax benefit of tax losses not brought to account	-	-	171,396	134,291

Notes to the financial statements (continued)

Income tax expense	-	-	-	-
Estimated potential future income tax benefit not brought to account at 30%	1,401,000	1,768,000	1,099,000	1,466,000

As at 31 December 2004, the unrecouped income tax losses of the Company were \$3,661,928 (2003: \$4,886,415) and the consolidated entity were \$4,670,561 (2003: \$5,892,502).

The benefit of unconfirmed, unrecouped income tax losses will only be obtained if:

- I. the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- II. the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- III. no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Effective 1 January 2004, for the purposes of income taxation, Brisbane Broncos Limited and its 100% owned subsidiaries have formed a tax consolidated group.

Note 5. Receivables (Current)

Trade debtors	1,091,852	516,893	37,822	37,500
Provision for doubtful debts	(118,267)	(7,075)	-	-
	973,585	509,818	37,822	37,500
Other debtors	204,051	96,365	-	-
	1,177,636	606,183	37,822	37,500

Note 6. Inventories (Current)

Merchandise – at cost	5,220	4,615	-	-
-----------------------	--------------	--------------	---	---

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 7. Other assets (Current)				
Prepayments	132,855	51,328	13,029	795
GST recoverable	75,376	96,254	1,326	1,552
Other current assets	178,448	218,516	655	537
Provision for diminution	(100,000)	(100,000)	-	-
	286,679	266,098	15,010	2,884

Note 8. Receivables (Non-current)

Receivable on sale of land	3,600,000	3,600,000	3,600,000	3,600,000
Amounts receivable from controlled entities	-	-	13,900,000	15,756,229
Provision for non-recovery	-	-	(13,900,000)	(13,900,000)
	3,600,000	3,600,000	3,600,000	5,456,229

The receivable on the sale of the land is secured by way of second mortgage over the land. The receivable is interest-bearing and is due no later than 31 December 2008.

Note 9. Other financial assets (Non-current)

Listed

Shares in other corporations – at cost	10,000	10,000	10,000	10,000
Provision for diminution	(10,000)	(10,000)	(10,000)	(10,000)
	-	-	-	-

Unlisted

Shares in controlled entities – at cost	-	-	130,005	130,005
Provision for diminution	-	-	(130,000)	(130,000)
	-	-	5	5
The aggregate market value of listed shares is:	-	-	-	-

Further information regarding shares in controlled entities is shown in **Note 27**.

Note 10. Property, plant and equipment

NON CURRENT

Plant and equipment

Cost				
Opening balance	771,202	737,912	100,214	100,214
Additions	57,815	33,290	-	-
Disposals	(127,446)	-	(84,485)	-
Closing balance	701,571	771,202	15,729	100,214

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 10. Property, plant and equipment (cont)				
<i>Accumulated Depreciation</i>				
Opening balance	665,521	631,713	100,214	99,957
Depreciation for year	35,081	33,808	-	257
Disposals	(127,446)	-	(84,485)	-
Closing balance	573,156	665,521	15,729	100,214
Net book value	128,415	105,681	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	128,415	105,681	-	-
Note 11. Intangible assets				
Sporting franchise – at cost	13,382,857	13,382,857	-	-
Provision for diminution	(900,277)	(900,277)	-	-
	12,482,580	12,482,580	-	-
Note 12. Payables (Current)				
Trade creditors	95,782	83,325	5,265	3,744
Other creditors	575,286	385,998	106,994	49,519
Group tax payable	41,572	33,138	25,727	17,183
	712,640	502,461	137,986	70,446
Note 13. Provisions (Current)				
Employee benefits	105,321	87,160	54,725	37,116
Other	33,342	30,859	12,205	7,611
	138,663	118,019	66,930	44,727
Note 14. Payables (Non-current)				
Amounts payable to controlled entities	-	-	60,808	-
Note 15. Provisions (Non-current)				
Employee benefits	49,047	63,196	17,565	17,142
Note 16. Contributed Equity				
98,040,631 (2003: 98,040,631) ordinary shares	28,991,500	28,991,500	28,991,500	28,991,500
	28,991,500	28,991,500	28,991,500	28,991,500

Options

At 31 December 2004 there were no outstanding options to purchase shares in the Company.

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 17. Accumulated losses and dividends				
Accumulated losses at the beginning of the financial year	(13,165,253)	(13,478,733)	(22,788,386)	(22,501,266)
Net profit/(loss)	996,210	313,480	(540,402)	(287,120)
Accumulated losses at the end of the financial year	(12,169,043)	(13,165,253)	(23,328,788)	(22,788,386)
Retained profits and reserves that could be distributed as dividends and franked out of existing franking credits	515,344	515,344	-	-

Note 18. Notes to the statement of cash flows

i) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	2,481,706	1,076,134	2,293,164	838,811
	2,481,706	1,076,134	2,293,164	838,811

ii) Reconciliation of net profit/(loss) to net operating Cash Flows

Net profit/(loss)	996,210	313,480	(540,402)	(287,120)
Adjustments for non-cash income and expense items				
Depreciation and amortisation	35,081	33,808	-	257
Transfers to/from provisions:				
Doubtful debts	111,192	(6,771)	-	-
Provision for diminution	-	100,000	-	-
Employee benefits	4,012	19,226	18,032	16,074
Changes in Assets and Liabilities				
(Increase)/decrease in assets:				
Receivables	(657,170)	(43,230)	(322)	658
Inventories	(605)	7,990	-	-
Other assets	12,457	(158,913)	(12,352)	33,051
(Decrease)/increase in liabilities:				
Creditors and accruals	151,666	(540,707)	67,765	(86,074)
Unearned revenue	808,060	1,216,924	-	-
Provisions	2,483	(113,747)	4,598	(143,260)
Net operating cash flows	1,463,386	828,060	(462,681)	(466,414)

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 19. Commitments for expenditure				
Operating leases				
Commitments in relation to operating leases are payable as follows:				
Not later than one year	28,275	91,264	7,864	91,264
Later than one year but not later than five years	29,326	90,133	1,363	90,133
Later than five years		-		-
	57,601	181,397	9,227	181,397

Operating leases are entered into for motor vehicles and office equipment. Rental payments are fixed over the term of the lease. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing facilities.

Potential financial implications arising from the relocation from ANZ Stadium to Suncorp Stadium

During the 2003 financial year there was a change in playing venue from ANZ Stadium to Suncorp Stadium. The consolidated entity is currently negotiating the termination of certain contracts relating to ANZ Stadium. The directors do not expect any material costs to arise that have not been reflected in the financial statements.

Brisbane Broncos Rugby League Club Limited (BBRLC)

The consolidated entity has contracted with BBRLC for it to provide and manage a football team for participation in the National Rugby League (NRL) competition. Under this agreement, the consolidated entity has agreed to meet the costs of its operations, including reasonable amounts incurred in the development and promotion of rugby league.

The amount paid to BBRLC during the year was \$7,802,769 (2003: \$7,392,815).

Note 20. Employee Benefits

	Consolidated		Parent	
	2004	2003	2004	2003
The average number of full-time equivalents employed during the financial year were:	17	17	4	4
Aggregate employment benefit provisions	\$187,710	\$150,356	\$84,495	\$54,258

Note 21. Superannuation commitments

The consolidated entity contributes to various superannuation plans in order to satisfy award entitlements of employees and to comply with the Superannuation Guarantee Legislation. The consolidated entity is legally obliged to contribute to these plans which comprise accumulation funds. Contributions are at set percentages of employees' salaries and wages. The consolidated entity has no responsibility for the administration or performance of the superannuation plans. No superannuation plans have been established by the consolidated entity.

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 22. Remuneration of auditors				
Amounts received, or due and receivable, by the Ernst & Young for:				
- an audit or review of the financial report of the entity	45,000	42,000	45,000	42,000
- other services in relation to the entity and any other entity in the consolidated group	9,000	12,000	9,000	12,000
	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>

Note 23. Earnings per share

	Consolidated	
	2004	2003
	cents	cents
Basic earnings per share	1.02	0.32
Diluted earnings per share	1.02	0.32
(a) Number of Ordinary Shares		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	98,040,631	98,040,631

(b) Information Concerning Earnings Per Share

There were no options outstanding at 31 December 2004.

Note 24. Director and Executive Disclosures

a) Details of Specified Directors and Specified Executives

(i) Specified Directors

B P Cullen	Director and Chief Executive Officer
D S Jackson	Director (Non-Executive)
P W Jourdain	Director (Non-Executive)
D M Watt	Director (Non-Executive)
W K Goss	Director (Non-Executive) (Appointed 24 May 2004 and Resigned 14 February 2005)
D I Nissen	Chairman (Non-Executive) (Retired 25 October 2004)
K D Brodie	Director (Non-Executive) (Resigned 13 April 2004)

(ii) Specified Executives

L A Lanigan	Company Secretary and General Manager Finance and Administration
F P Kendall	Marketing Manager

b) Remuneration of Specified Directors and Specified Executives

Due to the size of the Board, a separate Remuneration Committee has not been established. The Board as a whole is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team.

Notes to the financial statements (continued)

Note 24. Director and Executive Disclosures (continued)

The Board assesses the appropriateness of the nature and amount of emoluments of such officers and executives on a periodic basis. The overall objective of this process is to ensure maximum stakeholder benefit from the retention of a high quality Board and executive team. The non-executive directors are responsible for evaluating the performance of the chief executive, who in turn evaluates the performance of all other senior executives.

The executive officers 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. Executive officers receive their base emolument in a variety of forms including cash, superannuation and fringe benefits such as motor vehicles. It is Company policy that employment agreements can only be entered into by the Chief Executive Officer.

The current employment agreement with the Chief Executive Officer has a three month notice period.

The Chief Executive Officer is entitled to annual bonuses payable on achievement of budgeted profit before tax and overall company performance.

(ii) Remuneration of Specified Directors and Specified Executives

	Primary		Post Employment	Other	Total
	Salary & Fees	Non Monetary Benefits	Superannuation	Bonuses	
Specified Directors					
B P Cullen					
2004	208,500	20,000	22,200	100,000*	350,700
2003	208,500	20,000	22,200	-	250,700
D S Jackson					
2004	10,000	-	900	-	10,900
2003	10,000	-	900	-	10,900
P W Jourdain					
2004	10,000	-	-	-	10,000
2003	8,840	-	-	-	8,840
D M Watt					
2004	10,000	-	-	-	10,000
2003	8,840	-	-	-	8,840
W K Goss (Appointed 24-05-04 and Resigned 14-02-05)					
2004	6,048	-	544	-	6,592
2003	-	-	-	-	-
D I Nissen (Retired 25-10-04)					
2004	16,667	-	1,500	-	18,167
2003	20,000	-	1,800	-	21,800
K D Brodie (Resigned 13-04-04)					
2004	2,665	-	-	-	2,665
2003	10,000	-	-	-	10,000
Total Remuneration: Specified Directors					
2004	263,880	20,000	25,144	100,000	409,024
2003	266,180	20,000	24,900	-	311,080

* A \$50,000 bonus was paid during the 2004 financial year in relation to the 2003 financial year. \$50,000 has been accrued in relation to the 2004 financial year.

Notes to the financial statements (continued)

Note 24. Director and Executive Disclosures (continued)

(ii) Remuneration of Specified Directors and Specified Executives (continued)

Specified Executives					
L A Lanigan					
2004	100,917	15,000	9,083	-	125,000
2003	96,330	15,000	8,670	-	120,000
F P Kendall (Appointed 27-04-04)					
2004	51,554	14,968	4,640	-	71,162
2003	-	-	-	-	-
Total Remuneration: Specified Executives					
2004	152,471	29,968	13,723	-	196,162
2003	96,330	15,000	8,670	-	120,000

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

Fees paid to Keith Brodie, Dennis Watt and Peter Jourdain are paid directly to their employer.

c) Shareholdings of Specified Directors and Specified Executives

Shares in Brisbane Broncos Limited	Balance 1 Jan 2004	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 31 Dec 2004
Specified Directors					
B P Cullen	-	-	-	-	-
D S Jackson	28,500	-	-	-	28,500
P W Jourdain	-	-	-	-	-
D M Watt	-	-	-	-	-
W K Goss	-	-	-	-	-
D I Nissen	50,000	-	-	-	50,000
K D Brodie	35,000	-	-	-	35,000
Specified Executives					
L A Lanigan	-	-	-	-	-
F P Kendall	-	-	-	-	-
Total	113,500	-	-	-	113,500

d) Other transactions with Specified Directors and Specified Executives

Directors of the consolidated entity and directors of its related parties, or their director-related entities, conduct transactions with entities within the consolidated entity that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances.

Note 25. Related party disclosures

a) Transactions with related parties in the wholly owned consolidated entity

The parent entity entered into the following transactions during the year with related parties in the wholly-owned consolidated entity:

- loans were advanced and repayments received on short term inter-company accounts.

All transactions were on normal commercial terms and conditions.

Notes to the financial statements (continued)

Note 25. Related party disclosures (continued)

b) Other related party transactions with the consolidated entity

News Limited owned 68.87% of the consolidated entity as at 31 December 2004. News Limited previously provided the Company with a funding facility of \$5,000,000. This facility expired on 31 December 2002 and has not been renewed since. News Limited has advised they will assess any request for funding on a case by case basis.

News Limited and its related entities provided the consolidated entity with \$125,000 (2003: \$125,000) in sponsorship income during the financial year. Advertising and other services were also provided during the financial year by News Limited and its related entities to the value of the sponsorship.

All transactions were on normal commercial terms and conditions.

The license held by the consolidated entity is provided by the National Rugby League which is 50% owned by News Limited. During the year, the consolidated entity received \$2,666,667 (2003: \$2,536,000) in gross grants from the National Rugby League Limited.

Note 26. Segment information

The economic entity operates in only one industry being the sports management and entertainment industry. The sole business interest of the consolidated entity during the financial year was the management and operation of the Brisbane Broncos Football Club, together with the sale of services. All business operations are conducted in Australia only.

Note 27. Controlled entities

The consolidated financial statements at 31 December 2004 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Name of Controlled Entity	% of shares held	
	2004	2003
Brisbane Broncos Corporations Trust	100	100
Brisbane Broncos Corporation Pty Ltd (Trustee)	100	100
Brisbane Broncos Management Corporation Pty Ltd (a)	100	100
Queensland Entertainment Services Pty Ltd (a)	100	100
Laurelgrove Pty Ltd (a)	100	100
Pacific Sports International Pty Ltd (a)	100	100
Brisbane Bandits Pty Ltd	100	100
Brisbane Bullets Trust	100	100
Pacific Sports Holdings Pty Ltd (Trustee) (a)	100	100
Brisbane Professional Sports Investment Pty Ltd	100	100
Brisbane Broncos (Licencee) Pty Ltd (a)	100	100
Broncos Insurance Agencies Pty Ltd	100	100
AH BR Pty Ltd	100	100

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.

- (a) 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 economic entity is required to avail itself of the relief from preparation of financial statements granted by ASIC Class Order 98/1418.

Notes to the financial statements (continued)

	Consolidated		Parent	
	2004	2003	2004	2003
	\$	\$	\$	\$
Note 28. Finance facilities				
Total facilities				
Bank overdraft	200,000	200,000	-	-
	200,000	200,000	-	-
Used at balance date				
Bank overdraft	-	-	-	-
	-	-	-	-
Unused at balance date				
Bank overdraft	200,000	200,000	-	-
	200,000	200,000	-	-

The bank overdraft facility may be drawn at any time and is payable at call and carries a floating interest rate. It is secured by a registered mortgage debenture over the assets and undertakings of the consolidated entity.

Note 29. Financial instruments

The consolidated entity is exposed to interest rate risk through financial assets and liabilities. The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at balance date.

2004	Floating interest rate (a) \$000	Fixed interest rate maturing in 2004			Non-interest bearing \$000	Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000			Floating	Fixed
Financial assets								
Cash and cash equivalents	2,482	-	-	-	-	2,482	3.9%	-
Trade debtors	-	-	-	-	974	974	-	-
Non-trade debtors & loans	-	-	3,600	-	204	3,804	-	12.5%
	2,482	-	3,600	-	1,178	7,260		
Financial liabilities								
Trade creditors	-	-	-	-	713	713	-	-
	-	-	-	-	713	713		

2003	Floating interest rate (a) \$000	Fixed interest rate maturing in 2003			Non-interest bearing \$000	Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000			Floating	Fixed
Financial assets								
Cash	1,076	-	-	-	-	1,076	3.9%	-
Trade debtors	-	-	-	-	510	510	-	-
Non-trade debtors & loans	-	-	3,600	-	96	3,696	-	12.5%
	1,076	-	3,600	-	606	5,282		
Financial liabilities								
Trade creditors	-	-	-	-	502	502	-	-
	-	-	-	-	502	502		

Notes to the financial statements (continued)

Note 29. Financial instruments (continued)

- (a) Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.
- (b) The carrying amounts of financial assets and liabilities approximate their fair values.
- (c) The consolidated entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

Note 30. Impact of Adopting International Financial Reporting Standards

Brisbane Broncos Limited has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The Group has allocated internal resources and engaged expert consultants to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, Brisbane Broncos Limited has identified impact areas in order of priority. As Brisbane Broncos Limited has a 31 December year end, priority has been given to the opening balance sheet in accordance with IFRS as at 1 January 2004. This will form the basis of accounting for IFRS in the future and is required when Brisbane Broncos Limited prepare its first fully IFRS compliant financial report for the half-year ending 30 June 2005. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Brisbane Broncos Limited. At this stage the Group is in the process of quantifying the impacts on the financial report.

Impairment of Assets

Under AASB 136 Impairment of Assets the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. This will result in a change to the Group's accounting policy for its intangible asset being the Sporting Franchise. The Sporting Franchise is currently recorded at cost less provision for diminution.

A detailed review of the valuation of the recoverable amount of the Sporting Franchise has been performed and it has been determined that the asset is currently not impaired as the fair value less costs to sell is higher than its recoverable amount.

It will be necessary for the Group to assess the Sporting Franchise for impairment on an ongoing basis using the methods required by AASB 136. Reliable estimation of the future financial effects of AASB 136 is impracticable because the conditions under which impairment will be tested are not yet known.

Income Taxes

Under AASB 112 Income Taxes, the Group will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a taxed based balance sheet. The Group is placing particular emphasis on establishing the tax base of the Sporting Franchise and the recognition of prior year losses.

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 and notes 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 2004 and of their financial performance for the year ended on that date; and
 - II. complying with Accounting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Brian Cullen
Managing Director

Brisbane, Queensland
February 24, 2005

Independent Audit Report

Independent audit report to members of Brisbane Broncos Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Brisbane Broncos Limited (the company) and the consolidated entity, for the year ended 31 December 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of Brisbane Broncos Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Brisbane Broncos Limited and the consolidated entity at 31 December 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Mark Hayward
Partner
Brisbane
24 February 2005

Shareholder Information

Substantial Shareholders as at 11 February 2005

The following is extracted from the Company's Register of Substantial Shareholders.

Name	Number of ordinary shares	Number of options over shares
Nationwide News Pty Ltd	67,521,089	-
Ognis Pty Ltd	9,598,685	-

Class of shares and voting rights

As at 11 February 2005 there were 631 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares is one vote per share.

Distribution of shareholders as at 11 February 2005

Size of holding	Ordinary Shareholders	Ordinary share option-holders
1 – 1000	45	-
1001 – 5000	270	-
5001 – 10000	130	-
10001 – 100000	166	-
100001 – OVER	20	-
	631	-
Number of shareholders with less than a marketable parcel	210	-

Twenty largest shareholders as at 11 February 2005

Name	Percentage Held	Number of ordinary shares
Nationwide News Pty Limited	68.87%	67,521,089
Ognis Pty Ltd	9.80%	9,598,685
Lake Morpeth Pty Ltd	6.7%	6,566,893
Clonakilty Pastoral Company	2.87%	2,813,413
Mr William Bryon Findley & Mrs Carolyn Ruth Findley	1.43%	1,400,000
Lister Leisure Investments Pty Ltd	.32%	315,833
Pilbeam Investments Pty Ltd	.32%	315,833
Moonton Pty Ltd	.31%	301,750
W F M Motors Pty Ltd	.31%	300,000
Miengrove Pty Ltd	.31%	300,000
Mr Craig Anthony Davison	.25%	243,737
Fortis Clearing Nominees Pty Ltd	.24%	238,863
Rosedayl Pty Ltd	.24%	235,200
Elizan Pty Ltd	.22%	215,250
Admirandus Pty Ltd	.20%	212,732
Mr Brian Paradine	.18%	172,600
Mr Raymond John Balkin and Mrs Ethel Moya Balkin	.11%	104,627
Lonestar Pty Ltd	.11%	104,000
George Enever Pty Ltd	.10%	100,000
Mr Ross Johnston	.10%	100,000
		91,160,505
Total held by twenty largest shareholders as a percentage of this class:		92.98%