Brisbane Broncos Limited
A.B.N. 41 009 570 030
WOW Brisbane Broncos
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BRONCOS
BRISBANE

23 February 2010

To: ASX Company Announcements Platform

BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES
2009 FINANCIAL RESULTS

Please find attached the following documents in relation to the 2009 financial results for Brisbane Broncos Limited and its controlled entities:

- Earnings Release
- Appendix 4E – Preliminary Final Report
- 2009 Financial Report
- Independent Audit Report and Auditor's Independence Declaration

Yours faithfully

Brisbane Broncos Limited
Louise Lanigan
Company Secretary

WOW BRISBANE BRONCOS

EARNINGS RELEASE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Brisbane, 23 February 2010

FINANCIAL PERFORMANCE

The Board announced today the audited results for the Brisbane Broncos Group for the financial year ended 31 December 2009. The directors consider that 2009 was a successful year for the Group and this is reflected in the results both on and off the field. The Board and management are satisfied with the financial result which was achieved during extremely difficult economic times. Several areas of the business felt the effects of this economic downturn - however the final 2009 result was enhanced by the financial benefits arising from the success of the Brisbane Broncos National Rugby League (NRL) team and management's efforts to increase revenue streams and minimise costs.

The Group recorded an after tax profit for the 31 December 2009 financial year of $867,886 compared to the $1,238,103 achieved in 2008. The before tax profits for the 2009 and 2008 financial years were $1,296,835 and $1,838,685 respectively. As a result of the continued financial success and the strong cash position of the Group, the Board are pleased to be able to pay a 100% franked dividend to fully paid ordinary shareholders of 0.5 cent per share.

The Group recorded gross revenue for the 2009 financial year of $25,162,252, which is a $458,567 decrease from 2008. Several categories of revenue in 2009 finished below the corresponding 2008 results, the predominant reason being the impact of the global financial crisis on the business.

The sale of corporate facilities was the most significant area affected falling by 16.49% from the prior year. When making this comparison it should be noted that the Group experienced its most successful corporate sales results ever in 2008 where corporate suites and boxes were completely sold out for each home game of the regular season. Signage sales in 2009 were also impacted finishing 46.79% below the 2008 result.

It was a very positive year for the Group in relation to sponsorship with total revenue in this area reaching $6,781,683 – being an increase of 1.28% from 2008. Management's focus going forward is on maintaining the existing high levels of sponsorship and creating possibilities for new opportunities to increase sponsorship revenue.

Season membership numbers increased for the fifth consecutive year growing 6.3% from 2008 to 11,041 in 2009 – the highest in the National Rugby League. As a result, season membership revenue also increased.

The average crowd attendance for 2009 of 32,496 was slightly lower than the 2008 average of 33,402. This is the fifth year in a row that the crowd average has exceeded 30,000 which is an enormous achievement and the largest again in the National Rugby League.

Weather conditions were not favourable during the 2009 season as four matches early in the season were affected by wet weather. Some significant scheduling clashes also occurred with major Brisbane events during the season which also impacted crowd numbers. However, the predominant reason for the decrease in crowd attendances from 2008 to 2009 was the Canterbury Bulldogs match held on 12 June 2009 to which only

26,353 people attended. This was expected to be a 'blockbuster' game attracting in excess of 40,000 patrons. The crowd attendance was negatively impacted when the Brisbane Broncos team and coaching staff were placed into quarantine for the week leading up to the match due to a player testing positive for Swine Flu. This caused the match to remain in doubt for 24 hours prior to 'kick off' which had considerable effect on the ticket sales and attendance. The financial impact was slightly mitigated as many patrons chose not to attend this match regardless of having already purchased tickets.

Despite average crowd attendances decreasing from 2008 to 2009, gate takings revenue increased by $272,181. This is a result of an increase in casual ticket prices for the 2009 season and also the effect of patrons pre-purchasing tickets and not attending the Canterbury Bulldogs match.

The Brisbane Broncos were scheduled a home semi final match against the St George Dragons on 20 September 2009 which achieved close to a sell-out crowd of 50,225. The Finals Series matches are owned and administered by the National Rugby League however the Group earned commission revenue in relation to sales of corporate facilities for this game. In addition to this, the achievements of the Brisbane Broncos NRL team in the final series earned prize money of $100,000.

Other items of revenue worth noting include interest, merchandise and the National Rugby League Grant. Interest revenue fell by $227,527 below 2008 as a result of a reduction in interest rates. Merchandise income decreased from the previous year due to the absence of Centenary of Rugby League merchandise sales that were a 'once off' product in 2008. Finally, the National Rugby League Grant paid to Clubs increased by $100,000 to $3,450,000 from 2008 to 2009. This coincided with an increase in the salary cap of $100,000.

Total expenditure for the Group for 2009 was $23,865,417 which is $83,283 less than the previous year. There are several factors that contributed to this net reduction in expenses. Looking at the commercial aspect of the business, savings were experienced in corporate sales and signage related expenditure as these directly relate to the associated sales revenue that finished below 2008. Sponsorship servicing costs increased in 2009 as a result of the increase in sponsorship revenue. Ticketing and gate takings costs were higher than in 2008 due to the increases in rates of various related charges and also the increase in gate taking revenue. Game day operations costs in 2009 were above 2008 due to increases in running costs of home games. Cost reductions were achieved in advertising related expenditure which was a result of management's effort to refine costs to mitigate the impact of the difficult economic climate on the Group.

Administration expenses increased by $280,361 from 2008 which was due to new expenditure in 2009 resulting from affiliate agreements whereby the Brisbane Broncos have committed to provide financial support to associated Queensland Rugby League clubs.

Football related expenditure increased from 2008 as a result of a variety of factors. These include an increase of $100,000 in the 2009 salary cap, a higher number of total players on the playing roster, numerous injuries to players in the Brisbane Broncos NRL team and the restructure of the coaching department. The unavailability of members of the NRL team due to injury results in increased costs by way of match payments for replacement players and also development fees for players making their NRL debut. The Club continues to invest in the future by allocating funds to an elite player development program and player rosters.

THE BOARD

The personnel making up the Board of Directors was unchanged throughout the year with Chairman Darryl Somerville now in his fifth year in the role. Donald Jackson, Dennis Watt, Lawrence Brindle and Managing Director Bruno Cullen performed their statutory duties for the full reporting term.

BRISBANE BRONCOS RUGBY LEAGUE TEAM

On the field, 2009 also saw the Brisbane Broncos NRL team finish in the top eight for an unprecedented eighteenth consecutive year to be ultimately defeated in a preliminary final by the 2009 Premiers the Melbourne Storm. The Brisbane Broncos National Youth Competition (NYC) team also competed in a preliminary final against the eventual NYC Premiers the Melbourne Storm. To have both teams make it to a preliminary final match was a great performance but unfortunately neither side progressed to the Grand Final. The success of the NRL rugby league team is an important factor in the financial performance of the business.

The coaches of both teams Ivan Henjak (NRL) and Anthony Griffin (NYC) and their staff and players are to be applauded for another proud year for the Brisbane Broncos on the field.

THE YEAR AHEAD

Commercial revenue is showing signs of growth - in particular sponsorship and season membership revenue - and there are positive indicators in corporate sales after the substantial downturn in revenue from that department in 2009. Management are also concentrating on casual game day ticket sales which traditionally provide a high level of revenue.

A concentrated budget process has also focused on refining expenditure where possible in 2010. Management are conscious of maintaining the provision of quality aid and equipment for the football department, however doing this efficiently and cost effectively is a priority at all times.

During 2009 an association was formed between the Brisbane Broncos Charities Fund and the Group's in-house charity and community program. An increase of one full time staff member has enabled the new look Broncos Charity and Community Program to upgrade substantially the activities in this area. Shareholders should be proud of the work and assistance given to charities and the community in general, and this will expand and be even bigger and more effective in 2010.

On the field, we are confident that 2010 will be another year the Brisbane Broncos can be proud of. There is a strong group of players in both the NYC and NRL squads willing to entertain the fans, and an extremely dedicated staff at both the football and commercial levels to ensure confidence in strong performances across the board.

There is still uncertainty ahead with regard to the economy. Confidence levels in both the business and community sectors are returning but the spending patterns have not reached pre global financial crisis days. Planning and preparation undertaken in the latter part of 2009 has certainly placed the business in a strong position to capitalise on any upward trend as it occurs. Management are working diligently to ensure the best possible outcomes for the 2010 financial year.

WOW BRISBANE BRONCOS

BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

APPENDIX 4E

PRELIMINARY FINAL REPORT
FOR YEAR ENDED 31 DECEMBER 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities ($000)	Down	2%	to	25,162
Profit from ordinary activities before tax attributable to members ($000)	Down	29%	to	1,297
Profit from ordinary activities after tax attributable to members ($000)	Down	30%	to	868
Basic earnings per share (cents)	Down	30%	to	.89 cents
Diluted earnings per share (cents)	Down	30%	to	.89 cents
Net tangible asset backing per ordinary share (cents)	Up	8%	to	12 cents

DIVIDENDS	Amount per security	Franked amount per security
Final Dividend for 31 December 2009	.5 cent	100%
Total amount per share relating to the year ended 31 December 2009	.5 cent	100%
Previous corresponding period: Final Dividend for 31 December 2008	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
23 February 2010

Corporate Information

A.B.N. 41 009 570 030

Directors
D C Somerville (Chairman)
B P Cullen (Managing Director)
D S Jackson
D M Watt
L G Brindle

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

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

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

Bankers
Queensland Country Credit Union
Koala House
256 Adelaide Street
Brisbane 4000
Queensland
Australia

Auditors
Ernst & Young
1 Eagle Street
Brisbane
Queensland
Australia

Year in review

FINANCIAL PERFORMANCE

The downturn in business activity as a result of the global financial crisis impacted considerably on the financial result of Brisbane Broncos Limited for the year ended 31 December 2009. The before tax profit of $1,296,835 was well down on the previous year's result of $1,838,685. Net profit for the corporate sales department fell, reflecting the impact of the economic downturn in the commercial sector.

The after tax profit for the year was $867,886 (2008: $1,238,103). As reported in last year's annual report, the financial instability throughout the year put all departments under pressure. However, the membership and ticketing department performed particularly well with revenue of over $9 million. Taking into account the underlying strength of the Group and the positive signs for the future, the Board has approved a fully franked dividend payment of 0.5 cent per share.

HIGHLIGHTS

In a year containing few highlights it was a tremendous effort to achieve operating revenue of $24.5 million (2008: $24.8 million) in the difficult financial environment. With total operating revenue under budget it was also pleasing to achieve a reduction in budgeted expenses, mitigating the overall impact of the shortfall in budgeted revenue to the bottom line substantially.

Game day attendances were also a highlight for the year with the official average home crowd at Suncorp Stadium just on 33,000, which again was more than double the National Rugby League (NRL) average. With the cooperation of the Canterbury Bulldogs, Gold Coast Titans and South Sydney Rabbitohs, we were able to stage the first ever NRL double header in Queensland on 17 July 2009 with a near sell-out crowd. That highly successful night was matched by the sell-out for the St George Illawarra Dragons 'knockout' semi-final on 20 September 2009. With the total crowds of those two games included, the average crowd attendance at Brisbane Broncos home games was over 35,500 – an exceptional result.

Earning the right to host a home semi-final at Suncorp Stadium and winning it also proved to be a financial windfall. Commissions from corporate sales at the game, prize money and sponsor bonuses from the successful win added over $200,000 to gross operating revenue.

Season membership sales were up by 652 against the 2008 result and continued our recent trend of reaching record numbers year after year.

The sponsorship department also produced very acceptable results in the prevailing economic conditions. The economic downturn hit hardest at the corporate level and to almost maintain the performance in this area of the previous year was very satisfying.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

The Brisbane Broncos NRL squad continued their magnificent run of semi-finals qualification with their 18^{th} consecutive appearance in the 2009 season. Under new coach Ivan Henjak, the squad recovered from a terrible mid-season slump to charge into the preliminary final against eventual premiers the Melbourne Storm. They reached that penultimate match after a win away from home over the Gold Coast Titans who finished third place at the end of the regular season, and a fantastic victory over the minor premiers St George Illawarra Dragons in the semi-finals.

2009 was the second year in a row the Brisbane Broncos NRL team played the minor premiers at Suncorp Stadium in the second semi final - and went one better than 2008 when they defeated the St George Illawarra Dragons. A fractured ankle to brilliant half back Peter Wallace in the final minutes of the game weighed heavily on the team and they could not backup against the Melbourne Storm the following week in the preliminary final in Melbourne.

The National Youth Competition (NYC) Under 20 side achieved similar results. They defeated the minor premiers Manly Sea Eagles in the curtain raiser to the St George Illawarra Dragons first grade game and unfortunately met the same fate as the NRL side against the Melbourne Storm the following week.

To have both teams make it to a preliminary final match was a great performance but unfortunately neither side progressed to Grand Final day. To the coaches Ivan Henjak (NRL) and Anthony Griffin (NYC), and their staff and players we say thank you and well done on another proud year for the Brisbane Broncos. It was a good year for the Broncos as in December 2009 the Board extended Ivan Henjak's contract as Head Coach until the end of the 2012 season. Anthony Griffin's performance was also recognised by his appointment to NRL Assistant Coach until 2012.

Year in Review (continued)

BOARD OF DIRECTORS AND MANAGEMENT

The personnel making up the Board of Directors was unchanged throughout the year with Chairman Darryl Somerville now in his fifth year in the role. Donald Jackson, Dennis Watt, Lawrence Brindle and myself performed our statutory duties for the full reporting term.

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

During the year Terry Reader joined the organisation in the new position of General Manager Commercial Operations and joins Louise Lanigan, General Manager Finance and Administration and Company Secretary, and myself on the executive team. Terry has previously held positions with us as sponsorship manager and at the Brisbane Lions as General Manager Commercial Operations, and is a positive acquisition to our business operations.

I take this opportunity to publicly express my thanks and gratitude to the Board and all employees for the effort they made during the year, and the support they gave each other, which ensured the Group produced acceptable results in very difficult conditions.

THE YEAR AHEAD

There is still uncertainty ahead with regard to the economy, and while recent trends are positive there will not be a quick rebound to return us to the level of results achieved in 2005, 2006 and 2007 respectively. Confidence levels in both the business and community sectors are returning but the spending patterns have not reached pre global financial crisis days. Planning and preparation undertaken in the latter part of 2009 has certainly placed us in a strong position to capitalise on any upward swing as it occurs.

Sponsorship levels will exceed the 2009 result and more than recover the lost ground of 2008. Season Memberships are tracking ahead of 2009 and there has been a considerable increase in resources, both human and financial, dedicated to ensuring a strong outcome in this area. In addition to this we will also concentrate on casual game day ticket sales which traditionally provide a high level of revenue. Our expectation and budgeting also indicate positive signs in corporate sales after the substantial downturn in revenue from that department in 2009.

A concentrated budget process has also focused on trimming expenditure where possible. We need to maintain the provision of quality aid and equipment for the football department, but doing things efficiently is front of mind at all times.

During 2009 we partnered the Brisbane Broncos Charities Fund with the Group's in house charity and community work. An increase of one full time staff member has enabled the new look Broncos Charity and Community Program to upgrade substantially the activities in this area. Shareholders should be really proud of the work and assistance given to charities and the community in general, and this will expand and be even bigger and more effective in 2010.

The sponsorship family, so wonderfully headed up by naming rights sponsor WOW Sight and Sound, will again be the main cornerstone of our financial base this year. On behalf of all associated with the Brisbane Broncos I say a very sincere thank you - your contributions are very much appreciated by all.

Finally, I must say I am confident that 2010 will be another year the Brisbane Broncos can be proud of. We have a great group of players in both the NYC and NRL squads willing to entertain the fans, and an extremely dedicated staff at both the football and commercial levels to ensure confidence in strong performances across the board.

Brian Patrick Cullen
Managing Director

Sponsor Overview 2010 and Beyond

WOW Sight & Sound continued their Principal and Sleeve sponsorship in 2009 with their branding decorating both the front and sleeves of the playing jerseys. Wow's association has grown from a Club signage partner to become the Club's highest sponsor investment. Their current sleeve sponsorship was renewed in 2009 and will see their term extended to the end of 2012 while their Principal Sponsor agreement expires at the end of 2010. WOW Sight & Sound recently announced a private equity agreement with National Australia Bank's integrated Capital Solutions which will support their growth strategy to reach 40 stores nationwide in the next three years.

Brisbane Broncos sponsorship continues to generate the highest level of sponsorship across the NRL code, with $6,781,683 invested in the Club in 2009. The sponsorship portfolio remained positive with an increase in overall investment level year on year with the Club recording 1.3% growth. Sponsorship levels remained high despite the departure of long-term former Principal sponsor Ergon Energy and Platinum sponsor Qld Transport in 2008. 2009 welcomed Major Sponsor Sportingbet to the sponsorship family and Radio 4BC were elevated to the Major Sponsor category. The Broncos sponsorship family experienced only one minor change with Platinum sponsor Toyota departing at the end of 2009.

2009 also saw the Club achieve the number one position in television audiences when benchmarked across all codes (NRL, AFL, Super 14s & A-League) with 25.47 million viewers - an increase of 2 million viewers from 2008. The magnificent achievement to take out this year's honours across all codes is a testament to the team's style of football and its appeal to viewers.

This year also saw the Club return to first position in the annual Roy Morgan research poll with the Broncos being voted the most supported sporting team in Australia with 1.26 million fans nationwide - equivalent to almost 6% of the entire population. This is the first time in almost four years that the Broncos have reached the number one position ahead of other code rivals. Club sponsors also shared in unprecedented exposure value of $14,898,842 in 2009. These findings continue to support sponsors individual return on investment and help maintain the Club's number one standing across the code.

Independent research conducted by Repucom Australia once again delivered extraordinary results for individual Broncos apparel sponsors. This process is undertaken by an independent evaluation which analyses and benchmarks the exposure generated by all Australian football club sponsors, throughout television and print media. 2009 saw WOW Sight & Sound reach the number one position as most valuable principal sponsorship across the NRL & AFL codes for the second consecutive year. Both Toyota and Nike also achieved first position in their respective apparel branding areas on the club jersey.

These individual apparel branding results along with the highest recorded television figures and crowd attendances across the NRL code has once again established the Brisbane Broncos as a formidable team within Australia. The Broncos brand continues to gain strength in the sporting arena proving they are the benchmark in sport sponsorship.

The transition from 2009 to 2010 will see Club sponsorship remain at an all time high, with all categories remaining constant and increased investment demonstrated by many existing partners. We take this opportunity to thank all sponsors for their loyal support and ongoing dedication to our Club and brand.

BRONCOS SPONSORSHIP HIERARCHY 2009

Principal Sponsor
WOW Sight & Sound

Major Sponsors
Queensland Country Credit Union, Bundaberg Rum, Four N Twenty, [illegible]

Associate Sponsors
Hogs Breath Café, Radio 4BC, Wyndham Estate, New Loan, Musashi, Yellow Cabs, Birch Carroll & Coyle & Australia Post

Official Suppliers / Supporters
Elastoplast Sport, Top Cut Foods Ltd, Hans, AlphaSport, Il Centro Restaurant & Cha Cha Char Restaurant

Sponsor Overview 2010 and Beyond (continued)

PRINCIPAL SPONSOR

WOW Sight & Sound – Electronics giant WOW Sight and Sound, Sleeve and Principal sponsor of the Brisbane Broncos. WOW Sight & Sound have successfully grown their retail store chain to 15 stores Australia wide in 2009.

2009 PLATINUM SPONSORS

XXXX Bitter – Queensland's favourite beer continues to support the Brisbane Broncos as a Platinum Sponsor in 2009. The partnership enables the two celebrated icons to unite as Queensland's most favoured identities.

Nike – sharing strong and common brand values as market leaders, in 1996 the Brisbane 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 Brisbane Broncos, Coca-Cola is the official non-alcoholic drink supplier of the Broncos. Coca Cola continues to dominate the Australian non-alcoholic beverage market share in all categories.

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.

Toyota – the Club's exclusive motor vehicle and lower back of jersey Platinum Sponsor in 2009. We thank Toyota for their involvement since 2007. The current agreement ceased in December 2009.

NRMA Insurance – Part of one of Australia's largest general insurance groups. NRMA Insurance is here to help you 'uncomplicate', 'unhassle' and 'unworry'. As a provider of motor, home, CTP, and a number of other insurance products, they are committed to ensuring Queenslanders can get on with their lives, without worry. Now entering their sixth year as a Platinum Sponsor of the Brisbane Broncos, they have involved the Club in major advertising campaigns and are proud of their close association with such an iconic Queensland team.

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

Nova 106.9 – Brisbane's official radio partner of the Brisbane Broncos, continuing to deliver innovative and exciting promotions while also providing great support to the Club. Nova 106.9 recommends new music first and is the most listened to radio station in Brisbane making their partnership an excellent fit for the Broncos.

2009 MAJOR SPONSORS
Sportingbet, Queensland Country Credit Union, Bundaberg Rum, Four n Twenty/Streets & Radio 4BC

2009 ASSOCIATE SPONSORS
Hogs Breath Café, Wyndham Estate, Musashi, Yellow Cabs, Birch Carroll & Coyle & Australia Post

2009 SUPPLIERS / SUPPORTERS
Elastoplast Sport, Top Cut Foods Ltd, AlphaSport, Elite Fitness, Il Centro Restaurant & Cha Cha Char Bar & Grill

1wow.com.au

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Coca-Cola zero

The Broncos

TOYOTA
oh what a *feeling!*

NRMA
INSURANCE

9NEWS

NOVA 106.9FM

Directors' Report

Your directors submit their report for the year ended 31 December 2009.

DIRECTORS

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

Names, qualifications, experience and special responsibilities

Darryl Craig Somerville
Non-Executive Chairman
Independent

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 career in the accounting industry. He joined PriceWaterhouseCoopers in 1982 after ten 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 of the Brisbane office. He is a Fellow of both the Institute of Chartered Accountants of Australia and the Australian Society of Certified Practising Accountants and a member of the Australian Institute of Company Directors. For three years from 2005 Mr Somerville was a director and Chairman of the listed company Devine Limited, a property developer and home builder. He was appointed to the Devine board on 28 September 2005 and completed his term as Chairman and director on 31 October 2008. He is a director of a number of unlisted companies including the training organisation Careers Australia Group.

Brian Patrick Cullen
Managing Director
Executive

Mr Cullen has been Managing Director of Brisbane Broncos Limited since January 2003. Prior to this appointment he spent 26 years in the banking and finance industry, the last 12 of those as Managing Director of Queensland Country Credit Union Limited. He is currently Chairman of both Broncos Leagues Club Limited and Queensland Country Credit Union Limited and is on a number of National Rugby League CEO Committees charged with looking after various aspects of the game. Mr Cullen is a Fellow of the Australian Mutuals Institute and a Fellow of the Australian Institute of Company 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 Australian Institute of Company Directors. Mr Jackson is Chairman and Managing Director of DCBT Holdings Pty Ltd Chairman of the Sunshine Coast Turf Club. He is director of Brisbane Markets Limited, FOGS Limited, and Sunshine Coast Helicopter Rescue Service Limited.

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 is general manager of Queensland Newspapers, publishing The Courier-Mail and The Sunday Mail. He was previously general manager of Quest Community Newspapers, publishing 20 newspapers across Brisbane and the Sunshine Coast.

Lawrence George Brindle
Non-Executive Director
(Appointed 26-02-08)

Mr Brindle was appointed as a director on 26 February 2008. Mr Brindle formerly held the position of director of the Company (previously Pacific Sports Entertainment Limited) from 31 January 1996 to 16 November 1998. He was the Finance Director of the Queensland Press Group from 20 December 1990 until 31 December 2009. Formerly a director of the Australian Stockman's Hall of Fame and Outback Heritage Centre, the North Queensland Cowboys Rugby League Football Limited and The Big Pineapple.

COMPANY SECRETARY

Louise Anna Lanigan
Company Secretary

Ms Lanigan has been Company Secretary and Chief Financial Officer since 3 July 2000. She has been a Chartered Accountant for 16 years. Prior to holding this position she was Group Financial Controller of an ASX listed company for two years and worked in the Chartered Accounting industry for eight years.

Directors' Report (continued)

DIRECTORS (continued)

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

As at the date of this report, Mr Donald Jackson was the only director to hold shares in the Company. The number of shares owned by Mr Jackson and his related parties at this time was 28,500, which has not changed since the previous reporting date. There were no options in the Company issued as at the date of this report.

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	.89 cents
Diluted Earnings Per Share	.89 cents

DIVIDENDS

On 10 February 2010, the Board of Directors declared a final dividend of 0.5 cent per share franked to 100% at 30% corporate income tax rate to the holders of fully paid ordinary shares for the financial year ended 31 December 2009. The financial effect of this dividend has not been brought into account in the financial statements for the year ended 31 December 2009 and will be recognised in the subsequent financial report. Refer to note 8 to the financial statements for further details.

PRINCIPAL ACTIVITIES

The principal activity of the Brisbane Broncos Group ("the Group") during the 2009 financial year was the management and operation of the Brisbane Broncos Rugby League Football Team ("the Broncos"). There were no significant changes in the nature of those activities during the year.

OPERATING AND FINANCIAL REVIEW

Operating results for the year

The Board consider that 2009 was a successful year for the Group and this is reflected in the results both on and off the field. The directors are very satisfied with the financial result which was achieved during extremely difficult economic times. Several areas of the business felt the effects of this economic downturn - however the final 2009 result was enhanced by the financial benefits arising from the success of the Brisbane Broncos Rugby League Team, and management's efforts to increase revenue streams and minimise costs.

The Group recorded an after tax profit for the 31 December 2009 financial year of $867,886 compared to the $1,238,103 achieved in 2008. For comparison, the before tax profits for the 2009 and 2008 financial years were $1,296,835 and $1,838,685 respectively.

As a result of the continued financial success and the strong cash position of the Group, the Board are pleased to be able to pay a 100% franked dividend to fully paid ordinary shareholders of 0.5 cent per share.

On the field, 2009 also saw the Brisbane Broncos Rugby League Team finish in the top eight for an unprecedented eighteenth consecutive year to be ultimately defeated in a preliminary final by the 2009 Premiers the Melbourne Storm. The National Youth Competition (NYC) team also competed in a preliminary final against the ultimate NYC Premiers the Melbourne Storm. Both of these were excellent achievements. The success of the rugby league team is an important factor in the long term financial performance of the business.

Review of operations

Revenue

The Group recorded gross revenue for the 2009 financial year of $25,162,252, which is a $458,567 decrease from 2008. Several categories of revenue in 2009 finished below the corresponding 2008 results, the predominant reason being the impact of the global financial crisis on the business.

The sale of corporate facilities was the most significant area affected – falling by $591,948 (16.49%) from the prior year. When making this comparison,.it should be noted that the Group experienced its most successful corporate sales results ever in 2008 where corporate suites and boxes were completely sold out for each home game of the regular season.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of operations (continued)

Revenue (continued)
Signage sales also were $146,000 (46.79%) below the 2008 result.

It was a very positive year for the Group in relation to sponsorship with total revenue in this area reaching $6,781,683 – being an increase of $85,852 (1.28%) from 2008. The potential for significant growth in this category going forward continues to be restricted as all major sponsorship assets are completely sold. Management's focus going forward is on maintaining the existing high levels of sponsorship and creating new opportunities to increase sponsorship revenue.

Season membership numbers increased for the fifth consecutive year growing 6.3% from 10,389 in 2008 to 11,041 in 2009 – again the highest in the National Rugby League. As a result, season membership revenue increased by $80,886.

The average crowd attendance for 2009 of 32,496 (excluding home final) was slightly lower than the 2008 average of 33,402. This is the fifth year in a row that the crowd average has exceeded 30,000 which is an enormous achievement and the largest again in the National Rugby League.

Weather conditions were not favourable during the 2009 season as four matches early in the season were affected by inclement weather. Home matches were scheduled on Mother's Day and Father's Day and a number of other clashes occurred with major Brisbane events during the season which also impacted crowd numbers. In summary, three matches during 2009 attracted more than 40,000 patrons, five attracted in excess of 30,000, with the remaining matches achieving crowds of more than 20,000 people. Eight of the twelve home games were scheduled for a Friday night, three matches were held on a Sunday with the remaining game being the first Monday night home match since 2007.

The main reason for the decrease in crowd attendances from 2008 to 2009 is the Canterbury Bulldogs match on 12 June 2009 to which only 26,353 people attended. This was expected to be a 'blockbuster' game attracting in excess of 40,000 patrons. However, the crowd attendance was negatively impacted when the Brisbane Broncos team and coaching staff were placed into quarantine for the week leading up to the match due to a player testing positive for Swine Flu. This caused the match to remain in doubt for 24 hours prior to 'kick off' which had considerable effect on the ticket sales and attendance. The financial impact was slightly mitigated as many patrons chose not to attend this match regardless of having already purchased tickets.

Despite average crowd attendances decreasing from 2008 to 2009, gate takings revenue increased by $272,181. This is a result of an increase in casual ticket prices for the 2009 season and also the effect of patrons pre-purchasing tickets and not attending the Canterbury Bulldogs match.

The Brisbane Broncos were scheduled a home semi final match against the St George Dragons on 20 September 2009. This game achieved close to a sell-out crowd of 50,225. Although the Finals Series matches are owned and administered by the National Rugby League, it did provide the Group with the opportunity to earn commission revenue in relation to sales of corporate facilities. In addition to this, the achievements of the Brisbane Broncos team in the final series earned prize money of $100,000.

Other items of revenue worth noting include interest, merchandise and National Rugby League Grant. Interest revenue of $580,806 is $227,527 below 2008 as a result of a reduction in interest rates. Merchandise income has decreased from the previous year by $103,384 due to the absence of Centenary of Rugby League merchandise sales that were a 'once off' product in 2008. Finally, the National Rugby League Grant paid to Clubs increased by $100,000 to $3,450,000 from 2008 to 2009.

Expenditure
Total expenditure for the Group for 2009 was $23,865,417 which is $83,283 less than the previous year. There are several factors that contributed to this net reduction in expenses from 2008 to 2009. Looking at the commercial aspect of the business, savings of $304,613 were experienced in corporate sales and signage related expenditure as these directly relate to the associated sales revenue that finished below 2008. Sponsorship servicing costs increased in 2009 by $22,559 as a result of the increase in sponsorship revenue. Ticketing costs were $79,879 higher than in 2008 due to the increases in rates of various related charges and also the increase in gate taking revenue. Game day operations costs in 2009 were $97,171 above 2008 due to increases in running costs of home games. Significant cost reductions were achieved in advertising related expenditure of $249,075 which was a result of management's effort to refine costs to mitigate the impact of the difficult economic climate on the Group.

Administration expenses increased by $280,361 from 2008 which is predominantly due to new expenditure in 2009 resulting from affiliate agreements whereby the Brisbane Broncos have committed to provide financial support to associated clubs.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of operations (continued)

Expenditure (continued)

Football related expenditure increased from 2008 as a result of a variety of factors. These include an increase of $100,000 in the 2009 salary cap, a higher number of total players on the playing roster, numerous injuries to players in the Brisbane Broncos NRL team and the restructure of the coaching department. The unavailability of members of the NRL team due to injury results in increased costs by way of match payments for replacement players and also development fees for players making their NRL debut. The Club continues to invest in the future by allocating funds to an elite player development program and player rosters.

Financial Position

The directors believe the Group continues to remain in a sound financial position with $12,124,279 cash assets and $24,116,971 net assets.

Performance indicators

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

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

Dynamics of the business

As a result of the recent global economic crisis, the business found it increasingly challenging to achieve its previous high sales levels - particularly in the area of corporate facilities. However, management remains confident that an improving economy together with the Group's market stronghold will allow the business to continue its steady growth strategy over the coming years. The Board and management believes that the 2009 financial results show that the business has had a good year despite the economic challenges which is largely attributable to the continued success of the Brisbane Broncos Rugby League Team. Management believes they have taken appropriate steps to ensure that the Group is in a strong position to deal with current economic uncertainties and capitalise on future profit making opportunities.

Risk management

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

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

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

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- Detailed review and update of the business' 2008 strategic plan completed during the 2009 financial year, which encompasses the Group's vision, mission and strategy statements designed to meet shareholders' needs and manage business risk.
- Annual review of the Group's insurance coverage.

Directors' Report (continued)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 10 February 2010, the Board of Directors declared a final dividend on ordinary shares in respect of the 2009 financial year. The total amount of the dividend is $490,203.15 which represents a 0.5 cent dividend franked to 100% per share. The dividend has not been provided for in the 31 December 2009 financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors are hopeful of maintaining and increasing the 2009 revenue and profit levels in the 2010 financial year. There are indications that the economic situation is improving. However it is uncertain when and to what level the benefits of this will flow on to the business in the short term. Management believe they have taken appropriate steps to ensure that the Group is in a strong position to cope with these uncertainties and will continue to look at ways to maximise profit and refine costs in 2010.

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 2009, there were no share options granted to directors or relevant officers as part of their remuneration. There are no share options issued by the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND DIRECTORS

Insurance and indemnity arrangements established in the previous year concerning officers of the Group were renewed during the 2009 financial year. Each of the directors of the Company named earlier in this report and each full-time executive officer, director and secretary of all Group entities are indemnified via insurance cover against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. The monetary limit is $10 million for each and every claim and in the aggregate during the policy period.

DIRECTORS' MEETINGS

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

Board or Committee	*Number of Meetings*
Full Board	12
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	12 (12)	2 (2)
D C Somerville	11 (12)	2 (2)
D S Jackson	12 (12)	2 (2)
D M Watt	12 (12)	2 (2)
L G Brindle	12 (12)	2 (2)

Where a director did not attend all meetings of the Board or relevant committee (or was not a director for the entire year), the number of meetings for which the director was eligible to attend is shown in brackets. The Board met twice during the 2009 financial year in their capacity as the Audit and Risk Management Committee. Given the size of the Company and the Board, it had been previously resolved that the entire Board comprises the Audit and Risk Management Committee.

Directors' Report (continued)

REMUNERATION REPORT (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its Regulations. This information has been audited as required by section 308(3C) of the Act.

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

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

The remuneration report is presented under the following sections:

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

1. Individual key management personnel disclosures

(i) Directors

D S Somerville	Chairman (Non-Executive)
B P Cullen	Managing Director (Executive)
D S Jackson	Director (Non-Executive)
D M Watt	Director (Non-Executive)
L G Brindle	Director (Non-Executive)

(ii) Executive

L A Lanigan	Chief Financial Officer and Company Secretary
T M Reader	General Manager – Commercial Operations (commenced 22 June 2009)

2. Board oversight of remuneration

Remuneration Committee

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

Remuneration approval process

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

Remuneration philosophy

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

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

2. Board oversight of remuneration (continued)

Remuneration philosophy (continued)
To this end, key objectives of the Company are to ensure that its remuneration practices:

- Are aligned to the Group's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Provide a strong link between individual and Group performance and rewards;
- 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 structure
In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

3. Non-executive director remuneration arrangements

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

The Company's constitution and ASX Listing Rules specify that the non-executive director fee pool shall be determined from time to time by a general meeting. An amount not exceeding the determined amount is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 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 2009 financial year were $74,500.

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

The Board will not seek any increase for the non-executive director pool at the 2010 Annual General Meeting.

Structure
Each non-executive director receives an annual fee of $20,000 plus statutory superannuation for being a director of the Company, other than the Chairman who receives $30,000 plus statutory superannuation. News Limited employed directors receive $10,000 paid directly to their employer. The non-executive directors do not receive retirement benefits nor do they participate in any incentive program.

The remuneration of non-executive directors for the period ended 31 December 2009 and 31 December 2008 is detailed in Table 1 and 2 respectively of this report.

4. Executive remuneration

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

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

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

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

4. Executive remuneration (continued)

Structure (continued)
The Company has entered into a detailed customised employment contract with the Managing Director and a standard contract with other executives. Details of the Managing Director's contract are provided below. Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

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

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

Senior managers and executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles at the discretion of the Managing Director. 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 1 and 2.

Variable remuneration – Short Term Incentive (STI) and Long Term Incentive (LTI)
There are no formal STI or LTI 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 at the complete discretion of the Board. In considering this discretionary amount, the Board take into consideration such factors as the Company's overall financial performance, the personal efforts, dedication, commitment and contribution of the Managing Director, and the external conditions prevailing in the economy.

5. Group Performance

Profit before tax has increased from $996,210 in 2004 to $1,296,835 in 2009. For the three years prior to 2008 the Group generated profit before tax of greater than $2 million however the 2008 and 2009 financial year results fell below this figure. Earnings per share for the current year and the past five financial years are shown below:

Year ended	*2009*	*2008*	*2007*	*2006*	*2005*	*2004*
Profit before tax	$1.30 million	$1.84 million	$2.16 million	$2.26 million	$2.32 million	$.99 million
Earnings per share (cents)	.89	1.26	1.49	1.57	2.84	1.41
Share Price	38 cents	23 cents	24 cents	19 cents	17 cents	12.5 cents

The share price has moved from 23 cents at 1 January 2009 to 38 cents at 31 December 2009. The directors note that given the large shareholding of Nationwide News Pty Ltd (68.87%) and the low volume of trade, they do not necessarily consider the share price to reflect the true underlying value of the Company.

6. Executive contractual arrangements

Managing Director
The Managing Director, Mr Brian Cullen, is employed under contract which expires on 31 December 2010. At this time the Group may choose to commence negotiation to enter into a new employment contract with Mr Cullen if both parties agree.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

6. Executive contractual arrangements (continued)

Managing Director (continued)

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 are as follows:

- Mr Cullen receives fixed remuneration of $283,500 plus 9% superannuation and a fully maintained motor vehicle.
- Mr Cullen is entitled to be paid annual bonuses as a result of individual achievement, effort, dedication, commitment and overall Company performance at the discretion of the Board of Directors.
- 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.

Other executives

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

Remuneration of key management personnel

Table 1: Remuneration for the year ended 31 December 2009

	Short Term			Post Employment	Long Term Benefits	Total	Performance Related
	Salary & Fees	Cash Bonus	Non Monetary Benefits	Superannuation	Long Service Leave		
	$	$	$	$	$	$	%
Non-executive directors							
D C Somerville - Chairman	-	-	-	32,700	-	32,700	-
D S Jackson - Non-executive	-	-	-	21,800	-	21,800	-
D M Watt - Non-executive +	10,000	-	-	-	-	10,000	-
L G Brindle – Non-executive +	10,000	-	-	-	-	10,000	
Sub-total non-executive directors	**20,000**	**-**	**-**	**54,500**	**-**	**74,500**	
Executive directors							
B P Cullen – Managing Director	283,500	30,000	20,000	28,215	5,452	367,167	8.17%
Other key management personnel							
L A Lanigan – Company Secretary & Chief Financial Officer	150,770*	6,000	20,000	13,569**	2,692	193,031	3.11%
T R Reader – General Manager Commercial Operations (commenced 22 June 2009)	73,500	2,000	20,000	6,615	1,456	103,571	1.93%
Sub-total executive KMP	**507,770**	**38,000**	**60,000**	**48,399**	**9,600**	**663,769**	
Totals	**527,770**	**38,000**	**60,000**	**102,899**	**9,600**	**738,269**	

+ Fees for Dennis Watt and Lawrence Brindle are paid directly to their employer

*Includes unused annual leave payout of $10,770.

** Includes superannuation on unused annual leave payout of $969.

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 (audited) (continued)

Remuneration of key management personnel (continued)

Table 2: Remuneration for the year ended 31 December 2008

	Short Term			Post Employment	Long Term Benefits	Total	Performance Related
	Salary & Fees	Cash Bonus	Non Monetary Benefits	Superannuation	Long Service Leave		
	$	$	$	$	$	$	%
Non-executive directors							
D C Somerville - Chairman	-	-	-	32,700	-	32,700	-
D S Jackson - Non-executive	-	-	-	21,800	-	21,800	-
P W Jourdain - Non-executive (resigned 26/02/08)+	1,566	-	-	-	-	1,566	-
D M Watt - Non-executive +	10,000	-	-	-	-	10,000	-
L G Brindle – Non-executive (appointed 26/02/08) +	8,434	-	-	-	-	8,434	
Sub-total non-executive directors	**20,000**	**-**	**-**	**54,500**	**-**	**74,500**	
Executive directors							
B P Cullen – Managing Director	270,000	10,000	20,000	68,800*	5,012	373,812	13.38%
Other key management personnel							
L A Lanigan – Company Secretary & Chief Financial Officer	132,000	10,000	20,000	11,880	2,538	176,418	5.67%
Sub-total executive KMP	**402,000**	**20,000**	**40,000**	**80,680**	**7,550**	**550,230**	
Totals	**422,000**	**20,000**	**40,000**	**135,180**	**7,550**	**624,730**	

+ Fees for Dennis Watt, Peter Jourdain and Lawrence Brindle are paid directly to their employer.
* Includes a $40,000 bonus that was salary sacrificed as a superannuation payment.

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

CORPORATE GOVERNANCE

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the declaration on page 16 from the auditor of Brisbane Broncos Limited.

NON-AUDIT SERVICES

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

Signed in accordance with a resolution of the directors.

Darryl Somerville
Chairman
Brisbane
23 February 2010

Brian Cullen
Managing Director
Brisbane
23 February 2010

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

In relation to our audit of the financial report of Brisbane Broncos Limited for the financial year ended 31 December 2009, 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

Ric Roach
Partner
Brisbane
23 February 2010

Corporate Governance Statement

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

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 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	Remunerate fairly and responsibly.

Brisbane Broncos Limited's corporate governance practices were in place throughout the year ended 31 December 2009. Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Brisbane Broncos Limited, refer to our website: www.broncos.com.au

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.

BOARD FUNCTIONS

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.

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

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

Corporate Governance Statement (continued)

BOARD FUNCTIONS (continued)

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The responsibility for the operation and administration of the Company is delegated, by the Board, to the Managing Director and the executive 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 Company Secretary. The Board ensures that this executive team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive management team. The Board ensures appropriate resources are available to senior executives to enable them to achieve performance objectives.

Due to the limited size of the Board, only one sub-committee has been established being the Audit and Risk Management Committee. The entire Board comprises the membership of this committee. The Board as a whole addresses all other matters of the business that arise as required.

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

- Strategic meetings with executives to discuss initiatives and strategies concerning operations and business improvement recommendations.
- Approval of a strategic plan designed to meet shareholders' needs and manage business risk.
- Monitoring senior executives' performance.
- Implementation of budgets by management and monitoring progress against budget – via the establishment and reporting of both financial and non-financial key performance indicators.
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Other functions reserved to the Board include:

- Approval of annual and half-yearly financial reports.
- Approving and monitoring progress of major capital expenditure and capital management.
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
- Reporting to shareholders.

STRUCTURE OF THE BOARD

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

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

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

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

D C Somerville	5 years
B P Cullen	7 years
D S Jackson	8 years
D M Watt	7 years
L G Brindle	2 years

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

Corporate Governance Statement (continued)

PERFORMANCE EVALUATION OF BOARD AND KEY EXECUTIVES

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. The Group has a formal, documented process in place for the review and evaluation of all employees, including key executives. This occurs on an annual basis. During the reporting period, the Managing Director conducted written and verbal performance evaluations for all senior executives and managers which involved assessment of each person's performance against specific and measurable qualitative and quantitative performance criteria.

A formal, documented review process is also in place for the Board of Directors. The Board individually and as a whole annually reviews their own performance and that of the Chairman, Managing Director and the Board as a whole. The directors commenced this annual review process during the reporting period, the finalisation of which is still in progress at the reporting date. Directors whose performance is consistently unsatisfactory may be asked to retire.

DISCLOSURES ABOUT DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The entire Board comprises the Audit and Risk Management Committee due to its limited size. The Board addresses all issues that a separate Audit and Risk Management Committee would address and comprehensive processes are in place to ensure the integrity of the Company's financial reporting. However, due to the limited size of the Board and the 69% controlling interest in the Company by News Limited, it is impractical to comply with ASX Best Practice Recommendation 4.2 that recommends the preferred structure of the Audit and Risk Management Committee. The Chairman of the Audit and Risk Management Committee is Mr Lawrence Brindle.

The Audit and Risk Management Committee is responsible for ensuring that an effective internal control network exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information and well as non-financial considerations such as the benchmarking of operational key performance indicators. The full Board as the Audit 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.
- Management processes supporting external reporting.
- 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.

The Audit and Risk Management Committee are also responsible for monitoring the independence and suitability of the external auditors and all professional advisors.

RISK

The Board acknowledges the *Revised Supplementary Guidance to Principal 7* issued by the ASX in June 2008. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

In recognition of this, the Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. In doing so, the Board has taken the view that it is crucial for all Board members to be a part of this process and as such the entire Board comprises the Audit and Risk Management Committee.

Corporate Governance Statement (continued)

RISK (continued)

The Board oversees the effectiveness of risk management and internal control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the Managing Director, including responsibility for the day to day design and implementation of the Company's risk management and internal control system. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being adequately managed.

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

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

The executive team is currently refining and formalising the Company's risk management strategies and policies.

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

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- Receipt of detailed monthly board reports assessing actual performance of the Group and potential risks or issues foreseen by management.
- Board approval of an updated strategic plan originally completed during the 2008 financial year, which encompasses the Group's vision, mission and strategy statements designed to meet shareholders' needs and manage business risk.
- Annual review of the Group's insurance coverage.

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

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

REMUNERATION

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

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

Given the size of the Board, separate Nomination and Remuneration Committees have not been established. Therefore, ASX Best Practice Recommendations 2.4 and 8.1 have not been complied with. The full Board deals with nomination and remuneration issues as and when required. There are Board processes in place which raise the issues that would otherwise be considered by a Nomination or Remuneration Committee.

Corporate Governance Statement (continued)

TRADING POLICY

Under the Company's Securities Trading Policy, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities. Before commencing to trade, an executive must first obtain approval of the Company Secretary to do so and a director must first obtain approval of the Chairman.

Only in exceptional circumstances will approval be forthcoming outside of the period which is four weeks after:

- One day following the announcement of the half yearly and full year results as the case may be.
- One day following the holding of the Annual General Meeting.
- One day after any other form of earnings forecast update is given to the market.

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by directors in the securities of the Company.

CEO AND CFO CERTIFICATION

In accordance with section 295A of the *Corporations Act,* the Chief Executive Officer and the Chief Financial Officer have provided a written statement to the Board that:

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

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

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 Managing Director 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.

Statement of Financial Position
as at 31 December 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	10	12,124,279	10,759,263	11,521,489	10,345,242
Trade and other receivables	11	1,845,959	2,810,250	384,432	558,795
Inventories	12	-	2,761	-	-
Income taxes receivable	7	73,613	-	73,613	-
Other current assets		484,483	574,258	143,396	109,980
Total Current Assets		**14,528,334**	**14,146,532**	**12,122,930**	**11,014,017**
Non-current Assets					
Other financial assets	15	-	-	5	5
Property, plant and equipment	14	2,148,740	2,314,949	-	-
Intangible assets	16	12,482,580	12,482,580	-	-
Total Non-current Assets		**14,631,320**	**14,797,529**	**5**	**5**
TOTAL ASSETS		**29,159,654**	**28,944,061**	**12,122,935**	**11,014,022**
LIABILITIES					
Current Liabilities					
Trade and other payables	17	614,044	895,586	78,011	161,993
Provisions	18	498,012	428,461	141,760	141,379
Income taxes payable	7	-	64,931	-	64,931
Unearned revenue		3,781,568	4,125,818	-	-
Total current liabilities		**4,893,624**	**5,514,796**	**219,771**	**368,303**
Non-current Liabilities					
Trade and other payables	19	-	-	3,592,097	3,164,045
Provisions	20	112,472	99,055	42,148	35,008
Deferred income tax liability	7(c)	36,587	81,125	49,723	101,853
Total non-current liabilities		**149,059**	**180,180**	**3,683,968**	**3,300,906**
TOTAL LIABILITIES		**5,042,683**	**5,694,976**	**3,903,739**	**3,669,209**
NET ASSETS		**24,116,971**	**23,249,085**	**8,219,196**	**7,344,813**
EQUITY					
Equity attributable to equity holders of the parent					
Contributed equity	21	28,991,500	28,991,500	28,991,500	28,991,500
Accumulated losses	22	(4,874,529)	(5,742,415)	(20,772,304)	(21,646,687)
TOTAL EQUITY		**24,116,971**	**23,249,085**	**8,219,196**	**7,344,813**

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

Statement of comprehensive income
for the year ended 31 December 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Continuing operations					
Sales revenue		24,513,339	24,770,580	-	-
Dividend revenue		-	-	1,361,196	1,580,981
Interest revenue		580,806	803,333	580,278	802,395
Other revenue		68,107	46,906	41,870	33,000
Revenue	6(a)	25,162,252	25,620,819	1,983,344	2,416,376
Expenses	6(b)	(23,865,417)	(23,782,134)	(1,315,777)	(1,312,793)
Profit/(loss) from continuing operations before income tax		**1,296,835**	**1,838,685**	**667,567**	**1,103,583**
Income tax benefit/(expense)	7(a)	(428,949)	(600,582)	206,816	141,378
Net profit/(loss) and comprehensive income for the period attributable to members of the Parent		**867,886**	**1,238,103**	**874,383**	**1,244,961**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:					
Basic earnings per share	9	.89 cents	1.26 cents		
Diluted earnings per share	9	.89 cents	1.26 cents		

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

Statement of cash flows
for the year ended 31 December 2009

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		27,730,274	27,409,815	-	-
Payments to suppliers & employees		(26,334,409)	(26,041,937)	(1,251,287)	(1,706,049)
Rent received		-	33,000	-	33,000
Other revenue received		68,107	13,892	41,870	-
Interest received		580,806	803,333	580,278	802,395
Income tax paid		(612,034)	(840,087)	(612,034)	(840,087)
Interest and other costs of finance paid		-	(1,133)	-	(1,133)
Net cash flows from/(used in) operating activities	23	**1,432,744**	**1,376,883**	**(1,241,173)**	**(1,711,874)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		-	-	1,361,196	1,580,981
Purchase of property, plant and equipment		(67,728)	(281,294)	-	-
Net cash flows from/(used in) investing activities		**(67,728)**	**(281,294)**	**1,361,196**	**1,580,981**
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		-	(980,406)	-	(980,406)
Payments to controlled entities		-	-	-	-
Proceeds from controlled entities		-	-	1,056,224	1,137,259
Net cash flows from/(used in) financing activities		**-**	**(980,406)**	**1,056,224**	**156,853**
Net increase in cash and cash equivalents		1,365,016	115,183	1,176,247	25,960
Cash and cash equivalents at beginning of the period		10,759,263	10,644,080	10,345,242	10,319,282
Cash and cash equivalents at end of period	10	**12,124,279**	**10,759,263**	**11,521,489**	**10,345,242**

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

Statement of Changes in Equity
for the year ended 31 December 2009

CONSOLIDATED	Note	Attributable to equity holders of the parent: Issued Capital	Retained Profits/ (Accumulated Losses)	Total Equity
At 1 January 2008		28,991,500	(6,000,112)	22,991,388
Dividends paid	8(a)		(980,406)	(980,406)
Total comprehensive income for the year		-	1,238,103	1,238,103
At 31 December 2008		**28,991,500**	**(5,742,415)**	**23,249,085**
Total comprehensive income for the year		-	867,886	867,886
At 31 December 2009	21/22	**28,991,500**	**(4,874,529)**	**24,116,971**

PARENT		Attributable to equity holders of the parent: Issued Capital	Retained Profits/ (Accumulated Losses	Total Equity
At 1 January 2008		28,991,500	(21,911,242)	7,080,258
Dividends paid	8(a)	-	(980,406)	(980,406)
Total comprehensive income for the year		-	1,244,961	1,244,961
At 31 December 2008		**28,991,500**	**(21,646,687)**	**7,344,813**
Total comprehensive income for the year		-	874,383	874,383
At 31 December 2009	21/22	**28,991,500**	**(20,772,304)**	**8,219,196**

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

Notes to the financial statements for the year ended 31 December 2009

1. CORPORATE INFORMATION

The financial report of Brisbane Broncos Limited for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of directors on 23 February 2010.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Basis of preparation

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

(a) Compliance with IFRS

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

(b) New accounting standards and interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2009.

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

AASB 8 *Operating Segments*
AASB 8 replaced AASB114 *Segment Reporting* upon its effective date. The Group concluded that operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. AASB 8 disclosures are shown in note 5, including the related revised comparative information.

AASB 101 *Presentation of Financial Statements*
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The amendments are not expected to have any financial impact on the Group's financial report.	1 January 2010
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	The amendments are not expected to have any financial impact on the Group's financial report as the Group's ownership interest in its subsidiaries does not change on a regular basis.	1 January 2010

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending Standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	The amendments are not expected to have any financial impact on the Group's financial report as outlined above.	1 January 2010
AASB 2009-7	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any financial impact on the Group's financial report.	1 January 2010

(c) Basis of consolidation

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

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

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

The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

In preparing the consolidated financial statements, all 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.

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

(d) Operating Segments – refer note 5

An operating segment is a distinguishable component of the entity that is engaged in providing products or services from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which information is available. Operating segments have been identified based on the information and internal reports provided to the chief operating decision maker – being the Managing Director.

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents – refer note 10

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(f) Trade and other receivables – refer note 11

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

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

(g) Inventories – refer note 12

Inventories 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.

(h) Investments and other financial assets

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

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

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

Subsequent measurement

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets (continued)

Subsequent measurement (continued)

(ii) Loans and receivables – refer note 11 and 13
Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date which are classified as non-current.

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

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

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

Depreciation is calculated on a diminishing value basis for plant and equipment and straight line basis for leasehold improvements over the estimated useful life of the asset as follows:

Plant and equipment – over 4 to 8 years
Leasehold improvements – over 10 years

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

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its disposal.

Any gain or loss arising on 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.

(j) Leases – refer note 26

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.

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

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets for groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

There is no goodwill or intangible assets with a finite life within the Group.

(l) Goodwill and intangibles – refer note 16

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

The useful lives of intangible assets are assessed to be either finite or indefinite. There are no intangible assets with a finite life in the Group. 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 profit or loss when the asset is derecognised.

(m) Trade and other payables – refer note 17

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Interest–bearing loans and borrowings

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

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

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense when incurred.

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

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

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

Provisions are measured at the present value of managements' best estimate of the expenditure required to settle the present obligation at balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

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

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

(p) Contributed equity – refer note 21

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue recognition – refer note 6

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

Sponsorship revenue
Sponsorship revenue is recognised evenly on a monthly basis wholly within the 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 relevant sporting seasons.

NRL grant revenue
NRL grant revenue is recognised evenly on a monthly basis over the course of the year to which the grant relates.

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

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

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

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

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

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax and other taxes (continued)

- when the deductible temporary differences is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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

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

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

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

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

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

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the financial statements (continued)
for the year ended 31 December 2009

(s) Earnings per share – refer note 9

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risk exposures and responses

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank and in hand	3,491,117	2,759,263	2,888,327	2,345,242
Short-term deposit	8,633,162	8,000,000	8,633,162	8,000,000
	12,124,279	10,759,263	11,521,489	10,345,242

The Group invests its cash in short-term deposits earning interest at an average rate of 5.0% (2008: 6.75%) per annum. It is reasonably possible that movements in interest rates (+ 2%, - 1%) will not have any material effect on net profit or equity of the consolidated Group or parent entity for the year ended 31 December 2009.

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

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Liquidity Risk
The Group's objective is to maintain sufficient funds to finance its current operations and to ensure its long term survival. The Group currently maintains sufficient cash reserves to meet this objective. The Group has $241,567 (2008: $450,989) financial liabilities with six months or less contractual maturity. The contractual maturities of the parent's financial liabilities are $10,320 (2008: $99,807) with six months or less and $3,592,097 (2008: $3,164,045) with 1 – 5 years.

Notes to the financial statements (continued)
for the year ended 31 December 2009

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

(i) Significant accounting judgements

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

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

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

(ii) Significant accounting estimates and assumptions

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

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

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

5. SEGMENT INFORMATION

The principal activity of the Group during the 2009 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 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
6. REVENUE AND EXPENSES				
(a) Revenue				
Sales revenue	21,063,339	21,403,913	-	-
Dividend revenue	-	-	1,361,196	1,580,981
Grant received from National Rugby League	3,450,000	3,366,667	-	-
Interest revenue	580,806	803,333	580,278	802,395
Rent revenue	-	33,000	-	33,000
Other revenue	68,107	13,906	41,870	-
	25,162,252	25,620,819	1,983,344	2,416,376
(b) Expenses				
Administration expense	2,742,285	2,532,005	1,315,777	1,311,660
Stadium operations expense	2,183,091	2,045,056	-	-
Corporate sales and ticketing expense	5,131,195	5,361,477	-	-
Marketing, sponsorship and advertising expense	2,971,772	3,331,839	-	-
Football related expense	10,837,074	10,510,624	-	-
Borrowing costs	-	1,133	-	1,133
	23,865,417	23,782,134	1,315,777	1,312,793
Included in the above expenses are the following:				
Lease payments – operating leases	1,983,570	2,010,634	-	-
Depreciation of property, plant and equipment	233,937	248,933	-	-
Provision for employee benefits	329,813	306,763	66,575	74,009
Provision for doubtful debts	-	-	-	-
Provision for obsolescence	-	55,071	-	-
Salary and wage expense	9,324,284	8,007,223	738,345	736,110

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
7. INCOME TAX				
(a) Income tax expense				
The major components of income tax expense/(benefit) are:				
Statement of comprehensive income				
Current income tax				
Current income tax charge/(benefit)	473,487	511,572	(154,686)	(251,155)
Deferred income tax				
Relating to origination and reversal of temporary differences	(44,538)	89,010	(52,130)	109,777
Income tax expense/(benefit) reported in the statement of comprehensive income	428,949	600,582	(206,816)	(141,378)

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

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

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Accounting profit/(loss) before tax from continuing operations	1,296,835	1,838,685	667,567	1,103,583
At the Group's statutory income tax rate of 30% (2008: 30%)	389,051	551,606	200,270	331,075
Expenditure not allowed for income tax purposes				
Entertainment	39,898	48,976	1,273	1,841
Inter-company dividend	-	-	(408,359)	(474,294)
Aggregate income tax expense/(benefit)	428,949	600,582	(206,816)	(141,378)

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Balance Sheet 2009 $	Balance Sheet 2008 $	Income Statement 2009 $	Income Statement 2008 $
7. INCOME TAX (continued)				
(c) Recognised deferred tax assets and liabilities				
Deferred income tax at 31 December relates to the following:				
CONSOLIDATED				
(i) Deferred tax assets/(liabilities)				
Unearned revenue	(173,694)	(217,942)	44,248	(112,677)
Doubtful debts	30,000	30,000	-	-
Employee benefits	88,786	80,942	7,844	19,374
Prepayments	(1,959)	(1,675)	(284)	132
Accruals	16,062	19,081	(3,019)	2,738
Expenses capitalised for income tax purposes	4,218	8,469	(4,251)	1,423
Deferred tax assets/(liabilities)	(36,587)	(81,125)		
Deferred tax income/(expense)			44,538	(89,010)
PARENT				
(ii) Deferred tax assets/(liabilities)				
Unearned revenue	(110,695)	(162,592)	51,899	(123,327)
Employee benefits	50,698	47,931	2,767	10,155
Prepayments	(255)	(202)	(52)	-
Accruals	10,097	9,874	(2,482)	1,384
Expenses capitalised for income tax purposes	432	3,136	(2)	2,011
Deferred tax assets/(liabilities)	(49,723)	(101,853)		
Deferred tax income/(expense)			52,130	(109,777)

(d) Tax losses

The Group has no carry forward tax losses arising in Australia as at the reporting date (2008: $0).

(e) Tax Consolidation

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

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

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

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

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

7. INCOME TAX (continued)

(e) Tax Consolidation (continued)

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

Nature of tax funding agreement

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

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
8. DIVIDENDS PAID AND PROPOSED				
a. Recognised Amounts				
Paid during the year:				
Final franked dividend for 2008: 1 cent	-	980,406	-	980,406
(b) Unrecognised Amounts				
Dividends on ordinary shares:	-	-	-	-
Final franked dividend for 2009: 0.5 cent (2008: Nil)	490,203	-	490,203	-

(c) Franking Account Balance

	Parent 2009	Parent 2008
The amount of franking credits available for the subsequent financial year are:		
- franking account balance as at the end of the financial year at 30% (2008: 30%)	1,444,024	831,991
- franking debits that will arise from the refund of income tax receivable as at the end of the financial year	(73,613)	64,931
- franking debits that will arise from the payment of dividends as at the end of the financial year	-	-
	1,370,411	896,922

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

No dilution factors need to be taken into consideration for Brisbane Broncos Limited. The following reflects the income and share data used in the basic earnings per share computation:

	Consolidated	
	2009	2008
Net profit from continuing operations attributable to equity holders of the parent	$867,886	$1,238,103
Weighted average number of ordinary shares for basic earnings per share	98,040,631	98,040,631

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	3,491,117	2,759,263	2,888,327	2,345,242
Short-term deposit	8,633,162	8,000,000	8,633,162	8,000,000
	12,124,279	10,759,263	11,521,489	10,345,242

Cash at bank 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.

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
11. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES				
Trade receivables	1,030,534	1,808,905	-	-
Allowance for impairment loss (a)	-	-	-	-
	1,030,534	1,808,905	-	-
Other receivables	815,425	1,001,345	384,432	558,795
Carrying amount of trade and other receivables	1,845,959	2,810,250	384,432	558,795

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired.

(b) Fair value and credit risk

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

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
12. CURRENT ASSETS - INVENTORIES				
Merchandise – at cost	70,500	131,055	-	-
Provision for net realisable value write down	(70,500)	(128,294)	-	-
Total inventories at the lower of cost and net realisable value	-	2,761	-	-

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
13. NON-CURRENT ASSETS - RECEIVABLES				
Receivables from controlled entities	-	-	13,900,000	13,900,000
Provision for non-recovery	-	-	(13,900,000)	(13,900,000)
	-	-	-	-

(a) Related party receivables

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

14. NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

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

	CONSOLIDATED		
	Plant and Equipment	*Leasehold Improvements*	*Total*
	$	*$*	*$*
Year ended 31 December 2009			
At 1 January 2009 net of accumulated depreciation and impairment	604,838	1,710,111	2,314,949
Additions	67,728	-	67,728
Depreciation charge for year	(119,873)	(114,064)	(233,937)
At 31 December 2009 net of accumulated depreciation and impairment	552,693	1,596,047	2,148,740
At 1 January 2009			
Cost	1,469,875	1,906,506	3,376,381
Accumulated depreciation and impairment	(865,037)	(196,395)	(1,061,432)
Net carrying amount	604,838	1,710,111	2,314,949
At 31 December 2009			
Cost	1,537,603	1,906,506	3,444,109
Accumulated depreciation and impairment	(984,910)	(310,459)	(1,295,369)
Net carrying amount	552,693	1,596,047	2,148,740
Year ended 31 December 2008			
At 1 January 2008 net of accumulated depreciation and impairment	451,880	1,830,707	2,282,587
Additions	281,295	-	281,295
Depreciation charge for year	(128,337)	(120,596)	(248,933)
At 31 December 2008 net of accumulated depreciation and impairment	604,838	1,710,111	2,314,949
At 31 December 2008			
Cost	1,469,875	1,906,506	3,376,381
Accumulated depreciation and impairment	(865,037)	(196,395)	(1,061,432)
Net carrying amount	604,838	1,710,111	2,314,949

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
15. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS				
Unlisted				
Shares in controlled entities – at cost	-	-	130,005	130,005
Provision for diminution	-	-	(130,000)	(130,000)
	-	-	5	5

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

	Consolidated Sporting Franchise $	Consolidated Total $	Parent Total $
16. NON-CURRENT ASSETS - INTANGIBLE ASSETS			
(a) Reconciliation of carrying amounts at the beginning and end of the period			
At 31 December 2009			
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 2008			
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	-

(b) Description of Group's intangible assets

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 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.

(c) Impairment testing of intangibles with indefinite lives

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

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS (continued)

(c) Impairment testing of intangibles with indefinite lives

- market research results on brand recognition
- the success of the Brisbane Broncos Rugby League Team since its inception
- the long term tenancy at Suncorp Stadium
- the level of current sponsorship and signage sales
- the growth trend of crowd attendances, gate takings and season memberships
- the probability of the Group to renew its rugby league licence
- the new television rights deal recently negotiated by the National Rugby League

An annual growth rate of 3% has been used in the future maintainable earnings calculation and a pre-tax discount rate of 12% (2008: 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 2009 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	
	2009	2008	2009	2008
	$	$	$	$
17. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES				
Trade payables	241,567	450,989	10,320	99,807
Other payables	372,477	444,597	67,691	62,186
	614,044	895,586	78,011	161,993

(a) Fair value

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

(b) Financial guarantees

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

(c) Related party payables

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

(d) Interest rate risk

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

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
18. CURRENT LIABILITIES - PROVISIONS				
Fringe benefits tax	94,044	79,815	14,914	16,616
Annual leave	259,820	224,134	79,129	83,468
Long service leave	144,148	124,512	47,717	41,295
	498,012	428,461	141,760	141,379

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
19. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES				
Related party payables - amounts payable to controlled entities	-	-	3,592,097	3,164,045

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

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
20. NON-CURRENT LIABILITIES – PROVISIONS				
Long service leave	112,472	99,055	42,148	35,008
	112,472	99,055	42,148	35,008

(a) Long Service Leave

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

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
21. CONTRIBUTED EQUITY				
Ordinary shares - issued and fully paid	28,991,500	28,991,500	28,991,500	28,991,500
Number of ordinary shares on issue	98,040,631	98,040,631	98,040,631	98,040,631

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Notes to the financial statements (continued)
for the year ended 31 December 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
22. ACCUMULATED LOSSES				
Balance 1 January	(5,742,415)	(6,000,112)	(21,646,687)	(21,911,242)
Net profit	867,886	1,238,103	874,383	1,244,961
Dividends	-	(980,406)	-	(980,406)
Balance 31 December	(4,874,529)	(5,742,415)	(20,772,304)	(21,646,687)

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
23. CASH FLOW STATEMENT RECONCILIATION				
Reconciliation of net profit after tax to net cash flows from operations				
Net profit/(loss)	867,886	1,238,103	874,383	1,244,961
Adjustments for:				
Depreciation and amortisation	233,937	248,933	-	-
Amounts recovered from subsidiaries under tax funding agreement	-	-	(628,175)	(762,728)
Doubtful debts provision	-	-	-	-
Write down of inventory	-	55,071	-	-
Dividends classified as investment cash flow	-	-	(1,361,196)	(1,580,981)
Employee benefits provisions	68,741	66,718	9,227	33,849
Changes in assets and liabilities				
(Increase)/decrease in inventories	60,555	(7,832)	-	-
(Increase)/decrease in trade and other receivables	1,090,934	(306,028)	145,457	(433,600)
(Increase)/decrease in deferred tax asset	(44,538)	89,010	(52,130)	109,777
(Decrease)/increase in current tax liability	(138,544)	(328,515)	(138,544)	(328,515)
(Decrease)/increase in creditors and accruals	(318,412)	139,169	(88,493)	(3,127)
(Decrease)/increase in unearned revenue	(344,250)	166,624	-	-
(Decrease)/increase in provisions	(43,565)	15,630	(1,702)	8,490
Net cash from/(used in) operating activities	1,432,744	1,376,883	(1,241,173)	(1,711,874)

Notes to the financial statements (continued)
for the year ended 31 December 2009

24. RELATED PARTY DISCLOSURE

(a) Subsidiaries

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

Name of Controlled Entity	Country of Incorporation		% of shares held 2009	2008
Brisbane Broncos Corporations Trust	Australia		100	100
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia		100	100
Brisbane Broncos Management Corporation Pty Ltd	Australia	(i)	100	100
Brisbane Broncos Rugby League Club Ltd	Australia	(ii)	n/a	n/a
Queensland Entertainment Services Pty Ltd	Australia	(i)	100	100
Laurelgrove Pty Ltd	Australia	(i)	100	100
Pacific Sports International Pty Ltd	Australia	(i)	100	100
Brisbane Bandits Pty Ltd	Australia		100	100
Brisbane Bullets Trust	Australia		100	100
Pacific Sports Holdings Pty Ltd (Trustee)	Australia	(i)	100	100
Brisbane Professional Sports Investment Pty Ltd	Australia		100	100
Broncos Insurance Agencies Pty Ltd	Australia		100	100
AH BR Pty Ltd	Australia		100	100

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

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

(i) These companies have entered into a deed of cross guarantee with Brisbane Broncos Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each Company participating in the deed on winding up of that company. Closed group disclosures are not presented as no company within the closed group is required to avail itself of the relief from preparation of financial statements granted by ASIC Class Order 98/1418.

(ii) Brisbane Broncos Rugby League Club Ltd is a company limited by guarantee, is owned by its members but has been consolidated as a controlled entity under *AASB Interpretation 112 Consolidation – Special Purpose Entities.*

(b) Key management personnel

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

(c) Transactions with related parties

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

		Sales to related parties $	*Grants from related parties $*	*Purchases from related parties $*
CONSOLIDATED				
Major shareholder				
News Limited	2009	46,512	-	110,453
	2008	66,978	-	153,635
Other				
National Rugby League Limited	2009	722,900	3,450,000	191,055
	2008	852,296	3,366,667	264,680

Notes to the financial statements (continued)
for the year ended 31 December 2009

24. RELATED PARTY DISCLOSURE (continued)

(c) Transactions with related parties (continued)

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

Majority shareholder
News Limited owned 68.87% of the Group as at 31 December 2009. News Limited and its related entities provided the Group with sponsorship and commercial income during the financial year. Advertising and other services were also provided during the financial year by News Limited and its related entities to the value of $110,453 (2008: $153,635).

Other
The licence 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. Further advertising grants and merchandise royalty income were also provided to the Group during the financial year. Various amounts were paid to the National Rugby League by the Group during the year relating to tickets to rugby league matches and other functions, insurances, fines, travel and other miscellaneous game day related items.

25. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

D C Somerville	Chairman (Non-Executive)
B P Cullen	Managing Director (Executive)
D S Jackson	Director (Non-Executive)
D M Watt	Director (Non-Executive)
L G Brindle	Director (Non-Executive)

(ii) Executives

L A Lanigan	Company Secretary and Chief Financial Officer
T M Reader	General Manager Commercial Operations

(b) Compensation of Key Management Personnel

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Short-term employee benefits	625,770	482,000	530,270	482,000
Post-employment	102,899	135,180	96,284	135,180
Other long-term benefits	9,600	7,550	8,144	7,550
	738,269	624,730	634,698	624,730

Notes to the financial statements (continued)
for the year ended 31 December 2009

25. KEY MANAGEMENT PERSONNEL (continued)

(c) Shareholdings of Key Management Personnel (Consolidated)

Shares held in Brisbane Broncos Limited (number):

	Balance 1 Jan 2009	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 31 Dec 2009
Directors					
B P Cullen	-	-	-	-	-
D C Somerville	-	-	-	-	-
D S Jackson	28,500	-	-	-	28,500
D M Watt	-	-	-	-	-
L G Brindle	-	-	-	-	-
Executives					
L A Lanigan	-	-	-	-	-
T R Reader	-	-	-	-	-
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

D M Watt and L G Brindle 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 24 of this report.

26. COMMITMENTS AND CONTINGENCIES

(a) Commitments

(i) Leasing Commitments

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on various 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.

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Within one year	118,161	103,040	-	-
After one year but not more than five years	156,400	216,619	-	-
After more than five years	-	30,000	-	-
Total minimum lease payments	274,561	349,659	-	-

Included above as an operating lease commitment is the minimum amount payable under the Hiring Agreement with Suncorp Stadium. Additional amounts payable under this agreement are based on proceeds from sales of corporate facilities, signage, ticket sales, and other revenue per game which cannot be reliably forecast.

Notes to the financial statements (continued)
for the year ended 31 December 2009

26. COMMITMENTS AND CONTINGENCIES (continued)

(a) Commitments (continued)

(ii) Player Contract Commitments

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Within one year	4,566,360	4,750,060	-	-
After one year but not more than five years	4,441,600	5,000,400	-	-
	9,007,960	9,750,460	-	-

(iii) Affiliate Club Commitments

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Within one year	250,000	270,000	-	-
After one year but not more than five years	150,000	380,000	-	-
	400,000	650,000	-	-

(iv) Management 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	
	2009	2008	2009	2008
	$	$	$	$
Within one year	333,375	329,015	333,375	329,015
After one year but not more than five years	-	-	-	-
	333,375	329,015	333,375	329,015

Amounts disclosed as remuneration commitments include commitments arising from the Managing Director's employment agreement that was renegotiated until 31 December 2010. 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.

(b) Contingencies

No contingencies exist as at the reporting date.

Notes to the financial statements (continued)
for the year ended 31 December 2009

27. AUDITORS' REMUNERATION

The auditor of Brisbane Broncos Limited is Ernst & Young.

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Amounts received, or due and receivable, by Ernst & Young (Australia) for:				
• an audit or review of the financial report of the entity and any other entity in the consolidated group	77,000	75,000	69,500	67,500
• other services in relation to the entity and any other entity in the consolidated group				
– taxation services	9,850	-	9,850	-
	86,850	75,000	79,350	67,500
Amounts received, or due and receivable, by non Ernst & Young audit firms for:				
• Taxation services	8,210	7,450	8,210	7,450

28. EVENTS AFTER BALANCE DATE

On 10 February 2010, the directors of Brisbane Broncos Limited declared a final dividend on ordinary shares in respect of the 2009 financial year. The total amount of the dividend is $490,203.15, which represents 0.5 cent per share franked to 100%.

Directors' Declaration

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

1. In the opinion of the directors:

   (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true view of the Company's and consolidated entity's financial position as at 31 December 2009 and of their 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 2009.

On behalf of the Board

Darryl Somerville
Chairman
Brisbane
23 February 2010

Brian Cullen
Managing Director
Brisbane
23 February 2010

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

Report on the Financial Report

We have audited the accompanying financial report of Brisbane Broncos Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Ernst & Young

Auditor's Opinion

In our opinion:

1. the financial report of Brisbane Broncos Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Brisbane Broncos Limited and the consolidated entity at 31 December 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 31 December 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Brisbane Broncos Limited for the year ended 31 December 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane

23 February 2010

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 9 February 2010.

(a) Distribution of equity securities

98,040,632 fully paid ordinary shares are held by 529 individual shareholders. All issued shares carry one vote per share and carry the rights to dividends.

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

Size of holding	Ordinary Shareholders	Ordinary share option-holders
1 – 1000	52	-
1001 – 5000	262	-
5001 – 10000	106	-
10001 – 100000	96	-
100001 – OVER	13	-
	529	-
Holding less than a marketable parcel	57	-

(b) Substantial shareholders

Ordinary Shareholders	Fully Paid Shares	Percentage
Nationwide News Pty Ltd	67,521,089	68.87%
RL Development (QLD) Pty Ltd	10,000,000	10.20%
BXBX Pty Ltd	9,598,685	9.79%
Drenside Pty Ltd	3,014,703	3.07%
	90,134,477	91.93%

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%
RL Development (QLD) Pty Ltd	10,000,000	10.20%
BXBX Pty Ltd	9,598,685	9.79%
Drenside Pty Ltd	3,014,703	3.07%
Scanlon Group Holdings Pty Ltd	1,422,883	1.45%
AEG Ogden Pty Ltd	631,666	.64%
Moonton Pty Ltd	301,750	.31%
W F M Motors Pty Ltd	300,000	.31%
Meingrove Pty Ltd	269,000	.27%
Mr Adrian Charles Vos	133,536	.14%
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%
Bushfly Air Charter Pty Ltd	100,000	.10%
George Enever Pty Ltd	100,000	.10%
Mr Sean Ryan and Mrs Julia Ryan	100,000	.10%
ACT Demo Pty Ltd	83,333	.08%
Mr John James Nuell	79,000	.08%
Mr David Neil Holland	78,000	.08%
Ceduna Pty Ltd	74,798	.08%
	94,127,070	**96.00%**