10 March 2006

To: ASX Company Announcements Platform

BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES
2005 FINANCIAL RESULTS

Please find attached the following documents in relation to the 2005 financial results for Brisbane Broncos Limited and its controlled entities:

- Earnings Release
- Appendix 4E – Preliminary Final Report
- 2005 Financial Report
- Independent Audit Report and Auditor's Independence Declaration

Yours faithfully

L. Lanigan.

Brisbane Broncos Limited
Louise Lanigan
Company Secretary

EARNINGS RELEASE FOR THE FISCAL YEAR ENDED 31 DECEMBER 2005

Brisbane, 10 March 2006

FINANCIAL PERFORMANCE

The Brisbane Broncos Group ("the Group") recorded an after tax profit for the 2005 financial year to 31 December of $2,781,935 compared to the $1,386,210 profit achieved in 2004. Directors of the Group are very happy with the final result, achieved in the second full season at Suncorp Stadium since the move from ANZ Stadium in June 2003.

The Group recorded gross revenue for the 2005 financial year of $21.1 million, which is approximately a $2.6 million increase from 2004. This successful result can predominantly be attributed to three key factors and is confirmation that moving to Suncorp Stadium provided the Group with the foundation for continued growth and development – both financially and operationally. The relocation to Suncorp Stadium has been the predominant factor in strengthening both corporate and public support since the Broncos moved there in 2003.

The Group had a very satisfying sponsorship year with total sponsorship revenue achieving a growth of $777,519 (14%) from 2004. This was a result of upgrades of existing sponsors and also new major signings such as QLD Group, Queensland Transport and Queensland Country Credit Union. Signage sales increased by $310,944 from 2004 as signage positions at Suncorp Stadium in 2005 sold to capacity.

Crowd attendances improved again in 2005 by 5% to achieve an average crowd of 30,055. To reach an average of above 30,000 was an enormous achievement for the Broncos and has not been achieved for many years. This positive result can be attributed to a number of factors, which are rarely experienced in one season. Rain did not adversely affect a single game during 2005 and there were minimal clashes with major Brisbane events (both sporting and other) during the year. These two factors have the highest potential to influence the attendances at home games and the 2005 average crowd is a result of not being greatly affected by either one. The 2005 average crowd was also positively influenced by the scheduling of two 'blockbuster' games at Suncorp Stadium that achieved crowds above 40,000. This is also a rare occurrence in one season. As a result of all of these factors, gross gate takings increased by $384,848 from 2004.

The growth in season memberships from 6,201 in 2004 to 7,729 in 2005 also contributed to the average crowd attendance and resulted in an increase in gross season membership revenue of $516,538.

Total operating expenses were $18.7 million, which is approximately $1.2 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. The costs of operating the football operations also increased in 2005 due to the investment in the future of the Club by allocating further additional funds to junior development programs, a coaching restructure and player rosters.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

Despite another early exit from the NRL finals series the football team had quite a successful year overall. Finishing in third position just one win from the minor premiership was a very commendable effort. The team led the minor premiership race for more than half of the competition but injuries and loss of form and confidence resulted in another very disappointing end to a season that had promised so much. Following an extensive review of the year, changes to the coaching and support staff were made in an effort to improve performance across the board. The new staff have settled in well and the 2006 pre-season training has produced excellent off field results. Player movement has been kept to a minimum with a few additions to the squad and a few leaving to join other clubs.

The season finished with coach Wayne Bennett, players Darren Lockyer (captain), Petero Civoniceva and Brent Tate, and trainer Tony Spencer all selected to tour with the Tri Nations Kangaroos in New Zealand, France and Great Britain. The Club was very proud to have had these players and officials representing Australia at the highest level.

THE BOARD

There were only two changes to the Board of directors during the 2005 financial year. Firstly, Darryl Somerville was appointed as director on 17 February 2005. He was subsequently appointed as Chairman of the Board at a meeting of directors on 29 April 2005. The only other change was the resignation of Mr Wayne Goss from his position of director on 24 February 2005. Non-executive directors Don Jackson, Peter Jourdain and Dennis Watt remained in office for the entire reporting period together with executive managing director Bruno Cullen.

THE YEAR AHEAD

The strong financial results recorded over the past two years have put the organisation in a strong financial position. The Brisbane Broncos Group can now take advantage of this position and build the iconic Bronco Brand into a more powerful force in Brisbane and throughout the state of Queensland. It is our intention to become a stronger corporate and community citizen.

As the team continues to provide top entertainment for our many fans and we work hard on brand awareness, strong financial results are expected to be maintained. A few things out of our control such as the weather, unfavourable scheduling and the strength or otherwise of our opposition teams, have the ability to impact on our financial performance. However, season 2006 is a promising one on a number of fronts and another solid year is predicted.

Finally we take this opportunity to thank our long list of sponsors and corporate supporters. Headed up by Ergon Energy, who has re-signed for a further three years as principal and naming rights sponsor, we are indeed fortunate to have so many loyal partners supporting the Club.

BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

APPENDIX 4E

PRELIMINARY FINAL REPORT
FOR YEAR ENDED 31 DECEMBER 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities ($000)	Up	14%	to	21,071
Profit from ordinary activities after tax attributable to members ($000)	Up	101%	to	2,782
Basic earnings per share (cents)	Up	101%	to	2.84 cents
Diluted earnings per share (cents)	Up	101%	to	2.84 cents
Net tangible asset backing per ordinary share (cents)	Up	60%	to	7.7 cents

DIVIDENDS	**Amount per security**	**Franked amount per security**
Interim Dividend	Nil	Nil
Total amount per share relating to the year ended 31 December 2005	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.

L. Lanigan

Louise Lanigan
Company Secretary
10 March 2006

BRISBANE BRONCOS

And its controlled entities

Financial Statements
31 December 2005

Corporate Information

A.B.N. 41 009 570 030

This annual report covers both Brisbane Broncos Limited as an individual entity and the consolidated entity comprising Brisbane Broncos Limited and its subsidiaries. The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the Review of Operations and Activities in the Directors' Report on pages 6 to 13. The Directors' Report is not part of the financial report.

Directors
D C Somerville (Chairman)
B P Cullen (Managing Director)
D S Jackson
P W Jourdain
D M Watt

Company Secretary
L A Lanigan

Registered Office and Principal Place of Business
Level 1
92 Fulcher Road
Red Hill 4059
Queensland
Australia

Share Register
Computershare Investor Services
Level 19
307 Queen Street
Brisbane 4000
Queensland
Australia

Solicitors
Creagh Weightman
Level 19
200 Mary Street
Brisbane 4000
Queensland
Australia

Bankers
Queensland Country Credit Union
Ground Floor
MIM Plaza
410 Ann Street
Brisbane 4000
Queensland
Australia

Auditors
Ernst & Young
1 Eagle Street
Brisbane
Queensland
Australia

Year in review

FINANCIAL PERFORMANCE

The Brisbane Broncos Group recorded a very strong result and another much improved result for the 2005 financial year to 31 December with a profit after tax of $2,781,935 compared to $1,386,210 in 2004.

HIGHLIGHTS

The two highlights of the financial performance were the level of sponsorship and the income generated by the home games at Suncorp Stadium. The Bronco Brand is in high demand and that is reflected in the strong interest from the corporate sector to join the sponsorship family. The number of companies and level of sponsorship revenue remains at a very healthy level and is a reflection on the power of the Brand and recognition by our sponsors of what can be achieved by the leveraging of that. The sponsorship department works hard to maintain very good relationships with this group to ensure the best results for all.

The team's performance and the attraction of Suncorp Stadium again provided good financial results. The average attendance for the season was over 30,000 per game, which is an outstanding result. Blockbuster games against the St George Dragons and the North Queensland Cowboys assisted in reaching that figure with most of the other games surpassing previous expectations. The 2004 average of 28,605 was bettered with an overall increase of over 6% on top of a 17% increase the year before.

Season memberships and the sale of corporate facilities also showed a marked improvement over previous years. Game day sales of corporate areas throughout the season were especially pleasing and contributed well to the overall performance of our game day operations. Improvements are being made to the membership area which will see further growth and the game day experience by our fans will also be enhanced.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

Despite another early exit from the NRL finals series the football team had quite a successful year overall. Finishing in third position just one win from the minor premiership was a very commendable effort. The team led the minor premiership race for more than half of the competition but injuries and loss of form and confidence resulted in another very disappointing end to a season that had promised so much. Following an extensive review of the year, changes to the coaching and support staff were made in an effort to improve performance across the board. The new staff have settled in well and the 2006 pre-season training has produced excellent off field results. Player movement has been kept to a minimum with a few additions to the squad and a few leaving to join other clubs.

The season finished with our coach Wayne Bennett, players Darren Lockyer (captain), Petero Civoniceva and Brent Tate, and trainer Tony Spencer all selected to tour with the Tri Nations Kangaroos in New Zealand, France and Great Britain. Unfortunately Australia lost the final of that competition. Darren Lockyer could not take the field for the final due to a broken foot suffered in France earlier in the tour, and Brent Tate was injured during the game. The Club was very proud to have had these players and officials representing Australia at the highest level.

BOARD AND SENIOR MANAGEMENT

It was announced in last year's annual report that Darryl Somerville had been appointed to the Board on 17 February 2005. Subsequent to that announcement Mr Somerville was appointed Chairman of the Board at a meeting of directors on 29 April 2005. On 14 February 2005, Wayne Goss resigned as a director. There were no other changes to the Board during the reporting period which left the directorships of Don Jackson, Peter Jourdain, Dennis Watt and myself unchanged.

Individual director details are listed in the Directors' Report and notes to the financial statements in this publication.

Managing Director, Bruno Cullen, General Manager Finance and Administration and Company Secretary, Louise Lanigan, and Marketing Manager, Marty Rowen, make up the current senior management team. Mr Rowen commenced duties in September 2005 following the resignation of Fraser Kendall in June 2005. I would like to record my appreciation of all department heads and their staff for the excellent strategic planning and budgeting processes completed by them which produced the results we see recorded in this report.

Year in Review (continued)

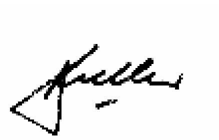
THE YEAR AHEAD

The strong financial results recorded over the past two years have put the organisation in a strong financial position. The Brisbane Broncos Group can now take advantage of this position and build the iconic Bronco Brand into a more powerful force in Brisbane and throughout the state of Queensland. It is our intention to become a stronger corporate and community citizen.

As the team continues to provide top entertainment for our many fans and we work hard on brand awareness, strong financial results are expected to be maintained. A few things out of our control such as the weather, unfavourable scheduling and the strength or otherwise of our opposition teams, have the ability to impact on our financial performance. However, season 2006 is a promising one on a number of fronts and another solid year is predicted.

Finally I take this opportunity to thank our long list of sponsors and corporate supporters. Headed up by Ergon Energy, who has re-signed for a further three years as principal and naming rights sponsor, we are indeed fortunate to have so many loyal partners supporting the Club. Listed elsewhere in this report, this family of sponsors and supporters contribute greatly to our overall financial success.

I look forward to another exciting rugby league season and a commercially successful year for the Group.



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Brian Patrick Cullen
Managing Director

Sponsor Overview 2005 and Beyond

2005 marked another year of successful corporate partnerships for the Brisbane Broncos. Following a season with some significant change, the Broncos sponsorship department implemented a new corporate partner hierarchy into the sponsorship portfolio. The implementation of this hierarchy allowed for a new structure that recognised the investment our sponsors make in the club. The structure also provided an aspiration model, where marque Broncos sponsorship rights and benefits can only be compiled into sponsorships packages that meet certain financial levels. The sponsorship portfolio again grew in 2005 with a significant increase of just over 13% from season 2004 to 2005.

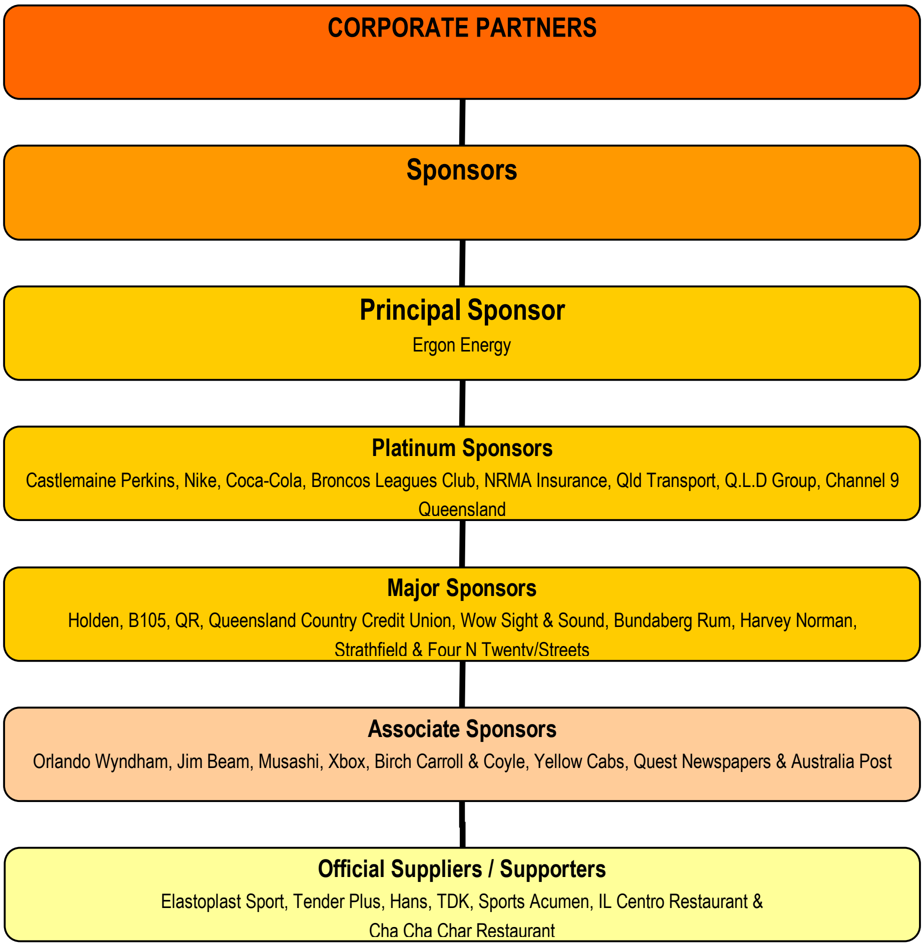
Ergon Energy renewed their sponsorship during 2005 for a further three years as the club's principal and naming rights sponsor. As a result the Broncos will now be known as the Ergon Energy Brisbane Broncos. A number of new sponsorships were also introduced in 2005 with the QLD Group, Queensland Health, Queensland Country Credit Union, Orlando Wyndham Wines, XBOX, CDS Gourmet Foods and Sports Acumen all joining the Broncos sponsorship family.

With a sponsorship portfolio at almost capacity the club did have some sponsor resignations during 2005. Long-time sponsor, The Courier Mail, decided not to renew their sponsorship agreement for the 2006 season. Trendwest Resorts and CDS Gourmet Foods also withdrew as sponsors but despite these resignations an increase in sponsor revenue is still expected for 2006.

The increase in sponsorship in 2006 can be attributed to the signing of new sponsors Queensland Transport, Bundaberg Rum, WOW Sight and Sound, Strathfield and Quest Newspapers.

2006 will be a very important year for the Broncos sponsorship department with a number of the club's platinum sponsor contracts up for renewal for the 2007 season along with the added competition of having another National Rugby League team in the South East Queensland market.

BRONCOS SPONSORSHIP HIERARCHY 2006



Sponsor Overview 2005 and Beyond (continued)

2005 PRINCIPAL SPONSOR

Ergon Energy – has been our principal sponsor for five years and is heading into their sixth consecutive year with the Club. Ergon Energy is a Queensland Government owned organisation, committed to delivery of sustainable, quality energy solutions to an area over six times the size of Victoria - from the Torres Strait to Queensland major regional centres and from the coast to the outback.

2005 PLATINUM SPONSORS

XXXX Bitter – in 2002 Queensland's favourite beer renewed its long-term association with the Broncos for a further five years. This partnership has enabled two Queensland icons to further entrench their position in not only the Queensland marketplace but also in other states where the XXXX brand is becoming more widely recognised.

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.

Coca Cola – another market leader and a longstanding partner of the Broncos, Coca-Cola is the official non-alcoholic drink supplier of the Broncos and importantly, a major sponsor of the Broncos junior development programs.

NRMA Insurance – Australia's largest general insurer and was also the Broncos short sponsor again in 2005. Importantly they are also a supporter of the Broncos Junior Development program. NRMA Insurance is in the business of helping Queenslanders and is proud to be behind the Broncos.

Queensland Health – came onboard as a sponsor and had access to use the Broncos brand and players to promote a healthier Queensland but after only one year a decision was made to use the funds in other areas of Queensland Health.

Q.L.D Group – Joining the Broncos in 2005 as sleeve and platinum sponsor. The Q.L.D Group commenced operations in Queensland in 2003 and has grown to become a prominent State property developer and marketer of residential subdivisions and master planned communities with the core of its interests in the Brisbane Western Corridor.

Broncos Leagues Club – sharing our intellectual property and many associated resources, the success of both the Broncos Leagues Club and the Broncos Football Club is of great importance. As such, our partnership is a strong and effective one.

Channel Nine Queensland – Queensland's number one television network, proudly supporting the Broncos and broadcasting all Broncos games to Queenslanders since 1991.

MAJOR SPONSORS

Holden, The Courier Mail, B105FM, QR, Queensland Country Credit Union, Greenbank RSL, Harvey Norman & Four N Twenty / Streets.

ASSOCIATE SPONSORS

Jim Beam, CDS, XBOX, Orlando Wyndham, Musashi, Birch Carroll and Coyle, Yellow Cabs, Australia Post Trendwest & Sports Acumen.

SUPPLIERS / SUPPORTERS

Elastoplast Sport, Hans, Tenderplus, TDK, Cha Cha Char & Il Centro.

Directors' Report

Your directors submit their report for the year ended 31 December 2005.

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 follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Darryl Craig Somerville *Non-Executive Chairman* *Independent* *(Appointed 24-02-05)*	Mr Somerville was appointed as a director on 24 February 2005. On 29 April 2005 he was elected as Non-Executive Chairman. Prior to his retirement in 2005, Mr Somerville had a long and esteemed career in the accounting industry. He joined PriceWaterhouseCoopers in 1982 after 10 years at the Australian Taxation Office. His tenure at PriceWaterhouseCoopers spanned 23 years including 19 years as partner of which 8 ½ were as Managing Partner. He is a Fellow of the Institute of Chartered Accountants of Australia, a Fellow of the Australian Society of Certified Practising Accountants and a member of the Australian Institute of Company Directors. Mr Somerville is a director of Devine Limited and is Chairman of the Queensland Government's Energy Competition Committee (overseeing the introduction of Full Retail Contestability).
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. Mr Cullen is a member of the Australian Institute of Credit Union Directors.
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 Brisbane Markets Limited, Golden Casket Lottery Corporation Limited and Chairman and Managing Director of DBCT Holdings Pty Ltd. Mr Jackson is a member of the Australian Institute of Company Directors.
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, 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 five 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)* *(Resigned 14-02-05)*	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.

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 11 years. Prior to holding this position she was Group Financial Controller of an 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:

Directors	*Number of Ordinary Shares*	*Number of Options Over Ordinary Shares*
D C Somerville (Appointed 24-02-05)	-	-
B P Cullen	-	-
D S Jackson	28,500	-
P W Jourdain	-	-
D M Watt	-	-
W K Goss (Resigned 14-02-05)	-	-

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	2.84
Diluted Earnings Per Share	2.84

DIVIDENDS

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

PRINCIPAL ACTIVITIES

The principal activity of the Group during the 2005 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

Results

The Brisbane Broncos Group ("the Group") recorded a profit for the 2005 financial year to 31 December of $2,781,935 after tax compared to the $1,386,210 achieved in 2004. Directors of the Group are very happy with the final result achieved in the second full season at Suncorp Stadium since the move from ANZ Stadium in June 2003.

Review of operations

The Group recorded gross revenue for the 2005 financial year of $21.1 million, which is approximately a $2.6 million increase from 2004. This successful result can predominately be attributed to three key factors and is confirmation that moving to Suncorp Stadium provided the Group with the foundation for continued growth and development – both financially and operationally. The relocation to Suncorp Stadium has been the predominant factor in strengthening both corporate and public support since the Broncos moved there in 2003.

The Group had a very satisfying sponsorship year with total sponsorship revenue achieving a growth of $777,519 (14%) from 2004. This was a result of upgrades of existing sponsors and also new major signings such as QLD Group, Queensland Transport and Queensland Country Credit Union. Signage sales increased by $310,944 from 2004 as signage positions at Suncorp Stadium in 2005 sold to capacity.

Crowd attendances improved again in 2005 by 5% to achieve an average crowd of 30,055. To reach an average of above 30,000 was an enormous achievement for the Broncos and has not been achieved for many years. This positive result can be attributed to a number of factors, which are rarely experienced in one season. Rain did not adversely affect a single game during 2005 and there were minimal clashes with major Brisbane events (both sporting and other) during the year. These two factors have the highest potential to influence the attendances at home games and the 2005 average crowd is a result of not being greatly affected by either one. The 2005 average crowd was also positively influenced by the scheduling of two 'blockbuster' games at Suncorp Stadium that achieved crowds above 40,000. This is also a rare occurrence in one season. As a result of all of these factors, gross gate takings increased by $384,848 from 2004.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of operations (continued)

The growth in season memberships from 6,201 in 2004 to 7,729 in 2005 also contributed to the average crowd attendance and resulted in an increase in gross season membership revenue of $516,538.

Total operating expenses were $18.7 million, which is approximately $1.2 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. The costs of operating the football operations also increased in 2005 due to the investment in the future of the Club by allocating further additional funds to junior development programs, a coaching restructure and player rosters.

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 have been finalised and the entire contract was agreed to in principle prior to the commencement of the 2004 season. An official document has been prepared in draft format and the Board expects the formal execution of the hiring agreement during the 2006 financial year. Once signed, this hiring agreement will officially commit the Broncos as long-term tenants of Suncorp Stadium.

Finally, there are some contracts in connection with the 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 exit from these contracts.

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. Directors receive a detailed operational and financial report prior to each Board meeting 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Total equity increased to $19,994,392 from $17,212,457, an increase of $2,781,935. The movement is due to the result of profits earned in the year.

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.

SHARE OPTIONS

At 31 December 2005, 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.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events since balance date.

Directors' Report (continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS AND DIRECTORS

Insurance and indemnity arrangements established in the previous year concerning officers of the Group were renewed during 2005. 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.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of Brisbane Broncos Limited ("the Company").

Remuneration philosophy

The performance of the Company depends on the quality of its directors and executives. To prosper, the company must attract, motivate and retain highly skilled directors and executives.

To achieve this, the Company adopts the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Annual performance reviews to ensure executives are meeting pre-determined performance benchmarks; and
- In depth recruitment program to ensure executives with the appropriate skills and experience are employed.

Remuneration committee

Due to the small 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 managing director and the executive team. They also consider all matters relevant to the nomination of directors.

Remuneration structure

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

Non-executive director remuneration

Objective
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.

Structure
The Constitution and ASX Listing Rules specify that the aggregate remuneration of non-executive directors 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 20 April 1995 where shareholders approved an aggregate remuneration of $110,000 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 2005 financial year was $47,877.

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 remuneration of non-executive directors for the period ended 31 December 2005 is detailed in Table 1 of this report.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Senior manager and executive director remuneration

Objective
The Company 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, 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 Company 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.

It is Company policy that an employment contract is entered into only with the managing director and not with any other executives. Details of this contract are provided below. Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration

Fixed remuneration

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

Structure
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. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

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

Variable remuneration – Short Term Incentive (STI)

Structure
There are no formal STI payment programs in place for senior management. Senior management may be paid annual bonuses at the managing director's discretion with the approval of the Board of directors. The managing director 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 managing director's employment agreement provides for annual bonuses to be paid in accordance with the following conditions:

- achievement of budgeted results; and
- individual achievement, effort, dedication, commitment and overall Company performance.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Employment contracts

The managing director, Mr Brian Cullen, is employed under contract. The current three year employment contract commenced on 6 January 2003 and was renewed prior to 31 December 2005. The new contract expires on 30 September 2009, at which time the Group may choose to commence negotiation to enter into a new employment contract with Mr Cullen.

Mr Cullen's salary package is reviewed annually as determined by the Board of directors. The review is based on individual and Group performances, effort, commitment and the market rates for the salary packages of similar packages elsewhere in Australia.

Details of Mr Cullen's employment contract that expired on 5 January 2006 are as follows:

- Mr Cullen receives fixed remuneration of $250,000 including statutory superannuation and a fully maintained motor vehicle.
- Mr Cullen is entitled to an increase of his fixed remuneration of at least CPI each year.
- Mr Cullen is entitled to be paid annual bonuses as a result of individual achievement, effort, dedication, commitment and overall Company performance and upon achievement of budgeted results.
- Mr Cullen may resign from his position and thus terminate his contract by giving three months written notice.
- The Company may terminate the contract immediately following notice given by Mr Cullen providing payment of a minimum three months salary in lieu of the notice period (based on the fixed component of Mr Cullen's remuneration).
- The Company may terminate the contract by giving three months written notice and providing a payment in lieu of three 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 Cullen's remuneration.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the managing director is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

The terms of Mr Cullen's new contract are the same other than an uplift in remuneration.

Remuneration of directors and named executives

Table 1: Directors' remuneration for the year ended 31 December 2005

		Primary Benefits			Post Employment	Total	Performance Related
		Salary & Fees	Cash STI	Non Monetary Benefits	Superannuation		
		$	$	$	$	$	%
D C Somerville (Appt 24-02-05)	2005	5,150	-	-	10,464	15,614	-
Chairman	2004	-	-	-	-	-	-
B P Cullen	2005	208,500	50,000	20,000	21,500	300,000	16.67%
Managing Director	2004	208,500	100,000*	20,000	22,200	350,700	28.51%
D S Jackson	2005	10,000	-	-	900	10,900	-
Non-executive	2004	10,000	-	-	900	10,900	-
P W Jourdain +	2005	10,000	-	-	-	10,000	-
Non-executive	2004	10,000	-	-	-	10,000	-
D M Watt +	2005	10,000	-	-	-	10,000	-
Non-executive	2004	10,000	-	-	-	10,000	-
W K Goss (Res 14-02-05)	2005	1,250	-	-	113	1,363	-
Non-executive	2004	6,048	-	-	544	6,592	-

+ Fees for Peter Jourdain and Dennis Watt are paid directly to their employer.
* Mr Cullen's bonus paid during 2004 was in relation to his performance during the 2003 and 2004 financial years.

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)

REMUNERATION REPORT (continued)

Remuneration of directors and named executives (continued)

Table 2: Remuneration of named executives who received the highest remuneration for the year ended 31 December 2005

		Primary Benefits			Post Employment	Total	Performance Related
		Salary & Fees	Cash STI	Non Monetary Benefits	Superannuation		
		$	$	$	$	$	%
L A Lanigan	2005	107,000	7,500	15,000	9,630	139,130	5.40%
Company Secretary and General Manager Finance	2004	100,917	-	15,000	9,083	125,000	-
M A Rowen (Appt 01-09-05)	2005	30,000	500	5,000	2,700	38,200	1.00%
Marketing Manager	2004	-	-	-	-	-	-
F P Kendall (Res 17-06-05)	2005	38,531	-	10,168	3,256	51,955	-
Marketing Manager	2004	51,554	-	14,968	4,640	71,162	-

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

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	8
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*
B P Cullen	8 (8)	2 (2)
D C Somerville (Appointed 24-02-05)	5 (7)	0 (1)
D S Jackson	7 (8)	2 (2)
P W Jourdain	6 (8)	2 (2)
D M Watt	8 (8)	2 (2)
W K Goss (Resigned 14-02-05)	0 (0)	0 (0)

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 2005 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.

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.

Directors' Report (continued)

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the declaration on page 14 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 23 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.

Brian Patrick Cullen
Managing Director

Brisbane, Queensland
10 March 2006

ERNST & YOUNG

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Auditor's Independence Declaration

In relation to our audit of the financial report of the Brisbane Broncos Limited for the financial year ended 31 December 2005, 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

Ernst & Young

M J Hayward

Mark Hayward
Partner
10 March 2006

Statement of Corporate Governance Practices

The Board of directors of Brisbane Broncos Limited is responsible for the corporate governance of the Group. 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.

Brisbane Broncos Limited's Corporate Governance Statement is 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.

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 managing director. 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, it intends 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 managing director.

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.

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

Statement of Corporate Government Practices (continued)

BOARD OF DIRECTORS

The Board of directors and executive management operate in accordance with a Board Charter. The Board oversees the business of the 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 judgement.

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 managing director 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 managing director and to ratify the appointment or removal of key executives and the company secretary.

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.

DISCLOSURES ABOUT DIRECTORS

Details of the directors' remuneration and retirement benefits are disclosed in Note 24(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 24(c) 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:

- 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.

Statement of Corporate Government Practices (continued)

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 Group. 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 managing director and key executives.

Income Statement
for the year ended 31 December 2005

	Note	Consolidated 2005 $	Consolidated 2004 $	Parent 2005 $	Parent 2004 $
Continuing operations					
Sales revenue		20,349,465	17,913,240	-	-
Interest revenue		569,920	510,514	561,440	500,463
Other revenue		151,643	47,393	42,376	45,079
Revenue	4(a)(i)	21,071,028	18,471,147	603,816	545,542
Expenses	4(a)(ii)	(18,749,769)	(17,474,937)	(1,060,335)	(1,085,944)
Profit/(loss) before income tax expense		**2,321,259**	**996,210**	**(456,519)**	**(540,402)**
Income tax benefit	5	460,676	390,000	332,995	390,000
Profit/(loss) attributable to members of the parent	**6**	**2,781,935**	**1,386,210**	**(123,524)**	**(150,402)**
Earnings per share (cents per share)	**6**				
– basic for profit for the year attributable to ordinary equity of the parent		2.84 cents	1.41 cents	-	-
– diluted for profit for the year attributable to ordinary equity of the parent		2.84 cents	1.41 cents	-	-
Dividends per share		-	-	-	-

Balance Sheet
as at 31 December 2005

	Note	Consolidated		Parent	
		2005	2004	2005	2004
		$	$	$	$
ASSETS					
Current Assets					
Cash and cash equivalents	7	5,457,801	2,481,706	5,410,179	2,293,164
Trade and other receivables	8	2,889,283	1,331,460	1,236,832	39,803
Inventories	9	18,799	5,220	-	-
Prepayments		157,790	132,855	114,105	13,029
Total Current Assets		**8,523,673**	**3,951,241**	**6,761,116**	**2,345,996**
Non-current Assets					
Receivables	10	1,200,000	3,600,000	1,200,000	3,600,000
Other financial assets	11	-	-	5	5
Property, plant and equipment	12	243,021	128,415	-	-
Intangible assets	13	12,482,580	12,482,580	-	-
Deferred income tax asset	5	850,676	390,000	722,995	390,000
Total Non-current Assets		**14,776,277**	**16,600,995**	**1,923,000**	**3,990,005**
TOTAL ASSETS		**23,299,950**	**20,552,236**	**8,684,116**	**6,336,001**
LIABILITIES					
Current Liabilities					
Trade and other payables	15	919,908	712,640	221,263	137,986
Provisions	16	163,563	138,663	81,860	66,930
Unearned revenue		2,171,120	2,439,429	-	-
Total current liabilities		**3,254,591**	**3,290,732**	**303,123**	**204,916**
Non-current Liabilities					
Trade and other payables	17	-	-	2,434,790	60,808
Provisions	16	50,967	49,047	17,015	17,565
Total non-current liabilities		**50,967**	**49,047**	**2,451,805**	**78,373**
TOTAL LIABILITIES		**3,305,558**	**3,339,779**	**2,754,928**	**283,289**
NET ASSETS		**19,994,392**	**17,212,457**	**5,929,188**	**6,052,712**
EQUITY					
Equity attributable to equity holders of the parent					
Contributed equity	18	28,991,500	28,991,500	28,991,500	28,991,500
Accumulated losses		(8,997,108)	(11,779,043)	(23,062,312)	(22,938,788)
TOTAL EQUITY		**19,994,392**	**17,212,457**	**5,929,188**	**6,052,712**

Cash Flow Statement
for the year ended 31 December 2005

	Note	Consolidated		Parent	
		2005	2004	2005	2004
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		19,430,964	17,919,508	-	-
Payments to suppliers & employees		(18,196,160)	(17,009,475)	(1,053,321)	(1,001,853)
		1,234,804	910,033	(1,053,321)	(1,001,853)
Rent received		36,000	36,000	36,000	36,000
Other revenue received		113,995	9,494	6,376	9,079
Interest received		565,477	507,979	561,440	500,463
Interest and other costs of finance paid		(102)	(120)	(7,462)	(6,370)
Net cash flows from/(used in) operating activities	7	**1,950,174**	**1,463,386**	**(456,967)**	**(462,681)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(174,079)	(57,814)	-	-
Net cash flows used in investing activities		**(174,079)**	**(57,814)**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from loan repayment		1,200,000	-	1,200,000	-
Proceeds from controlled entities		-	-	2,373,982	1,917,034
Net cash flows from financing activities		**1,200,000**	**-**	**3,573,982**	**1,917,034**
Net increase in cash and cash equivalents		2,976,095	1,405,572	3,117,015	1,454,353
Cash and cash equivalents at beginning of the period		2,481,706	1,076,134	2,293,164	838,811
Cash and cash equivalents at end of period	7	**5,457,801**	**2,481,706**	**5,410,179**	**2,293,164**

Statement of Changes in Equity
for the year ended 31 December 2005

CONSOLIDATED	Attributable to equity holders of the parent		
	Issued Capital	Retained Earnings	Total Equity
At 1 January 2004	28,991,500	(13,165,253)	15,826,247
Profit for the year	-	1,386,210	1,386,210
At 31 December 2004	**28,991,500**	**(11,779,043)**	**17,212,457**
Profit for the year	-	2,781,935	2,781,935
At 31 December 2005	**28,991,500**	**(8,997,108)**	**19,994,392**

PARENT	Attributable to equity holders of the parent		
	Issued Capital	Retained Earnings	Total Equity
At 1 January 2004	28,991,500	(22,788,386)	6,203,114
Loss for the year	-	(150,402)	(150,402)
At 31 December 2004	**28,991,500**	**(22,938,788)**	**6,052,712**
Loss for the year	-	(123,524)	(123,524)
At 31 December 2005	**28,991,500**	**(23,062,312)**	**5,929,188**

Notes to the financial statements
for the year ended 31 December 2005

1 CORPORATE INFORMATION

The financial report of Brisbane Broncos Limited for the year ended 31 December 2005 was authorised for issue in accordance with a resolution of directors on 10 March 2006.

Brisbane Broncos Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of operations and principal activities of the Group are described in Note 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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. The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first financial report prepared based on AIFRS and comparatives for the year ended 31 December 2004 have been restated accordingly. Reconciliations of AIFRS equity and profit for 31 December 2004 to the balances reported in the 31 December 2004 financial report and at transition to AIFRS are detailed in Note 26 below.

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 December 2005:

AASB Amendment	Affected standard(s)	Nature of change to accounting policy	Application date of standard	Application date for Group
2005-1	AASB 139: *Financial Instruments: Recognition and Measurement*	No change to accounting policy required. Therefore no impact.	1 January 2006	1January 2006
2005-5	AASB 1: *First-time adoption of AIFRS,* AASB 139:*Financial Instruments: Recognition and Measurement*	No change to accounting policy required. Therefore no impact.	1 January 2006	1January 2006
2005-6	AASB 3: *Business Combinations*	No change to accounting policy required. Therefore no impact.	1 January 2006	1January 2006
2005-10	AASB 132: *Financial Instruments: Disclosure and Presentation,* AASB 101: *Presentation of Financial Statements,* AASB 114: *Segment Reporting,* AASB 117: *Leases,* AASB 133: *Earnings Per Share,* AASB 139: *Financial Instruments: Recognition and Measurement,* AASB 1: *First-time adoption of AIFRS,* AASB 4: *Insurance Contracts,* AASB 1023: *General Insurance Contracts* and AASB 1038: *Life Insurance Contracts*	No change to accounting policy required. Therefore no impact.	1 January 2007	1 January 2007
New Standard	AASB 7: *Financial Instruments: Disclosures*	No change to accounting policy required. Therefore no impact	1 January 2007	1 January 2007

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of Compliance (continued)

The following amendments are not applicable to the Group and therefore have no impact.

AASB amendment	Affected standard(s)
AASB 119 (revised)	AASB 119: *Employee benefits*
2005-2	AASB 1023: *General Insurance Contracts*
2005-4	AASB 139: *Financial Instruments: Recognition and Measurement,* AASB 132: *Financial Instruments: Disclosure and Presentation,* AASB 1: *First-time adoption of AIFRS,* AASB 1023: *General Insurance Contracts* and AASB 1028: *Life Insurance Contracts*
2005-9	AASB 4: *Insurance Contracts,* AASB 1023: *General Insurance Contracts*, AASB 139: *Financial Instruments: Recognition and Measurement* and AASB 132: *Financial Instruments: Disclosure and Presentation*
2005-12	AASB 1038: *Life Insurance Contracts* and AASB 1023: *General Insurance Contracts*
2005-13	AAS 25: *Financial Reporting by Superannuation Plans*

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Brisbane Broncos Limited and its subsidiaries as at 31 December each year ('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 intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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.

(d) Significant accounting judgements, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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 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 14.

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The revenue of the Group is recognised as income in the relevant sporting year on the following bases:

Sponsorship revenue
Sponsorship revenue is recognised evenly on a monthly basis wholly within the financial 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 Balance Sheet and brought to account over the respective sporting seasons.

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.

(f) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(g) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement 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.

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.

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.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(h) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and Other Receivables

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

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Inventories

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

(k) Income Tax

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet 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 differences 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.

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.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

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.

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Other Taxes

Revenues, expenses and assets 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 balance sheet.

Cash flows are included in the Cash Flow Statement 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.

(m) Investments

Investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

(n) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Plant and equipment – over 4 to 8 years

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

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Income Statement.

De-recognition and disposal
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 de-recognition 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.

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Intangible Assets

Intangible assets acquired separately are capitalised at cost and from 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 charged against profits in the year in which the expenditure is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there in an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life is reviewed at least each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

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:

	Sporting Franchise
Useful life	Indefinite
Method used	No amortisation
Internally generated/acquired	Acquired
Impairment testing	Annually and more frequently where an indication of impairment exists

Gains or losses arising from de-recognition 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 the Income Statement when the asset is derecognised.

(p) Impairment of Assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If such an indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows of are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of Assets (continued)

Assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Trade and Other Payables

Trade payables and other payables 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.

(r) Provisions

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, 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 Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflected current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Employee Leave Benefits

Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at amounts expected to be paid when the liabilities are settled. The Group does not accumulate sick leave. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured at 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.

(t) Contributed Equity

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

Notes to the financial statements (continued)
for the year ended 31 December 2005

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Earnings per Share

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) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

3 SEGMENT INFORMATION

The principal activity of the Group during the 2005 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.

	Consolidated		Parent	
	2005	2004	2005	2004
	$	$	$	$
4 REVENUE AND EXPENSES				
(a) Revenue and Expenses from Continuing Operations				
(i) Revenue				
Sales revenue	17,807,798	15,282,573	-	-
Grant received from National Rugby League	2,541,667	2,630,667	-	-
Interest revenue	569,920	510,514	561,440	500,463
Rent revenue	36,000	36,000	36,000	36,000
Other revenue	115,643	11,393	6,376	9,079
	21,071,028	18,471,147	603,816	545,542
(ii) Expenses				
Administration expense	1,849,434	2,237,231	1,060,312	1,085,938
Stadium operations expense	1,847,482	1,697,732	-	-
Corporate sales and ticketing expense	4,186,024	3,513,483	-	-
Marketing, sponsorship and advertising expense	2,444,698	2,316,013	-	-
Football related expense	8,421,587	7,705,369	-	-
Borrowing costs	544	5,109	23	6
	18,749,769	17,474,937	1,060,335	1,085,944
Included in the above expenses are the following:				
Operating leases	223,992	234,428	7,439	6,364
Depreciation of property, plant and equipment	121,535	97,830	-	-
Provision for employee benefits	85,549	119,657	36,788	36,516
Provision for doubtful debts	-	111,192	-	-

Notes to the financial statements (continued)
for the year ended 31 December 2005

	Consolidated 2005 $	Consolidated 2004 $	Parent 2005 $	Parent 2004 $
5 INCOME TAX				
The major components of income tax benefit are:				
Income Statement				
Deferred income tax				
Relating to origination and reversal of temporary differences	(460,676)	(390,000)	(332,995)	(390,000)
Income tax benefit reported in the Income Statement	(460,676)	(390,000)	(332,995)	(390,000)
A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting profit/(loss) before income tax:	2,321,259	996,210	(456,519)	(540,402)
At the statutory income tax rate of 30% (2004: 30%)	696,378	298,863	(136,956)	(162,121)
Expenditure not allowed for income tax purposes	42,893	85,286	5,024	12,689
Other deductible items	(54,665)	(7,005)	(19,911)	(18,481)
	684,606	377,144	(151,843)	(167,913)
Utilisation of tax losses	(684,606)	(377,144)	151,843	167,913
Deferred tax asset recognised for previously unrecognised losses	(460,676)	(390,000)	(332,995)	(390,000)
Income tax benefit reported in the Income Statement	(460,676)	(390,000)	(332,995)	(390,000)

	Balance sheet 2005 $	Balance sheet 2004 $	Income statement 2005 $	Income statement 2004 $
Deferred income tax				
Deferred income tax at 31 December relates to the following:				
CONSOLIDATED				
Deferred tax assets				
Unearned revenue	(51,000)	-	(51,000)	-
Doubtful debts	32,123	-	32,123	-
Employee benefits	58,841	-	58,841	-
Provision for inter company loan write off	3,000	-	3,000	-
Accruals	131,437	-	131,437	-
Losses available for offset against future taxable income	676,275	390,000	286,275	390,000
Deferred income tax assets	850,676	390,000		
Deferred tax income			460,676	390,000

Notes to the financial statements (continued)
for the year ended 31 December 2005

5 INCOME TAX (continued)

	Balance sheet 2005 $	Balance sheet 2004 $	Income statement 2005 $	Income statement 2004 $
Deferred income tax (continued)				
PARENT				
Deferred tax assets				
Employee benefits	27,221	-	27,220	-
Provisions for inter company loan write off	3,000	-	3,000	-
Accruals	16,500	-	16,500	-
Losses available for offset against future taxable income	676,274	390,000	286,274	390,000
Deferred income tax assets	722,995	390,000		
Deferred tax income			332,995	390,000

The Group has tax losses arising in Australia of $2,254,000 (2004: $4,536,000) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose, subject to passing certain tax loss carry forward tests under the Australian Tax Acts.

Tax Consolidation

Brisbane Broncos Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 January 2004. Brisbane Broncos Limited is the head entity of the tax consolidated group.

6 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 total operations basic earnings per share computation:

	Consolidated 2005 cents	Consolidated 2004 cents
Net profit attributable to equity holders of the parent	2,781,935	1,386,210
Weighted average number of ordinary shares for basic earnings per share	98,040,631	98,040,631

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

	Consolidated 2005 $	Consolidated 2004 $	Parent 2005 $	Parent 2004 $
7 CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	5,457,801	2,481,706	5,410,179	2,293,164

Cash at bank and in hand earns interest at fixed 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.

Notes to the financial statements (continued)
for the year ended 31 December 2005

	Consolidated		Parent	
	2005	2004	2005	2004
	$	$	$	$
7 CASH AND CASH EQUIVALENTS (continued)				
Reconciliation to Cash Flow Statement				
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 31 December:				
Cash at bank and in hand	5,457,801	2,481,706	5,410,179	2,293,164
Reconciliation from the net profit after tax to the net cash flows from operations				
Net profit/(loss)	2,781,935	1,386,210	(123,524)	(150,402)
Adjustments for:				
Depreciation and amortisation	59,472	35,081	-	-
Doubtful debts provision	-	111,192	-	-
Employee benefits provisions	28,592	4,012	15,096	18,032
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	(274,357)	(657,170)	(88,746)	(322)
(Increase)/decrease in inventories	(13,579)	(605)	-	-
(Increase)/decrease in other assets	-	-	-	(12,352)
(Increase)/decrease in deferred tax asset	(460,676)	(390,000)	(332,995)	(390,000)
(Decrease)/increase in creditors and accruals	210,061	161,121	73,918	67,765
(Decrease)/increase in unearned revenue	(268,309)	808,060	-	-
(Decrease)/increase in provisions	(112,965)	2,483	(716)	4,598
Net cash from/(used in) operating activities	1,950,174	1,463,386	(456,967)	(462,681)
8 TRADE AND OTHER RECEIVABLES (CURRENT)				
Trade receivables (i)	1,327,852	1,091,852	25,000	37,822
Allowance for doubtful debts (ii)	(7,075)	(118,267)	-	-
	1,320,777	973,585	25,000	37,822
Other receivables	368,506	357,875	11,832	1,981
Receivables on sale of land (iii)	1,200,000	-	1,200,000	-
	2,889,283	1,331,460	1,236,832	39,803

(i) Trade receivables are non-interest bearing and are generally on 30 day terms.

(ii) An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

(iii) 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, however the entity from which the receivable is owing has advised of their intention to repay $1,200,000 during the 2006 financial year.

Notes to the financial statements (continued)
for the year ended 31 December 2005

	Consolidated 2005 $	Consolidated 2004 $	Parent 2005 $	Parent 2004 $
9 INVENTORIES				
Merchandise – at cost	18,799	5,220	-	-
10 RECEIVABLES (NON-CURRENT)				
Receivable on sale of land (i)	1,200,000	3,600,000	1,200,000	3,600,000
Receivables from controlled entities	-	-	13,900,000	13,900,000
Provision for non-recovery	-	-	(13,900,000)	(13,900,000)
	1,200,000	3,600,000	1,200,000	3,600,000

(i) 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.

11 OTHER FINANCIAL ASSETS (NON-CURRENT)

	Consolidated 2005 $	Consolidated 2004 $	Parent 2005 $	Parent 2004 $
Unlisted				
Shares in controlled entities – at cost	-	-	130,005	130,005
Provision for diminution	-	-	(130,000)	(130,000)
	-	-	5	5

Further information regarding shares in controlled entities is shown in Note 22.

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Plant and Equipment $	Parent Plant and Equipment $
Year ended 31 December 2005		
At 1 January 2005 net of accumulated depreciation	128,415	-
Additions	174,078	-
Depreciation charge for year	(59,472)	-
At 31 December 2005 net of accumulated depreciation	243,021	-
At 1 January 2005		
Cost at fair value	701,571	15,729
Accumulated depreciation and impairment	(573,156)	15,729
Net carrying amount	128,415	-
At 31 December 2005		
Cost at fair value	875,649	15,729
Accumulated depreciation and impairment	(632,628)	15,729
Net carrying amount	243,021	-

Notes to the financial statements (continued)
for the year ended 31 December 2005

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated Plant and Equipment $	Parent Plant and Equipment $
Year ended 31 December 2004		
At 1 January 2004 net of accumulated depreciation	105,681	-
Additions	57,815	-
Depreciation charge for year	(35,081)	-
At 31 December 2004 net of accumulated depreciation	128,415	-
At 1 January 2004		
Cost at fair value	771,202	100,214
Accumulated depreciation and impairment	(665,521)	100,214
Net carrying amount	105,681	-
At 31 December 2004		
Cost at fair value	701,571	15,729
Accumulated depreciation and impairment	(573,156)	15,729
Net carrying amount	128,415	-

13 INTANGIBLE ASSETS

	Consolidated Sporting Franchise $	Consolidated Total $	Parent Total $
At 31 December 2005			
Sporting franchise – at cost	13,382,857	13,382,857	-
Accumulated impairment	(900,277)	(900,277)	-
Net carrying amount	12,482,580	12,482,580	-
At 31 December 2004			
Sporting franchise – at cost	13,382,857	13,382,857	-
Accumulated impairment	(900,277)	(900,277)	-
Net carrying amount	12,482,580	12,482,580	-

The Sporting Franchise is considered to have an indefinite useful life as 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 recently until 2012. The Club Agreement signed between the Group and the National Rugby League provides that termination can only take place if the Club becomes insolvent or breaches any provisions of the Club Agreement. Management are confident that these conditions necessary to obtain renewal will continue to be met on an ongoing basis. The Sporting Franchise is subject to annual impairment testing (see Note 14).

14 IMPAIRMENT TESTING OF INDEFINITE LIFE OF SPORTING FRANCHISE

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 theses operations i.e. gate takings, season tickets, corporate sponsorship, signage, corporate sales and National Rugby League grant monies. The only exception is interest income on the receivable on sale of land, which has been excluded from the value in use calculation. 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 (excluding the non-current receivable) and therefore the Sporting Franchise.

Notes to the financial statements (continued)
for the year ended 31 December 2005

14 IMPAIRMENT TESTING OF INDEFINITE LIFE OF SPORTING FRANCHISE (continued)

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: 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, and the growth trend of crowd attendances, gate takings and season memberships. The probability of the Group to renew its rugby league licence was also taken into account together with the new television rights deal recently negotiated by the National Rugby League which will result in increased future revenue streams to the Group. An annual growth rate of 3% has been used in the future maintainable earnings calculation and a pre-tax discount rate of 12% (2004: 12%) has been applied to the cash flow projections.

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 or financial performance of the Group on a go forward basis. 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 2005 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	
	2005	2004	2005	2004
	$	$	$	$
15 TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables (i)	257,581	95,782	125,251	5,265
Other payables (ii)	662,327	616,858	96,012	132,721
	919,908	712,640	221,263	137,986

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

(ii) Other payables are non-interest bearing and have an average term of three months.

Notes to the financial statements (continued)
for the year ended 31 December 2005

	Employee Benefits $	Fringe Benefits Tax $	Total $
16 PROVISIONS			
CONSOLIDATED			
At 1 January 2005	154,368	33,342	187,710
Arising during the year	103,159	90,156	193,315
Utilised	(74,567)	(91,928)	(166,495)
At 31 December 2005	182,960	31,570	214,530
Current 2005	131,993	31,570	163,563
Non-current 2005	50,967	-	50,967
	182,960	31,570	214,530
Current 2004	105,321	33,342	138,663
Non-current 2004	49,047	-	49,047
	154,368	33,342	187,710
PARENT			
At 1 January 2005	72,290	12,205	84,495
Arising during the year	36,788	35,721	72,509
Utilised	(21,693)	(36,436)	(58,129)
At 31 December 2005	87,385	11,490	98,875
Current 2005	70,370	11,490	81,860
Non-current 2005	17,015	-	17,015
	87,385	11,490	98,875
Current 2004	54,725	12,205	66,930
Non-current 2004	17,565	-	17,565
	72,290	12,205	84,495

	Consolidated		**Parent**	
	2005 $	2004 $	2005 $	2004 $
17 TRADE AND OTHER PAYABLES (NON-CURRENT)				
Related party payables - amounts payable to controlled entities (i)	-	-	2,434,790	60,808

(i) For terms and conditions related to related party payables refer to Note 22.

Notes to the financial statements (continued)
for the year ended 31 December 2005

18 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.

At 31 December 2005 there were no outstanding options to purchase shares in the Company.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial instruments of the Group are 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. The Group also has a non-trade receivable totalling $2,400,000 (2004: $3,600,000) which is the result of the sale of land in 2000.

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 invests its cash in short-term deposits earning interest at an average rate of 5.25% (2004: 3.9%) per annum. A fixed rate of 12.5% (2004: 12.5%) per annum is earned on the non-trade receivable of $2,400,000.

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 on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes to the financial statements (continued)
for the year ended 31 December 2005

20 FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements at other than fair values.

	Carrying Amount		Fair Value	
	2005	2004	2005	2004
	$	$	$	$
CONSOLIDATED				
Financial assets				
Cash	5,547,801	2,841,706	5,547,801	2,841,706
Trade receivables	1,320,777	973,585	1,320,777	973,585
Non-trade receivables	368,506	357,879	368,506	357,879
Non-trade receivable on sale of land	2,400,000	3,600,000	2,400,000	3,600,000
Financial liabilities				
Trade payables	919,908	712,640	919,908	712,640
PARENT				
Financial assets				
Cash	5,410,179	2,293,164	5,410,179	2,293,164
Trade receivables	25,000	37,822	25,000	37,822
Non-trade receivables	11,832	1,981	11,832	1,981
Non-trade receivable on sale of land	2,400,000	3,600,000	2,400,000	3,600,000
Financial liabilities				
Trade and other payables	221,263	137,986	221,263	137,986

21 COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on its fleet of motor vehicles and various other items of plant and machinery. These leases have an average life of between two and three years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. Rental payments are fixed over the term of the lease. Commitments in relation to these operating leases are as follows:

	Consolidated		Parent	
	2005	2004	2005	2004
	$	$	$	$
Within one year	97,872	146,536	5,755	7,864
After one year but not more than five years	8,595	71,136	-	1,363
More than five years	-	-	-	-
	106,467	217,672	5,755	9,227

Player Contract Commitments

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

Within one year	4,550,170	4,144,270	-	-
After one year but not more than five years	5,233,890	5,569,950	-	-
More than five years	-	-	-	-
	9,784,060	9,714,220	-	-

Notes to the financial statements (continued)
for the year ended 31 December 2005

21 COMMITMENTS AND CONTINGENCIES (continued)

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	
	2005	2004	2005	2004
	$	$	$	$
Within one year	292,500	250,000	292,500	250,000
After one year but not more than five years	804,375	-	804,375	-
More than five years	-	-	-	-
	1,096,875	250,000	1,096,875	250,000

Amounts disclosed as remuneration commitments include commitments arising from the managing director's employment agreement that expired on 6 January 2006 and was renegotiated until 30 September 2009. The amounts include cash salary, superannuation and the provision of a motor vehicle. The managing director is the only employee with which the Group has entered into an employment agreement with.

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 Group 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. The terms of the Suncorp Stadium draft hiring agreement have been adhered to since the move from ANZ Stadium.

22 RELATED PARTY DISCLOSURE

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 2005	2004
Brisbane Broncos Corporations Trust	Australia		100	100
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia		100	100
Brisbane Broncos Management Corporation Pty Ltd	Australia	(a)	100	100
Brisbane Broncos Rugby League Club Ltd	Australia	(b)	n/a	n/a
Queensland Entertainment Services Pty Ltd	Australia	(a)	100	100
Laurelgrove Pty Ltd	Australia	(a)	100	100
Pacific Sports International Pty Ltd	Australia	(a)	100	100
Brisbane Bandits Pty Ltd	Australia		100	100
Brisbane Bullets Trust	Australia		100	100
Pacific Sports Holdings Pty Ltd (Trustee)	Australia	(a)	100	100
Brisbane Professional Sports Investment Pty Ltd	Australia		100	100
Brisbane Broncos (Licencee) Pty Ltd	Australia	(a)	100	100
Broncos Insurance Agencies Pty Ltd	Australia		100	100
AH BR Pty Ltd	Australia		100	100

Notes to the financial statements (continued)
for the year ended 31 December 2005

22 RELATED PARTY DISCLOSURE (continued)

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.

(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.

(b) 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 *UIG Interpretation 112 Consolidation – Special Purpose Entities*.

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 17).

		Sales to related parties $	*Grants from related parties* $	*Purchases from related parties* $
CONSOLIDATED				
Major shareholder				
News Limited	2005	125,000	-	125,000
	2004	125,000	-	125,000
Associate				
National Rugby League Limited	2005	-	2,541,667	-
	2004	-	2,630,667	-

The ultimate parent and subsidiaries
During the financial year, loans were advanced and repayments received on short-term inter-company accounts between Brisbane Broncos Limited and its subsidiaries.

Major shareholder
News Limited owned 68.87% of the Group as at 31 December 2005. News Limited and its related entities provided the Group with 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 of $125,000 (2004: $125,000).

Associate
The license held by the Group is provided by the National Rugby League Limited which is 50% owned by News Limited. This licence entitles the Group to receive an annual grant from the National Rugby League Limited.

Terms and conditions of transactions with related parties
Sales to and purchases from related parties are made in arms length transactions at both normal market prices and normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

For the year ended 31 December 2005, the Group has not raised any provision for doubtful debs relating to amounts owed by related parties as the payment history is excellent (2004: $nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. When assessed as required, the Group raises such a provision.

Notes to the financial statements (continued)
for the year ended 31 December 2005

23 AUDITORS' REMUNERATION

The auditor of Brisbane Broncos Limited is Ernst & Young.

	Consolidated		Parent	
	2005	2004	2005	2004
	$	$	$	$
Amounts received, or due and receivable, by Ernst & Young for:				
• audit services				
– an audit or review of the financial report of the entity and any other entity in the Group	50,500	45,000	50,500	45,000
– AIFRS transition audit	25,000	-	25,000	-
• other services in relation to the entity and any other entity in the consolidated group				
– tax compliance	6,760	9,000	6,760	9,000
	82,260	54,000	82,260	54,000
Amounts received, or due and receivable, by non Ernst & Young audit firms for:				
– tax compliance	7,110	7,940	7,110	7,940
– AIFRS	1,500	-	1,500	-
	8,610	7,940	8,610	7,940

24 DIRECTOR AND EXECUTIVE DISCLOSURES

a) Details of Key Management Personnel

(i) Directors

D C Somerville	Chairman (Non-Executive) (Appointed 24 February 2005)
B P Cullen	Managing director (Executive)
D S Jackson	Director (Non-Executive)
P W Jourdain	Director (Non-Executive)
D M Watt	Director (Non-Executive)
W K Goss	Director (Non-Executive) (Resigned 14 February 2005)

(ii) Executives

L A Lanigan	Company Secretary and General Manager Finance and Administration
F P Kendall	Marketing Manager (Resigned 17 June 2005)
M A Rowen	Marketing Manager (Appointed 1 September 2005)

There have been no changes of the managing director or key management personnel after reporting date and the date the financial report was authorised for issue.

b) Compensation of Key Management Personnel

(i) Compensation policy

The performance of the Group depends on the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

Notes to the financial statements (continued)
for the year ended 31 December 2005

24 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

b) Compensation of Key Management Personnel (continued)

(i) Compensation policy (continued)

To achieve this, the Group adopts the following principles in its compensation framework:

- provide competitive rewards to attract high calibre executives;
- annual performance reviews to ensure executives are meeting pre-determined performance benchmarks;
- in depth recruitment program to ensure executives with the appropriate skills and experience are employed.

(A) Remuneration Committee

Due to the size of the Board of Directors of Brisbane Broncos Limited, 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 managing director and all other key management personnel. They also consider all matters relevant to the nomination of directors.

The Board assesses the appropriateness of the nature and amount of compensation of key management personnel 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 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.

(B) Remuneration Structure

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

(C) Non-executive Director Compensation

Objective
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.

Structure
The Constitution and ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding this amount is then divided between the directors as agreed. Each director receives a fixed fee for being a director of the Company. The latest determination was at the Annual General Meeting held on 20 April 1995 where shareholders approved an aggregate remuneration of $110,000 per year. Historically the Company's annual director's fees paid have been below this limit. The total director's fees paid for the 2005 financial year was $47,877.

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

The compensation of non-executive directors for the period ended 31 December 2005 is detailed on page 44 of this report.

(D) Executive Compensation

Objective
The entity 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.

Notes to the financial statements (continued)
for the year ended 31 December 2005

24 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

b) Compensation of Key Management Personnel (continued)

(i) Compensation policy (continued)

(D) Executive Compensation (continued)

Structure
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. In determining the level and composition of executive remuneration, comparable executive roles in the market, and individual skill and experience are taken into consideration. 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.

It is Company policy that an employment contract is entered into only with the managing director and not with any other executives. Details of this contract are provided in Note 24(b)(iv).

Compensation consists of the following key elements:
- Fixed Compensation
- Variable Compensation

(E) Fixed Compensation

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

Structure
Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

(F) Variable Compensation – Short Term Incentive (STI)

Structure
There are no formal STI payment programs in place. Key management personnel may be paid annual bonuses at the managing director's discretion with the approval of the board of directors. The managing director 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 managing director's employment agreement provides for annual bonuses or STIs to be paid in accordance with the following conditions:
- achievement of budgeted results; and
- individual achievement, effort, dedication, commitment and overall company performance.

Notes to the financial statements (continued)
for the year ended 31 December 2005

24 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

b) Compensation of Key Management Personnel (continued)

(ii) Compensation of Key Management Personnel for the year ended 31 December 2005 (Consolidated)

	Short Term			Post Employment	Total	Performance Related
	Salary & Fees	Cash Bonus	Non Monetary Benefits	Superannuation		
Directors	$	$	$	$	$	%
D C Somerville (Appointed 24-02-05)	5,150	-	-	10,464	15,614	-
B P Cullen	208,500	50,000	20,000	21,500	300,000	16.67%
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 (Resigned 14-02-05)	1,250	-	-	113	1,363	-
Executives						
L A Lanigan	107,000	7,500	15,000	9,630	139,130	5.40%
M A Rowen (Appointed 01-09-05)	30,000	500	5,000	2,700	38,200	1.00%
F P Kendall (Resigned 17-06-05)	38,531	-	10,168	3,256	51,955	-
	420,431	58,000	50,168	48,563	577,162	

(ii) Compensation of Key Management Personnel for the year ended 31 December 2004 (Consolidated)

	Short Term			Post Employment	Total	Performance Related
	Salary & Fees	Cash Bonus	Non Monetary Benefits	Superannuation		
Directors	$	$	$	$	$	%
D C Somerville (Appointed 24-02-05)	-	-	-	-	-	-
B P Cullen	208,500	100,000*	20,000	22,200	350,700	28.51%
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 (Resigned 14-02-05)	6,048	-	-	544	6,592	-
Executives						
L A Lanigan	100,917	-	15,000	9,083	125,000	-
M A Rowen (Appointed 01-09-05)	-	-	-	-	-	-
F P Kendall (Resigned 17-06-05)	51,554	-	14,968	4,640	71,162	-
	397,019	100,000	49,968	37,367	584,354	

+ Fees for Peter Jourdain and Dennis Watt are paid directly to their employer.
* Mr Cullen's bonus paid during 2004 was in relation to his performance during the 2003 and 2004 financial years.

Group totals above for 2004 are not the same as disclosed in the 2004 annual report as only directors that held office during the 2005 financial year are included above.

Notes to the financial statements (continued)
for the year ended 31 December 2005

24 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

b) Compensation of Key Management Personnel (continued)

(iii) Compensation by Category: Key Management Personnel

	Consolidated		Parent	
	2005	2004	2005	2004
	$	$	$	$
Short Term	528,599	546,987	444,400	480,465
Post Employment	48,563	37,367	41,807	32,727
	577,162	584,354	486,207	513,192

(iv) Contract for Services

It is the Board of Directors' policy that an employment agreement shall be entered into with the managing director and no other key management personnel. The current employment contract commenced on 6 January 2003 and expired on 5 January 2006. It has recently been renewed and terminates on 30 September 2009, at which time the Group may choose to commence negotiation to enter into a new employment contract with Mr Cullen. Mr Cullen's salary package is reviewed annually as determined by the Board of directors. The review is based on individual and Group performances, effort, commitment and the market rates for the salary packages of similar packages elsewhere in Australia.

Details of Mr Cullen's employment contract that expired on 5 January 2006 are as follows:

- Mr Cullen receives fixed remuneration of $250,000 including statutory superannuation and a fully maintained motor vehicle.
- Mr Cullen is entitled to an increase of his fixed remuneration of at least CPI each year.
- Mr Cullen is entitled to be paid annual bonuses as a result of individual achievement, effort, dedication, commitment and overall Company performance and upon achievement of budgeted results.
- Mr Cullen may resign from his position and thus terminate his contract by giving three months written notice.
- The Company may terminate the contract immediately following notice given by Mr Cullen providing payment of a minimum three months salary in lieu of the notice period (based on the fixed component of Mr Cullen's remuneration).
- The Company may terminate the contract by giving three months written notice and providing a payment in lieu of three 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 Cullen's remuneration.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the managing director is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

The terms of Mr Cullen's new contract are the same other than an uplift in remuneration.

Notes to the financial statements (continued)
for the year ended 31 December 2005

24 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

c) Shareholdings of Key Management Personnel (Consolidated)

Shares held in Brisbane Broncos Limited (number):

	Balance 1 Jan 2005	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 31 Dec 2005
Directors					
B P Cullen	-	-	-	-	-
D C Somerville	-	-	-	-	-
D S Jackson	28,500	-	-	-	28,500
P W Jourdain	-	-	-	-	-
D M Watt	-	-	-	-	-
W K Goss	-	-	-	-	-
Executives					
L A Lanigan	-	-	-	-	-
F P Kendall	-	-	-	-	-
M A Rowen	-	-	-	-	-
Total	**28,500**	**-**	**-**	**-**	**28,500**

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.

d) Other transactions and balances with Key Management Personnel

Directors of the Group and directors of its related parties, or their director-related entities, conduct transactions with entities within the Group 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.

P W Jourdain and D M Watt are employees of News Limited which is a related party of the Group. Transactions conducted with News Limited and its related entities are disclosed in Note 22 of this report.

25 EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events since balance date.

Notes to the financial statements (continued)
for the year ended 31 December 2005

26 TRANSITION TO AIFRS

For all periods up to and including the year ended 31 December 2004, the Group prepared its financial statements in accordance with Australian generally accepted accounting practice (AGAAP). These financial statements for the year ended 31 December 2005 are the first the Group is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the Group has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements, the Group has started from an opening balance sheet as at 1 January 2004, the Group's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 *First-time adoption of AIFRS*.

This note explains the principal adjustments made by the Group in restating its AGAAP balance sheet as at 1 January 2004 and its previously published AGAAP financial statements for the year ended 31 December 2004.

Exemptions applied
AASB 1 allows first-time adopters certain exemptions from the general requirement to apply AIFRS retrospectively. The Group has taken the following exemptions:

– AASB 3 *Business Combinations* was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to AIFRS).

Explanations of material adjustments to the Cash Flow Statement
There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

Impact of Adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ('AGAAP') are illustrated below:

(i) Reconciliation of total equity as presented under AGAAP to that under AIFRS

	Consolidated		Parent	
	31 Dec 2004	1 Jan 2004	31 Dec 2004	1 Jan 2004
Total equity under AGAAP	16,822,457	15,826,247	5,662,712	6,203,114
Adjustments to equity:				
Recognition of deferred tax asset (A)	390,000	-	390,000	-
Total equity under AIFRS	17,212,457	15,826,247	6,052,712	6,203,114

A. The Group did not recognise deferred tax assets under AGAAP as it was determined that in accordance with AASB 1020 'Income Taxes' the 'virtually certainty' test could not be met. Under AIFRS it has been determined that a deferred tax asset could be recognised at 31 December 2004 in accordance with AASB 112 'Income Taxes' as it is 'probable' that taxable profit will be available against which unused tax losses and deductible temporary differences could be utilised.

Notes to the financial statements (continued)
for the year ended 31 December 2005

26 TRANSITION TO AIFRS (continued)

Impact of Adoption of AIFRS (continued)

(ii) Reconciliation of profit after tax under AGAAP to that under AIFRS

	Consolidated	Parent
	31 Dec 2004	31 Dec 2004
Profit after tax as previously reported	996,210	(540,402)
Adjustments to equity:		
Recognition of deferred tax asset (A)	390,000	390,000
Profit after tax under AIFRS	1,386,210	(150,402)

A. The Group did not recognise deferred tax assets under AGAAP as it was determined that in accordance with AASB 1020 'Income Taxes' the 'virtually certainty' test could not be met. Under AIFRS it has been determined that a deferred tax asset could be recognised at 31 December 2004 in accordance with AASB 112 'Income Taxes' as it is 'probable' that taxable profit will be available against which unused tax losses and deductible temporary differences could be utilised.

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 Group are in accordance with the Corporations Act 2001, including:

      I. giving a true view of the Company's and Group's financial position as at 31 December 2005 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.

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 ending 31 December 2005.

On behalf of the Board

Brian Patrick Cullen
Managing Director

Brisbane, Queensland
10 March 2006

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Independent Audit Report to the members of Brisbane Broncos Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Brisbane Broncos Limited (the company) and the consolidated entity, for the year ended 31 December 2005. 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 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 the consolidated entity and have met the independence requirements of Australian professional ethical pronouncements and 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. 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 the 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 the Brisbane Broncos Limited and the consolidated entity at 31 December 2005 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

Ernst & Young

M J Hayward

Mark Hayward
Partner
Brisbane
10 March 2006

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and now shown elsewhere in this report is as follows. This information is current as at 1 March 2006.

(a) Distribution of equity securities

98,040,631 fully paid ordinary shares are held by 590 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 are as follows:

Size of holding	Ordinary Shareholders	Ordinary share option-holders
1 – 1000	44	-
1001 – 5000	267	-
5001 – 10000	120	-
10001 – 100000	140	-
100001 – OVER	19	-
	590	-
Holding less than a marketable parcel	140	-

(b) Substantial shareholders

Name	Number of ordinary Shares	Percentage
Nationwide News Pty Ltd	67,521,089	68.87%
Ognis Pty Ltd	9,598,685	9.79%
Lake Morepeth Pty Ltd	6,600,000	6.73%
	83,719,774	85.39%

ASX Additional Information (continued)

(c) Twenty largest holders of quoted equity securities

Ordinary shareholders	Number of ordinary shares	Percentage Held
Nationwide News Pty Limited	67,521,089	68.87%
Ognis Pty Ltd	9,598,685	9.80%
Lake Morpeth Pty Ltd	6,600,000	6.73%
Clonakilty Pastoral Company	3,255,925	3.32%
Mr William Bryon Findley & Mrs Carolyn Ruth Findley	1,400,000	1.43%
Ogden International Facilities Corporation Pty Ltd	631,666	.64%
Rosedayl Pty Ltd	518,357	.53%
Drenside Pty Ltd (Davo Unit Account)	500,136	.51%
Miengrove Pty Ltd	307,000	.31%
Moonton Pty Ltd	301,750	.31%
W F M Motors Pty Ltd	300,000	.31%
Fortis Clearing Nominees Pty Ltd	238,863	.24%
Elizan Pty Ltd	215,250	.22%
Admirandus Pty Ltd	212,732	.20%
Mr Guy Francois Le Clezio (R W Super Fund Account)	170,000	.17%
Ms Joan Ann Mary Enever	110,000	.11%
Mr Raymond John Balkin and Mrs Ethel Moya Balkin	104,627	.11%
Lonestar Pty Ltd	104,000	.11%
George Enever Pty Ltd	100,000	.10%
Mr Ross Johnston	100,000	.10%
	92,290,080	**94.12%**