

Brisbane Broncos

Level 1, 92 Fulcher Rd, Red Hill, Qld 4059
T: 07 3858 9111 F: 07 3858 9112
www.broncos.com.au
A.B.N. 41 009 570 030



Principal Sponsor

BRONCOS
BRISBANE

25 February 2011

To: ASX Company Announcements Platform

**BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES
2010 FINANCIAL RESULTS**

Please find attached the following documents in relation to the 2010 financial results for Brisbane Broncos Limited and its controlled entities:

- Earnings Release
- Appendix 4E – Preliminary Final Report
- 2010 Financial Report
- Independent Audit Report and Auditor's Independence Declaration

Yours faithfully

Brisbane Broncos Limited
Louise Lanigan
Company Secretary

#

Platinum Sponsors





EARNINGS RELEASE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Brisbane, 25 February 2011

FINANCIAL PERFORMANCE

The Board announced today the audited results for the Brisbane Broncos Group for the financial year ended 31 December 2010. The Group has had a more successful year financially than initially forecasted. The 2010 financial result was a positive one with an increase in the before tax net profit of 12.82% from the previous year. The directors are particularly satisfied with this outcome considering it was achieved during a year whereby the economy was slowly recovering from the global financial crisis which was experienced during 2009.

The Group recorded an after tax profit for the 31 December 2010 financial year of \$980,607 compared to the \$867,886 achieved in 2009. For comparison, the before tax profits for the 2010 and 2009 financial years were \$1,463,038 and \$1,296,835 respectively. As a result of the continued financial success and the strong cash position of the Group, the Board are pleased to again be able to pay a 100% franked dividend to fully paid ordinary shareholders of 0.5 cent per share.

On the field, in a year plagued by many injuries and with the youngest average playing roster in Brisbane Broncos history, the 2010 season was the first since 1991 in which the Brisbane Broncos Rugby League Team finished outside of the top eight (tenth) and did not get the opportunity to participate in the National Rugby League (NRL) Finals Series. A positive to come out of this situation was the experience gained by these young players at the elite level during 2010 which can only have a promising impact on future years.

Revenue

The Group recorded gross revenue for the 2010 financial year of \$26,574,081 which is a \$1,411,829 (5.6%) increase from 2009. This is attributable to an increase in many of the main revenue categories of the business and also the receipt of some new income streams.

The sponsorship category continued to strengthen experiencing the most significant increase with revenue 7.89% higher than 2009. This growth is both due to upgrades to existing sponsors, restructuring sponsorship assets, and the signing of new sponsors for 2010 and beyond. 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 is on maintaining the existing high levels of sponsorship and creating new opportunities to increase sponsorship revenue. Signage sales grew 84.9% above the 2009 result.

The sale of corporate facilities improved slightly compared to the prior year. This category was the most significantly affected by the 2009 economic downturn and the 2010 result indicates that corporate spending continues to be impacted.

Management are extremely pleased that season membership numbers and revenue continue to increase as this is an area of ongoing significant focus. Growth was experienced for the sixth consecutive year with total full season equivalent memberships increasing by 7.06%. Total season membership numbers prior to being adjusted to full season equivalents were 13,082. This was again the highest in the NRL.

The average crowd attendance for 2010 of 33,345 was slightly higher than the 2009 average of 32,496. Accordingly, gate taking revenue remained relatively consistent with the prior year as casual ticket prices remained unchanged in 2010. This is the sixth year in a row that the crowd average has exceeded 30,000 which is an enormous achievement and the largest again in the NRL by almost 50%.

Weather conditions were fortunate during the 2010 as only one match was impacted by inclement weather. Scheduling was also relatively favourable in 2010 with the notable clashes during the season being Brisbane Broncos home games held on simultaneous weekends as the Brisbane Lions and Queensland Reds. This occurred on six occasions. In summary, two matches during 2010 attracted more than 40,000 patrons (compared to three in 2009), six attracted attendees in excess of 30,000, with the remaining matches achieving crowds of more than 20,000 people. Seven of the twelve home games were scheduled for a Friday night, four matches were held on a Sunday with the remaining game being a Monday night home match.

As the Brisbane Broncos team finished outside of the top eight in 2010, they did not qualify for a home final nor was any prize money received during the financial year. Prize money was received and home finals were held in both 2009, these revenue streams were not available in 2010.

A new partnership agreement with the Queensland Government was entered into during the 2010 financial year. The essence of this partnership is to provide services and support to indigenous school children. This takes the form of both guidance and mentoring whilst the children are completing their final school year, providing assistance in locating suitable employment for the students, and monitoring and guiding them during their first year in the work force. The Group has an allocated employee, a qualified teacher, managing this program who is assisted by employees in the business' Game Development Department. Financial grants are received from the Queensland Government to facilitate this program. These grants commenced in November 2010 which were a new source of gross revenue to the Group this financial year.

Expenditure

Total expenditure for the Group for 2010 was \$25,111,043 which is \$1,245,626 (5.2%) higher than the 2009 financial year. A dissection of total expenditure is listed in note 6 to the financial statements. There are several factors that have contributed to the increase in expenses from 2009 to 2010.

Increased marketing expenditures were incurred to offset the impact of the Global Financial Crisis and in particular to support the Club's push to gain higher growth in season memberships. As part of the Company's review of operations, significant structural changes were implemented aimed at strengthening our staff resources in areas that generated significantly increased revenue streams and community involvement - namely multi media, season memberships, and the new indigenous program. Staff terminations also contributed to these restructuring costs.

Increases were experienced in relation to game day expenditure as a result of contractual annual rate rises in running costs for Brisbane Broncos home games. Costs associated with corporate sales and season memberships also increased as a direct correlation to the growth in revenue in these areas. The sponsorship team were able to keep sponsor related expenditure consistent with the previous financial year which had a very positive impact on the net profit position considering the significant increase in sponsor revenue in 2010 from 2009.

During 2009, management made a decision to significantly reduce budgeted advertising expenditure as a result of the impact of the Global Financial Crisis on the Group in that year. After careful consideration, this advertising expenditure was reintroduced into the 2010 marketing plan in particular to support a push for higher season memberships.

Administration expenses in 2010 overall remained relatively consistent with 2009. One main exception relates to costs incurred in the executive search for a new Chief Executive Officer following Mr Bruno Cullen's retirement during the reporting period.

Two lump sum payments were negotiated upon the retirement of PJ Marsh due to injury and the release of Steven Michaels from the Brisbane Broncos. The unavailability of members of the NRL team due to injury also resulted in increased costs in 2010 by way of match payments for replacement players, medical costs 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. Finally new costs were also incurred in 2010 in relation to the indigenous program introduced in November 2010 as a result of the partnership with the Queensland Government mentioned above.

The review of and restructure of the commercial and football operations continues into the 2011 financial year in an effort to improve and strengthen the Group's ongoing financial and on-field performance.

THE BOARD

The Board of Directors was unchanged throughout the financial year with Chairman Darryl Somerville in his sixth year in the role. Mr Bruno Cullen retired from his position as Managing Director on 31 December 2010. He remains on the board as a non-executive director.

Mr Donald Jackson resigned from the Board effective 31 December 2010. Chairman Mr Darryl Somerville also resigned from the Board on 22 February 2011. The Board would like to pay tribute to Darryl's and Don's wonderful contribution to the Brisbane Broncos over a long period of time. Mr Lawrence Brindle was elected Chairman on 22 February 2011 until a permanent replacement is appointed. Mr Tony Joseph was also appointed director on 22 February 2011.

Mr Paul White commenced as Chief Executive Officer on 1 January 2011.

THE YEAR AHEAD

It is uncertain what impact the recent disastrous floods that affected South East Queensland in January 2011 will have on the financial performance of the Group in 2011. Management is hopeful the effect will not be significant however the business needs to consider the possible ramifications. Several areas and many homes in our supporter base were directly affected or devastated by this natural disaster. The enormity of the situation also certainly has the potential to have a ripple effect on those not directly affected by the flood waters.

The floods will no doubt significantly impact the Queensland economy as 75% of the State was declared a disaster zone during this time. This will possibly reduce the discretionary spending capabilities of many corporate and individual supporters in South East Queensland for the 2011 season. However, management remains confident that as people and businesses slowly rebuild and recover from the flood crisis and as the economy continues to improve, the Group's market stronghold will allow the business to continue its steady growth strategy over the coming years.

The Brisbane Broncos Limited Board and the executive management team led by Chief Executive Officer Mr Paul White, are confident that the extensive work done during 2010 to reposition the organisation will be a success. While the focus is on producing a successful, entertaining and engaging football team, the landscape around the business model is forever changing. The Brisbane Broncos brand is as popular as ever and the contacts we have made through modern technology are astounding. More and more we connect with literally hundreds of thousands of people regularly and the focus is very much on how that can enhance our business.

The Broncos in the Community department will strive to make a difference. They continue to play a huge part in assisting the needy with the financial assistance through the Brisbane Broncos Charities Fund and the hundreds of hours the players spend in schools, nursing homes, hospitals and the like to bring relief and joy to many lives.

The 2011 Brisbane Broncos will be the NRMA Insurance Broncos and we welcome their increased support of our team. They lead a strong sponsorship family who contribute so much to the financial wellbeing of the organisation. We take this opportunity to thank WOW Sight and Sound for their support as naming rights sponsor over the past three years. They along with many others continue to support the business as part of the sponsorship family and our sincere gratitude is extended to that entire group.



NRMA INSURANCE BRONCOS

BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

APPENDIX 4E

**PRELIMINARY FINAL REPORT
FOR YEAR ENDED 31 DECEMBER 2010**

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities (\$000)	Up	6%	to	26,574
Profit from ordinary activities before tax attributable to members (\$000)	Up	13%	to	1,463
Profit from ordinary activities after tax attributable to members (\$000)	Up	13%	to	981
Basic earnings per share (cents)	Up	13%	to	1 cent
Diluted earnings per share (cents)	Up	13%	to	1 cent
Net tangible asset backing per ordinary share (cents)	Up	4%	to	12.4 cents

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

AUDIT INFORMATION

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

Louise Lanigan
Company Secretary
25 February 2011

CORPORATE INFORMATION	1
YEAR IN REVIEW	2
SPONSOR OVERVIEW 2011 AND BEYOND	4
DIRECTORS' REPORT.....	6
AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BRISBANE BRONCOS LIMITED	18
CORPORATE GOVERNANCE STATEMENT	19
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010	25
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010.....	26
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010.....	27
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010	28
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010	29
DIRECTORS' DECLARATION	56
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BRISBANE BRONCOS LIMITED	57
ASX ADDITIONAL INFORMATION.....	59

Corporate Information

A.B.N. 41 009 570 030

Directors

L G Brindle (Chairman)
B P Cullen (Managing Director) (Retired as Managing Director 31 December 2010)
A J Joseph (Appointed 22 February 2011)
D M Watt
D C Somerville (Chairman) (Resigned 22 February 2011)
D S Jackson (Retired 31 December 2010)

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 1
179 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

Brisbane Broncos Limited produced a strong turnaround from the 2009 financial result which was adversely impacted by the Global Financial Crisis. The before tax profit for the financial year ended 31 December 2010 of \$1,463,038 is well up on the previous year's result of \$1,296,835. This was primarily a result of strong membership, sponsorship and interest revenues. Expenditure growth was restrained.

The after tax profit for the year was \$980,607 (2009: \$867,886). This profit has enabled the Group to consolidate its overall financial position and strengthen its balance sheet. The financial position of the Group has enabled the Board to approve a fully franked dividend payment of ½ cent per share.

HIGHLIGHTS

The Board and management commenced an internal review of the operating structures of the Company during the year. As a result of this review, which was commenced by Bruno Cullen and continues under Paul White, internal reorganisation of the football and back-office operations has been achieved. The Board is confident that the Company is far better placed to meet the challenges of the NRL competition and the commercial environment.

From a financial perspective it was pleasing to see the Company emerge from the worst of the Global Financial Crisis. All departments worked diligently to achieve their targets. The highlight of the year was the 8% growth achieved in sponsorship revenue, a fantastic result and a reflection on the strength of the Broncos brand. Despite the continued reluctance of the corporate sector to spend on entertainment, the corporate sales area saw a slight improvement over 2009 which given the circumstances was also a satisfying result.

Season membership numbers grew by 7% with an increase of over \$300,000 in revenue. The average home game attendance for the season was 33,345. This does not include the full attendance for the double header we again promoted with Canterbury Bulldogs, Gold Coast Titans and South Sydney Rabbitohs. The inclusion of this attendance figure would lift the season average to approximately 35,000.

Total revenue increased from \$25.16 million to \$26.57 million. Expenditure also increased from \$23.86 million to \$25.11 million with the main impact being increased marketing expenditures and restructuring costs. These investments are expected to benefit the Company financially and the team performance in coming years.

BRISBANE BRONCOS RUGBY LEAGUE FOOTBALL TEAM

The Brisbane Broncos NRL team missed the finals series in 2010 for the first time in nineteen years. Having that magnificent run come to an end was of course very disappointing. The team missed the finals by basically one game, in a year in which it fielded its youngest ever side and continued the development of many of its young players who will surely deliver much better results in the coming seasons. They also played the entire season without star centre Justin Hodges due to an injury suffered in pre-season training. After an average start to the season, the team was on a roll towards the finals with some great performances against St George Illawarra Dragons (home), Parramatta Eels (away), Manly Sea Eagles (away), Nth Queensland Cowboys (away), Cronulla Sharks (away) and a huge win without State of Origin players against South Sydney Rabbitohs.

Unfortunately the win against the Nth Queensland Cowboys came with a devastating injury to inspirational skipper Darren Lockyer which ruled him out for the remainder of the season. There were four fixtures remaining and a good win in any one of those would have ensured a finals appearance. That did not happen and the rest as they say is history.

Despite this the year certainly was not lost. The continued development and experience gained by so many of our talented young men was a major positive. They still have to improve and step up for a full season, but 2010 will be invaluable in that process. Following the close of the 2010 season a review was conducted of the structure and personnel of the football department. As a result of this review a number of staff changes occurred. Subsequent to year end Anthony Griffin was appointed coach of the NRL team for the 2011 season. The Club looks forward to the 2011 season with confidence.

Similarly the NYC Under 20 side missed the finals after a mid-season surge failed to secure them a position. This too was a very young side with many players in their first year out of school. There is much to be done in the next development stage and under new coach Kurt Richards in 2011 we are confident this program will continue to produce NRL players of the future.

Year in Review (continued)

BOARD OF DIRECTORS AND MANAGEMENT

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

During the year Andrew Gee joined the senior management team as General Manager Football Operations. Following his appointment a complete review and restructure of both the football and commercial operations departments was carried out by the management team. This has been endorsed by the Board of Directors and substantially implemented.

Mr Donald Jackson resigned from the Board effective 31 December 2010. Chairman Mr Darryl Somerville also resigned from the Board on 22 February 2011. The Board would like to pay tribute to Darryl's and Don's wonderful contribution to the Brisbane Broncos over a long period of time. Mr Lawrence Brindle was elected Chairman on 22 February 2011 until a permanent replacement is appointed. Mr Tony Joseph was also appointed director on 22 February 2011.

After a short handover period Mr Bruno Cullen retired from his position as Managing Director soon after year's end and Mr Paul White was appointed as Chief Executive Officer. Paul comes to the Company with impressive management and community credentials. He holds an MBA and has spent the past five years in senior positions with Anglo American Metallurgical Coal and prior to that a number of years with Xstrata Zinc. Prior to his role with the Broncos he was a senior executive with Anglo American Metallurgical Coal based in Brisbane. He has lived and worked extensively throughout regional Queensland including almost 20 years in the Queensland Police Service. Mr White has been heavily involved in Rugby League both as a player and a coach and has held an impressive range of appointments.

THE YEAR AHEAD

The Brisbane Broncos Limited Board and the executive management team led by Chief Executive Officer Mr Paul White, are confident that the extensive work done during 2010 to reposition the organisation will be a success. While the focus is on producing a successful, entertaining and engaging football team, the landscape around the business model is forever changing. The Brisbane Broncos brand is as popular as ever and the contacts we have made through modern technology are astounding. More and more we connect with literally hundreds of thousands of people regularly and the focus is very much on how that can enhance our business.

The Broncos in the Community department will strive to make a difference. They continue to play a huge part in assisting the needy with the financial assistance through the Brisbane Broncos Charities Fund and the hundreds of hours the players spend in schools, nursing homes, hospitals and the like to bring relief and joy to many lives.

The 2011 Brisbane Broncos will be the NRMA Insurance Broncos and we welcome their increased support of our team. They lead a strong sponsorship family who contribute so much to the financial wellbeing of the organisation. We take this opportunity to thank WOW Sight and Sound for their support as naming rights sponsor over the past three years. They along with many others continue to support the business as part of the sponsorship family and our sincere gratitude is extended to that entire group.

On behalf of the Board



Lawrence Brindle
Chairman
25 February 2011

Sponsor Overview 2010 and Beyond

The 2010 season saw little change to the Brisbane Broncos sponsorship family hierarchy with only one Platinum Sponsor changing hands with Audi Centre Brisbane replacing Toyota in the exclusive car sponsor category. WOW Sight & Sound continued their Principal and Sleeve sponsorship in 2010 with their Principal partnership concluding at the end of the year. They will remain as sleeve sponsor for a further two years. Apparel sponsorship also remained relatively unchanged with Sportingbet becoming the only new addition with branding on the back bottom of the playing jersey in 2010.

Once again the Brisbane Broncos sponsorship portfolio continues to generate the highest levels across the National Rugby League (NRL). Overall sponsorship levels remained high with a positive increase of 7.89% from 2009. The Brisbane Broncos sponsorship hierarchy is unlikely to experience major changes to its existing portfolio in 2011. Increased sponsor investment from existing partners demonstrates continued and growing brand strength and stability.

Independent research results facilitated by Repucom Australia recorded the WOW Brisbane Broncos as the highest ranked NRL club for exposure value generated including all inventory despite missing the NRL finals for the first time in 19 years. This process is undertaken by independent evaluation which analyses and benchmarks the exposure generated by all Australian football club sponsors, throughout television and print media. This result demonstrates the power of the Brisbane Broncos in being able to drive television news and print coverage throughout the year, irrespective of on field results.

2011 will see Brisbane Broncos sponsorship climb to a record high with several existing sponsors increasing current investment levels. We will also welcome long-term existing platinum and shorts sponsor, NRMA Insurance as the new Principal Sponsor. Following a successful seven year partnership, this move was a natural progression to the principal position for NRMA Insurance.

We take this opportunity to thank all sponsors for their loyal support and ongoing dedication to our club and brand, in particular founding sponsor Australia Post who sadly depart our sponsorship family at year end.

BRONCOS SPONSORSHIP HIERARCHY 2010



Sponsor Overview 2010 and Beyond (continued)

PRINCIPAL SPONSOR

WOW Sight & Sound – Australia's most exciting Electronics & Entertainment Superstores were the Brisbane Broncos 2010 principal and sleeve sponsor. WOW Sight & Sound currently has 15 Superstores Australia wide.

2010 PLATINUM SPONSORS

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

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

Coca Cola – another market leader and a longstanding partner, Coca-Cola is the official non-alcoholic drink supplier of the Brisbane Broncos. Coca Cola continues to dominate the Australian non-alcoholic beverage market share in all categories. 2010 was the first year of their renewed partnership with the organisation which will continue through to the end of 2013.

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.

NRMA Insurance – part of one of Australia's largest general insurance groups Insurance Australia Group (IAG). 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. After seven years as shorts sponsor of the Brisbane Broncos, NRMA Insurance has upgraded their commitment to the organisation and will be the Naming Rights and Principal sponsor of the Brisbane Broncos in 2011. They are proud of their close association with such an iconic Queensland team and look forward to seeing their logo sitting proudly on the front of the jersey as the players run out in 2011.

Audi Centre Brisbane – became the Brisbane Broncos exclusive motor vehicle and coach sponsor in 2010. Audi has the reputation as one of the most progressive premium brands in Australia. Customer satisfaction continues to be a key facet and priority to Audi. Innovation, quality, style – you'll find them all at the Audi Centre Brisbane.

Sportingbet – is one of the world's most well-known online gaming operators. Founded in 1998 they have been listed on the London Stock Exchange since 2001. With over two million customers in 30 markets across Europe, Australia, Canada, South America and South Africa, Sportingbet now offer more than 8,000 different betting opportunities every single day. Sportingbet became the Brisbane Broncos back of jersey apparel sponsor in 2010 with a partnership agreed to the end 2012.

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

Nova 106.9 – official FM radio partner of the Brisbane Broncos, Nova continue to deliver innovative and exciting promotions while also providing great support to the organisation.

2010 MAJOR SPONSORS

Queensland Country Credit Union, Bundaberg Rum, Four'n Twenty/Streets & Radio 4BC

2010 ASSOCIATE SPONSORS

Hogs Breath Café, Wyndham Estate, Musashi, Yellow Cabs, Cullen Group, Birch Carroll & Coyle & Australia Post

2010 SUPPLIERS / SUPPORTERS

Hans Continental Smallgoods, Elastoplast Sport, Top Cut Foods Ltd, AlphaSport, Il Centro Restaurant & Cha Cha Char Bar & Grill, Jellyfish Restaurant, Goodlife Health Clubs & Hart Sports.



Audi Centre Brisbane



Directors' Report

Your directors submit their report for the year ended 31 December 2010.

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

Lawrence George Brindle
Non-Executive Chairman

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. Mr Brindle was elected Chairman of Brisbane Broncos Limited on 22 February 2011 until a permanent appointment is made.

Brian Patrick Cullen
*Managing Director
Executive
(Retired as Managing Director 31
December 2010)*

Mr Cullen was appointed as Managing Director of Brisbane Broncos Limited in 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. Mr Cullen is a Fellow of the Australian Mutuals Institute and a Fellow of the Australian Institute of Company Directors. Mr Cullen retired from the position of Managing Director on 31 December 2010, however will remain a non-executive director of Brisbane Broncos Limited. Prior to his retirement as Managing Director, he was on a number of National Rugby League CEO Committees charged with looking after various aspects of the game.

Anthony John Joseph
*Non-Executive Director
(Appointed 22 February 2011)*

Mr Joseph was appointed as a director on 22 February 2011. Mr Joseph is a director of a number of private companies and is Managing Director of Alfred E Chave Pty Ltd. He is Chairman of Brisbane Markets Limited – the owner and manager of the Brisbane Markets. Mr Joseph has been involved on a number of government committees and reviews of the marketing sector and has served on the Queensland State Government Horticultural Industrial Development Council. He was formerly a longstanding member of the Brisbane Market Trust, the government appointed committee which oversaw the Brisbane Markets prior to it being privatised and sold Brisbane Markets Limited in 2002. Mr Joseph has been passionately involved in Queensland Rugby League since the Brisbane Broncos formed in 1988 and was previously a committee member of the Queensland Surf Lifesaving Foundation.

Dennis Michael Watt
Non-Executive Director

Mr Watt was appointed as a director on 11 February 2003. Mr Watt was appointed General Manager of Rugby League for News Limited last year. His previous career was in print media, as the former general manager of Queensland Newspapers, publishing The Courier-Mail and The Sunday Mail. Mr Watt had earlier been general manager of Quest Community Newspapers, publishing 20 newspapers across Brisbane and the Sunshine Coast.

Darryl Craig Somerville
*Non-Executive Chairman
Independent
(Resigned 22 February 2011)*

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 profession. 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. Mr Somerville resigned as Chairman and director of Brisbane Broncos Limited on 22 February 2011.

Directors' Report (continued)

DIRECTORS (continued)

Donald Stanley Jackson
Non-Executive Director
Independent
(Retired 31 December 2010)

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 and Chairman of the Sunshine Coast Turf Club. He is director of Brisbane Markets Limited, FOGS Limited, and Sunshine Coast Helicopter Rescue Service Limited. Mr Jackson retired as a director of Brisbane Broncos Limited on 31 December 2010.

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 17 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.

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

As at the date of this report, no directors hold shares in the Company. Mr Jackson retired as director on 31 December 2010. At this date the number of shares owned by Mr Jackson and his related parties 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	1 cent
Diluted Earnings Per Share	1 cent

DIVIDENDS

On 10 February 2011, 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 2010. The financial effect of this dividend has not been brought into account in the financial statements for the year ended 31 December 2010 and will be recognised in the subsequent financial report.

On April 15 2010, a 2009 final dividend of ½ cent per share franked to 100% at 30% corporate income tax rate was paid to shareholders totalling \$490,203. This dividend was shown as declared in the 2009 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 2010 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 2010 financial result was a positive one for the Group with an increase in the before tax net profit of 12.82% from the previous year. The directors are particularly satisfied with this outcome considering it was achieved during a year when the economy was recovering from the Global Financial Crisis.

The Group recorded an after tax profit for the 31 December 2010 financial year of \$980,607 compared to the \$867,886 achieved in 2009. For comparison, the before tax profits for the 2010 and 2009 financial years were \$1,463,038 and \$1,296,835 respectively.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Operating results for the year (continued)

As a result of the continued financial success and the strong cash position of the Group, the Board are pleased to again be able to pay a 100% franked dividend to fully paid ordinary shareholders of ½ cent per share.

The 2010 season was the first since 1991 in which the Brisbane Broncos Rugby League Team finished outside of the top eight (tenth) and did not get the opportunity to participate in the National Rugby League (NRL) Finals Series. Justin Hodges sustained an Achilles injury at pre-season training which prevented him from playing for the entire season, and Captain Darren Lockyer missed the final four matches with a rib injury. 2010 also saw the youngest playing roster in the Club's history take the field with six players making their NRL debut during the year. A positive to come out of this situation was the experience gained by these young players at the elite level during 2010 which can only have a promising impact on future years.

Review of operations

Revenue

The Group recorded gross revenue for the 2010 financial year of \$26,574,081 which is a \$1,411,829 (5.6%) increase from 2009. This is attributable to an increase in many of the main revenue categories of the business and also the receipt of some new income streams.

The sponsorship category continued to strengthen experiencing the most significant increase with revenue 7.89% higher than 2009. This growth is both due to upgrades to existing sponsors, restructuring sponsorship assets, and the signing of new sponsors for 2010 and beyond. 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 is on maintaining the existing high levels of sponsorship and creating new opportunities to increase sponsorship revenue. Signage sales grew 84.9% above the 2009 result.

The sale of corporate facilities improved slightly compared to the prior year. This category was the most significantly affected by the 2009 economic downturn and the 2010 result indicates that corporate spending continues to be impacted.

Management are extremely pleased that season membership numbers and revenue continue to increase as this is an area of ongoing significant focus. Growth was experienced for the sixth consecutive year with total full season equivalent memberships increasing by 7.06%. Total season membership numbers prior to being adjusted to full season equivalents were 13,082. This was again the highest in the NRL.

The average crowd attendance for 2010 of 33,345 was slightly higher than the 2009 average of 32,496. Accordingly, gate taking revenue remained relatively consistent with the prior year as casual ticket prices remained unchanged in 2010. This is the sixth year in a row that the crowd average has exceeded 30,000 which is an enormous achievement and the largest again in the NRL by almost 50%.

Weather conditions were fortunate during the 2010 as only one match was impacted by inclement weather. Scheduling was also relatively favourable in 2010 with the notable clashes during the season being Brisbane Broncos home games held on simultaneous weekends as the Brisbane Lions and Queensland Reds. This occurred on six occasions. In summary, two matches during 2010 attracted more than 40,000 patrons (compared to three in 2009), six attracted attendees in excess of 30,000, with the remaining matches achieving crowds of more than 20,000 people. Seven of the twelve home games were scheduled for a Friday night, four matches were held on a Sunday with the remaining game being a Monday night home match.

As the Brisbane Broncos team finished outside of the top eight in 2010, they did not qualify for a home final nor was any prize money received during the financial year. Prize money was received and home finals were held in both 2009, these revenue streams were not available in 2010.

A new partnership agreement with the Queensland Government was entered into during the 2010 financial year. The essence of this partnership is to provide services and support to indigenous school children. This takes the form of both guidance and mentoring whilst the children are completing their final school year, providing assistance in locating suitable employment for the students, and monitoring and guiding them during their first year in the work force. The Group has an allocated employee, a qualified teacher, managing this program who is assisted by employees in the business' Game Development Department. Financial grants are received from the Queensland Government to facilitate this program. These grants commenced in November 2010 which were a new source of gross revenue to the Group this financial year.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Expenditure

Total expenditure for the Group for 2010 was \$25,111,043 which is \$1,245,626 (5.2%) higher than the 2009 financial year. A dissection of total expenditure is listed in note 6 to the financial statements. There are several factors that have contributed to the increase in expenses from 2009 to 2010.

Increased marketing expenditures were incurred to offset the impact of the Global Financial Crisis and in particular to support the Club's push to gain higher growth in season memberships. As part of the Company's review of operations, significant structural changes were implemented aimed at strengthening our staff resources in areas that generated significantly increased revenue streams and community involvement - namely multi media, season memberships, and the new indigenous program. Staff terminations also contributed to these restructuring costs.

Increases were experienced in relation to game day expenditure as a result of contractual annual rate rises in running costs for Brisbane Broncos home games. Costs associated with corporate sales and season memberships also increased as a direct correlation to the growth in revenue in these areas. The sponsorship team were able to keep sponsor related expenditure consistent with the previous financial year which had a very positive impact on the net profit position considering the significant increase in sponsor revenue in 2010 from 2009.

During 2009, management made a decision to significantly reduce budgeted advertising expenditure as a result of the impact of the Global Financial Crisis on the Group in that year. After careful consideration, this advertising expenditure was reintroduced into the 2010 marketing plan in particular to support a push for higher season memberships.

Administration expenses in 2010 overall remained relatively consistent with 2009. One main exception relates to costs incurred in the executive search for a new Chief Executive Officer following Mr Bruno Cullen's retirement during the reporting period.

Two lump sum payments were negotiated upon the retirement of PJ Marsh due to injury and the release of Steven Michaels from the Brisbane Broncos. The unavailability of members of the NRL team due to injury also resulted in increased costs in 2010 by way of match payments for replacement players, medical costs 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. Finally new costs were also incurred in 2010 in relation to the indigenous program introduced in November 2010 as a result of the partnership with the Queensland Government mentioned above.

The review of and restructure of the commercial and football operations continues into the 2011 financial year in an effort to improve and strengthen the Group's ongoing financial and on-field performance.

Capital Expenditure

The Group renovated its administration offices at the end of the 2010 financial year with a total cost of approximately \$170,000. This was a vital project which converted the majority of existing office floor space into an open plan setting. Prior to this renovation, space was extremely limited and there was no opportunity for expansion or growth. The new configuration provides much needed additional workstations and centralises specialist groups within the administration team with the intention of further increasing productivity and efficiencies.

Financial Position

The directors believe the Group continues to remain in a sound financial position with \$13,824,357 cash assets and \$24,607,375 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.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dynamics of the business

The Group has had a more successful year financially than initially forecasted which indicated slow continued recovery from the recent Global Financial Crisis. Season membership and sponsorship revenue continued to improve which was a very positive sign and gate taking revenue remained consistent with the high standard achieved in the 2009 season. However, despite this improved financial performance, the business still found it challenging to achieve the unprecedented sales levels of prior years in the area of corporate facilities.

It is uncertain what impact the recent disastrous floods that affected South East Queensland in January 2011 will have on the financial performance of the Group in 2011. Management hope the effect is not significant however the business needs to consider the possible ramifications. Several areas and many homes in our supporter base were directly affected or devastated by this natural disaster. The enormity of the situation also certainly has the potential to have a ripple effect on those not directly affected by the flood waters.

The floods will significantly impact the Queensland economy as 75% of the State was declared a disaster zone during this time. This will possibly reduce the discretionary spending capabilities of many corporate and individual supporters for the 2011 season. However, management remains confident that as people slowly rebuild and recover from the flood crisis and as the economy continues to improve, the Brisbane Broncos market stronghold will allow the business to continue its steady growth strategy over the coming years.

The Board and management believes that the 2010 financial results show that the business has had a good year despite it being the first time in nineteen years in which the Brisbane Broncos Rugby League Team did not reach the National Rugby League Competition Finals Series. The Brisbane Broncos remain the most financially successful National Rugby League Franchise with the highest home game attendances and sponsorship levels in the game.

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.
- Annual detailed review and update of the business' 2008 strategic plan completed during the 2010 financial year, which encompasses the Group's vision, mission and strategy statements designed to meet shareholders' needs and manage business risk.
- Annual review of the Group's insurance coverage.
- Detailed review and identification of Group's risks and documentation of appropriate responses to these risks which commenced in 2010. This process is currently being completed by management.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 10 February 2011, the Board of Directors declared a final dividend on ordinary shares in respect of the 2010 financial year. The total amount of the dividend is \$490,203 which represents a 0.5 cent dividend franked to 100% per share. The dividend has not been provided for in the 31 December 2010 financial statements.

Directors' Report (continued)**LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

As discussed above, the directors are uncertain of the financial impact the devastating January 2011 Queensland floods will have on the 2011 financial year. However, they remain hopeful of maintaining and increasing the 2010 revenue and profit levels in the 2011 financial year. 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 2011.

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 2010, 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 2010 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:

<i>Board or Committee</i>	<i>Number of Meetings</i>
Full Board	9
Audit and Risk Management	2

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

	<i>Full Board</i>	<i>Audit & Risk Management Committee</i>
D C Somerville (Resigned 22 February 2011)	9 (9)	2 (2)
B P Cullen (Retired as Managing Director 31 December 2010)	9 (9)	2 (2)
D S Jackson (Retired 31 December 2010)	9 (9)	2 (2)
D M Watt	9 (9)	2 (2)
L G Brindle	9 (9)	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 2010 financial year in their capacity as the Audit and Risk Management Committee. Given the size of the Company and the Board, it had been previously resolved that the entire Board comprises the Audit and Risk Management Committee.

Directors' Report (continued)

REMUNERATION REPORT (audited)

This Remuneration Report for the year ended 31 December 2010 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

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

The remuneration report is presented under the following sections:

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

1. Individual key management personnel disclosures

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

Key Management Personnel

(i) Directors

L G Brindle	Chairman (Non-Executive)
D S Somerville	Chairman (Non-Executive) (Resigned 22 February 2011)
B P Cullen	Managing Director (Executive) (Retired as Managing Director 31 December 2010)
D S Jackson	Director (Non-Executive) (Retired 31 December 2010)
D M Watt	Director (Non-Executive)
A J Joseph	Director (Non-Executive) (Appointed 22 February 2011)

(ii) Executive

L A Lanigan	Chief Financial Officer and Company Secretary
T M Reader	General Manager – Marketing and Commercial Operations
A D Gee	General Manager – Football Operations (commenced 3 May 2010)

Mr Paul White commenced as Chief Executive Officer on 1 January 2011 following Mr Bruno Cullen's retirement as Managing Director on 31 December 2010. On 22 February 2011 Mr Darryl Somerville resigned as Chairman and Director of Brisbane Broncos Limited. Mr Lawrence Brindle was elected Chairman on this date until a permanent replacement is appointed. Also on 22 February 2011, Mr Tony Joseph was appointed as a Director of Brisbane Broncos Limited. There were no other changes to KMP after reporting date and before the date the financial report was authorised for issue.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

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/Chief Executive Officer, who in turn evaluates the performance of all other senior executives.

Remuneration approval process

The Board approves the remuneration arrangements for the Managing Director/Chief Executive Officer 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.

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 13 May 2010 where shareholders approved an aggregate remuneration of \$220,000 per year. Each director receives a fixed fee for being a director of the Company. Historically the Company's annual directors' fees paid have been below this limit. The total directors' fees paid for the 2010 financial year were \$86,300.

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 2011 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 2010 and 31 December 2009 is detailed in Table 1 and 2 respectively of this report.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

4. Executive remuneration arrangements

Remuneration levels and mix

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

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

Structure

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

The Company has a detailed customised employment contract with the 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/Chief Executive Officer. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. Executive contracts do not include any guaranteed base pay increases.

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

Variable remuneration – Short Term Incentive (STI) and Long Term Incentive (LTI)

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

The 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.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

5. Group Performance

Profit before tax has increased to \$1,463,038 in 2010. The 2010 before tax profit result is a 12.8% improvement on the 2009 financial year. For the three years prior to 2008 the Group generated profit before tax of greater than \$2 million however the 2008, 2009 and 2010 financial year results fell below this figure. Earnings per share for the current year and the past four financial years are shown below:

Year ended	2010	2009	2008	2007	2006
Profit before tax	\$1.46 million	\$1.30 million	\$1.84 million	\$2.16 million	\$2.26 million
Earnings per share (cents)	1.00	.89	1.26	1.49	1.57
Share Price	32 cents	38 cents	23 cents	24 cents	19 cents

The share price has moved from 38 cents at 1 January 2010 to 32 cents at 31 December 2010. 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

Mr Bruno Cullen's contract expired on 31 December 2010 at which time he retired from his position as Managing Director. Details of Mr Cullen's employment contract for the 2010 financial year were as follows:

- Mr Cullen received fixed remuneration of \$287,500 plus 9% superannuation and a fully maintained motor vehicle.
- Mr Cullen was 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.

Chief Executive Officer

On 11 October 2010, the Board of Directors announced the appointment of Mr Paul White as Chief Executive Officer to be effective from 1 January 2011. Mr White's employment contract is for a three year period which expires on 31 December 2013. At this time the Group may choose to commence negotiations to enter into a new contract with Mr White if both parties agree.

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

- Mr White will receive fixed remuneration of \$285,000 per annum plus statutory superannuation and a fully maintained motor vehicle.
- Mr White will receive a once only lump sum commencement payment of \$20,000 plus statutory superannuation.
- Mr White's salary package will be reviewed annually by the Board of Directors and will be increased by at least in accordance with CPI. The review will be based on individual and Group performances, effort, commitment and the market rates or the salary packages of similar positions elsewhere in Australia.
- Mr White is entitled to be paid an annual bonus as a result of individual achievement, effort, dedication, commitment and the overall Group performance at the complete discretion of the Board of Directors.
- Mr White may resign from his position and thus terminate his contract by providing three months written notice.
- The Company may terminate the contract immediately following written notice given by Mr White by providing payment of a minimum three months salary in lieu of the notice period (based on the fixed component of Mr White's remuneration).
- The Company may terminate the contract by giving 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 White's remuneration.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

6. Executive contractual arrangements (continued)

Other KMP

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

Remuneration of key management personnel

Table 1: Remuneration for the year ended 31 December 2010

	Salary & Fees	Cash Bonus	Short Term Allowances	Non Monetary Benefits	Post Employment Superannuation	Long Term Benefits Long Service Leave	Total	Performance Related
	\$	\$	\$	\$	\$	\$	\$	%
Non-executive directors								
D C Somerville – Chairman (Resigned 22 February 2011)	-	-	-	-	32,700	-	32,700	-
D S Jackson - Non-executive (Retired 31 December 2010)	-	-	-	-	21,800	-	21,800	-
D M Watt - Non-executive +	10,000	-	-	-	-	-	10,000	-
L G Brindle – Non-executive	-	-	-	-	21,800	-	21,800	-
Sub-total non-executive directors	10,000	-	-	-	76,300	-	86,300	
Executive directors								
B P Cullen – Managing Director (Retired as Managing Director 31 December 2010)	287,500	50,000	-	20,000	30,375	5,529	393,404	12.71%
Other key management personnel								
L A Lanigan – Company Secretary & Chief Financial Officer	149,539**	7,500	-	20,000	13,458^	2,769	193,266	3.88%
T R Reader – General Manager Commercial Operations	144,000	7,500	-	20,000	12,960	15,065	199,525	3.75%
A D Gee – General Manager Football Operations (commenced 3 May 2010)	93,333	5,000	14,400	-	8,400	1,795	122,928	4.07%
Sub-total executive KMP	674,372	70,000	14,400	60,000	65,193	25,158	909,123	
Totals	684,372	70,000	14,400	60,000	141,493	25,158	995,423	

+ Fees for Dennis Watt are paid directly to his employer.

** Includes unused annual leave payout of \$5,539

^ Includes superannuation on unused annual leave payout of \$498.

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 2009

	Short Term		Non Monetary Benefits	Post Employment	Long Term Benefits	Total	Performance Related
	Salary & Fees	Cash Bonus		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.

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 18 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.

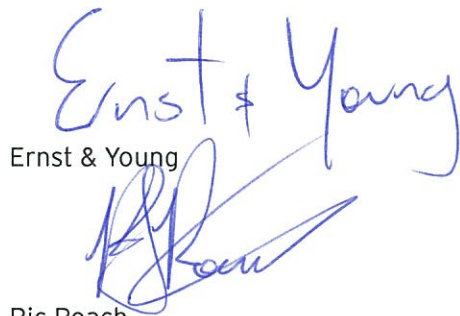
Signed in accordance with a resolution of the directors.



Lawrence Brindle
Chairman
Brisbane
25 February 2011

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 2010, 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.

The block contains a handwritten signature in blue ink that reads 'Ernst & Young'. Below the signature, the text 'Ernst & Young' is printed in a small, black, sans-serif font. Below the printed text is another handwritten signature in blue ink, which appears to be 'Ric Roach'.

Ric Roach
Partner
25 February 2011

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 2010. 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 31 December 2010 and for the full reporting 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.

On 31 December 2010 Mr Donald Jackson retired from his position as non-executive director and Mr Brian Cullen retired from the position as Managing Director. Mr Cullen remains on the Board as a non-executive director. Although Mr Cullen is no longer involved the executive decision making process, he is not considered independent as he has been employed in an executive capacity by the Company and the Board do not consider that a sufficient period of time has passed to consider him to be independent. Mr Lawrence Brindle ceased employment with Queensland Newspapers Pty Ltd (a wholly owned subsidiary of News Limited owing 68.87% shareholder in the Company) on 31 December 2009. The Board also do not consider that a sufficient period of time has passed to consider him to be independent. Mr Paul White was appointed Chief Executive Officer on 1 January 2011. Mr Darryl Somerville resigned as Chairman and non-executive director on 22 February 2011. Mr Tony Joseph was appointed as non-executive director on 22 February 2011. Therefore, from 22 February 2011, the Board consisted of four non-executive directors, one of which is independent.

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

Due to the size of the Company, it has been considered most practical and economical to limit the size of the Board. 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.

Corporate Governance Statement (continued)

BOARD FUNCTIONS (continued)

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.

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/Chief Executive Officer and the executive team. It is the Board's responsibility to appoint or remove the Managing Director/Chief Executive Officer 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/Chief Executive Officer and executive management team. The Board ensures appropriate resources are available to senior executives to enable them to achieve performance objectives.

Due to the current 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.

Corporate Governance Statement (continued)

STRUCTURE OF THE BOARD (continued)

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

D C Somerville	6 years (Resigned 22 February 2011)
B P Cullen	8 years (Retired as Managing Director on 31 December 2011)
D S Jackson	9 years (Retired 31 December 2010)
D M Watt	8 years
L G Brindle	3 years
A J Joseph	0 years (Appointed 22 February 2011)

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

For additional details regarding Board appointments, please refer to our website.

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. Directors whose performance is consistently unsatisfactory may be asked to retire.

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

DISCLOSURES ABOUT DIRECTORS

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

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 68.87% 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. Due to the resignation of Mr Darryl Somerville on 22 February 2011, Mr Brindle was also appointed Chairman of the Company until a permanent replacement is made.

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.

Corporate Governance Statement (continued)

AUDIT AND RISK MANAGEMENT COMMITTEE (continued)

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.

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 documenting 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.

Corporate Governance Statement (continued)

RISK (continued)

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.

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, a key management personnel must in writing notify the Company Secretary or Chairman of their intention to trade in securities, confirm that they do not hold inside information and confirm there is no reason to preclude the trading in the Company's securities.

Key management personnel are prohibited from trading in the Company's securities during the following specific 'closed periods':

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

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

The Company's Trading Policy is available on the Brisbane Broncos website www.broncos.com.au.

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.

Corporate Governance Statement (continued)

CEO AND CFO CERTIFICATION (continued)

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 POLICY

Pursuant to Principle 6, Brisbane Broncos Limited's objective is to promote effective communication with its shareholders at all times. The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Brisbane Broncos Limited is committed to:

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

To promote effective communication with shareholders, and encourage effective participation at general meetings, information is communicated to shareholders through:

- The release of information to the market via the Australian Stock Exchange.
- The distribution of the annual report, interim report and notices of annual general meeting.
- 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 2010

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	10	13,824,357	12,124,279	13,096,649	11,521,489
Trade and other receivables	11	2,303,163	1,845,959	83,131	384,432
Inventories	12	-	-	-	-
Income taxes receivable	7	-	73,613	-	73,613
Other current assets		698,193	484,483	174,817	143,396
Total Current Assets		16,825,713	14,528,334	13,354,597	12,122,930
Non-current Assets					
Other financial assets	15	-	-	5	5
Property, plant and equipment	14	2,225,672	2,148,740	-	-
Deferred income tax asset	7(c)	67,155	-	47,765	-
Intangible assets	16	12,482,580	12,482,580	-	-
Total Non-current Assets		14,775,407	14,631,320	47,770	5
TOTAL ASSETS		31,601,120	29,159,654	13,402,367	12,122,935
LIABILITIES					
Current Liabilities					
Trade and other payables	17	1,139,016	614,044	261,267	78,011
Provisions	18	578,886	498,012	200,489	141,760
Income taxes payable	7	154,328	-	154,328	-
Unearned revenue		5,015,150	3,781,568	-	-
Total current liabilities		6,887,380	4,893,624	616,084	219,771
Non-current Liabilities					
Trade and other payables	19	-	-	4,066,803	3,592,097
Provisions	20	106,365	112,472	1,712	42,148
Deferred income tax liability	7(c)	-	36,587	-	49,723
Total non-current liabilities		106,365	149,059	4,068,515	3,683,968
TOTAL LIABILITIES		6,993,745	5,042,683	4,684,599	3,903,739
NET ASSETS		24,607,375	24,116,971	8,717,768	8,219,196
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	(4,384,125)	(4,874,529)	(20,273,732)	(20,772,304)
TOTAL EQUITY		24,607,375	24,116,971	8,717,768	8,219,196

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 2010**

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Continuing operations					
Sales revenue		25,831,880	24,513,339	-	-
Dividend revenue		-	-	1,520,369	1,361,196
Interest revenue		717,994	580,806	715,625	580,278
Other revenue		24,207	68,107	2,073	41,870
Revenue	6(a)	26,574,081	25,162,252	2,238,067	1,983,344
Expenses	6(b)	(25,111,043)	(23,865,417)	(1,475,186)	(1,315,777)
Profit/(loss) from continuing operations before income tax		1,463,038	1,296,835	762,881	667,567
Income tax benefit/(expense)	7(a)	(482,431)	(428,949)	225,894	206,816
Net profit/(loss) and comprehensive income for the period attributable to members of the Parent		980,607	867,886	988,775	874,383
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:					
Basic earnings per share	9	1.00 cent	.89 cents		
Diluted earnings per share	9	1.00 cent	.89 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 2010

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		28,979,244	27,551,452	-	-
Payments to suppliers & employees		(27,128,734)	(26,334,409)	(1,308,530)	(1,430,187)
Other revenue received		24,207	68,107	2,073	41,870
Interest received		1,022,764	759,628	1,020,396	759,178
Income tax paid		(358,232)	(612,034)	(358,232)	(612,034)
Interest and other costs of finance paid		-	-	-	-
Net cash flows from/(used in) operating activities	23	2,539,249	1,432,744	(644,293)	(1,241,173)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		-	-	1,520,369	1,361,196
Purchase of property, plant and equipment		(348,971)	(67,728)	-	-
Net cash flows from/(used in) investing activities		(348,968)	(67,728)	1,520,369	1,361,196
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(490,203)	-	(490,203)	-
Proceeds from controlled entities		-	-	1,189,287	1,056,224
Net cash flows from/(used in) financing activities		(490,203)	-	699,084	1,056,224
Net increase in cash and cash equivalents		1,700,078	1,365,016	1,575,160	1,176,247
Cash and cash equivalents at beginning of the period		12,124,279	10,759,263	11,521,489	10,345,242
Cash and cash equivalents at end of period	10	13,824,357	12,124,279	13,096,649	11,521,489

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 2010**

	Note	Attributable to equity holders of the parent		
CONSOLIDATED		Issued Capital	(Accumulated Losses)	Total Equity
At 1 January 2009		28,991,500	(5,742,415)	23,249,085
Total comprehensive income for the year		-	867,886	867,886
At 31 December 2009		28,991,500	(4,874,529)	24,116,971
Dividends paid	8(a)	-	(490,203)	(490,203)
Total comprehensive income for the year		-	980,607	980,607
At 31 December 2010	21/22	28,991,500	(4,384,125)	24,607,375
		Attributable to equity holders of the parent		
PARENT		Issued Capital	(Accumulated Losses)	Total Equity
At 1 January 2009		28,991,500	(21,646,687)	7,344,813
Total comprehensive income for the year		-	874,383	874,383
At 31 December 2009		28,991,500	(20,772,304)	8,219,196
Dividends paid	8(a)	-	(490,203)	(490,203)
Total comprehensive income for the year		-	988,775	988,775
At 31 December 2010	21/22	28,991,500	(20,273,732)	8,717,768

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 2010

1. CORPORATE INFORMATION

The financial report of Brisbane Broncos Limited for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of directors on 25 February 2011.

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

Table of Contents

Basis of preparation

- (a) Compliance with IFRS
- (b) New accounting standards and interpretations
- (c) Basis of consolidation
- (d) Operating Segments – refer note 5
- (e) Cash and cash equivalents – refer note 10
- (f) Trade and other receivables – refer note 11
- (g) Inventories – refer note 12
- (h) Investments and other financial assets
- (i) Property, plant and equipment – refer note 14
- (j) Leases – refer note 26
- (k) Impairment of non-financial assets other than goodwill and indefinite life intangibles – refer note 16
- (l) Goodwill and intangibles – refer note 16
- (m) Trade and other payables – refer note 17
- (n) Interest-bearing loans and borrowings
- (o) Provisions and employee leave benefits – refer note 18 and 20
- (p) Contributed equity – refer note 21
- (q) Revenue recognition – refer note 6
- (r) Income tax and other taxes – refer note 7
- (s) Earnings per share – refer note 9

Basis of preparation

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

(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.

**Notes to the financial statements (continued)
for the year ended 31 December 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2010:

- AASB 3 Business Combinations (revised) effective 1 July 2009
- AASB 127 Consolidated and Separate Financial Statements (revised) effective 1 July 2009
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 effective 1 July 2009
- AASB 2009-4 Amendments to Australian Accounting Standards arising from AASB 5, 7, 107, 112, 136, 139 and Interpretation 17 effective 1 July 2009
- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project arising from AASB 5, 8, 101, 107, 117, 118, 136 & 139 effective 1 January 2010
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project arising from AASB 1 & AASB 5 effective 1 July 2009

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 December 2010.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1 January 2011	The amendments are not expected to have any financial impact on the Group's financial report.	1 January 2011

Notes to the financial statements (continued)

for the year ended 31 December 2010

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 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities Public sector entities other than the Australian Government and State, Territory and Local Governments	1 July 2013	The amendments are not expected to change the recognition, measurement and presentation requirements as it appears the Group would be considered Tier 1. Therefore the amendments are not expected to have any impact on the Group's financial report.	1 January 2014
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 <i>Operating Segments</i> to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.	1 January 2011	The amendments are not expected to have any financial impact on the Group's financial report.	1 January 2011

**Notes to the financial statements (continued)
for the year ended 31 December 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

Other Standards and amendments which are not expected to have any impact on the accounting policies, financial position or performance of the Group:

- AASB 9 Financial Instruments
- AASB 2009-10 Classification of Rights Issues
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement
- AASB Interpretation 19 and AASB 2009-13 Extinguishing Financial Liabilities with Equity Instruments
- AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters
- AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2010-5 Amendments to Australian Accounting Standards AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets
- AASB 2010-7 Financial Instruments (Financial Liabilities)
- AASB 2010-8 Deferred Tax: Recovery of Underlying Assets
- AASB 2010-9 Additional changes for First-time Adopters
- AASB 2010-10 Further additional changes for First-time Adopters

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

Notes to the financial statements (continued) for the year ended 31 December 2010

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 Statement of Financial Position.

(f) Trade and other receivables – refer note 11

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

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

(g) Inventories – refer note 12

Inventories 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 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets

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 rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date which are classified as non-current.

(iii) Available-for-sale securities

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

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

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

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
Motor vehicles – over 4 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 at inception date and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(i) Group as lessee

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

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 2010**

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 2010

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 reporting date.

Borrowing Costs

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

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

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

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

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

Employee leave benefits

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

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

(ii) Long service leave

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

(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 2010

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 statement of financial position and brought to account over the relevant sporting seasons.

NRL grant revenue

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

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 2010**

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 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Earnings per share – refer note 9

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risk exposures and responses

Interest rate risk

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

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash at bank and in hand	3,234,357	3,491,117	2,596,649	2,888,327
Short-term deposit	10,500,000	8,633,162	10,500,000	8,633,162
	13,824,357	12,124,279	13,096,649	11,521,489

The Group invests its cash in short-term deposits earning interest at an average rate of 5.5% (2009: 5.0%) per annum. It is reasonably possible that movements in interest rates (+ 1%, - 1%) would impact interest revenue by approximately \$138,000 and not have any material effect on net profit or equity of the consolidated Group or parent entity for the year ended 31 December 2010.

Credit Risk

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

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

Liquidity Risk

The Group's objective is to maintain sufficient funds to finance its current operations and to ensure its long term survival. The Group currently maintains sufficient cash reserves to meet this objective. The Group has \$262,476 (2009: \$241,567) financial liabilities with six months or less contractual maturity. The contractual maturities of the parent's financial liabilities are \$17,309 (2009: \$10,320) with six months or less and \$6,301,737 (2009: \$3,592,097) with 1 – 5 years.

**Notes to the financial statements (continued)
for the year ended 31 December 2010**

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

(i) Significant accounting judgements

Impairment of non-financial assets

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

Taxation

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

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

(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(n), 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 2010

5. SEGMENT INFORMATION

The principal activity of the Group during the 2010 financial year was the management and operation of the Brisbane Broncos Rugby League Football Team. There were no significant changes in the nature of those activities during the year. The Group operates in Australia only.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
6. REVENUE AND EXPENSES				
(a) Revenue				
Sales revenue	22,275,213	21,063,339	-	-
Dividend revenue	-	-	1,520,369	1,361,196
Grant received from National Rugby League	3,556,667	3,450,000	-	-
Interest revenue	717,994	580,806	715,625	580,278
Other revenue	24,207	68,107	2,073	41,870
	<u>26,574,081</u>	<u>25,162,252</u>	<u>2,238,067</u>	<u>1,983,344</u>
(b) Expenses				
Administration expense	2,815,053	2,742,285	1,475,186	1,315,777
Stadium operations expense	2,240,942	2,183,091	-	-
Corporate sales and ticketing expense	5,360,796	5,131,195	-	-
Marketing, community, sponsorship and advertising expense	3,603,915	2,971,772	-	-
Football related expense	11,090,337	10,837,074	-	-
Borrowing costs	-	-	-	-
	<u>25,111,043</u>	<u>23,865,417</u>	<u>1,475,186</u>	<u>1,315,777</u>

Included in the above expenses are the following:

Lease payments – operating leases	2,060,254	1,983,570	-	-
Depreciation of property, plant and equipment	272,039	233,937	-	-
Provision for employee benefits	389,522	329,813	68,147	66,575
Provision for doubtful debts	-	-	-	-
Provision for inventory obsolescence	-	-	-	-
Salary and wage expense	9,644,819	9,324,284	795,195	738,345

Notes to the financial statements (continued)
for the year ended 31 December 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
7. INCOME TAX				
(a) Income tax expense				
The major components of income tax expense/(benefit) are:				
Statement of comprehensive income				
<i>Current income tax</i>				
Current income tax charge/(benefit)	586,173	473,487	(128,406)	(154,686)
<i>Deferred income tax</i>				
Relating to origination and reversal of temporary differences	(103,742)	(44,538)	(97,488)	(52,130)
Income tax expense/(benefit) reported in the statement of comprehensive income	<u>482,431</u>	<u>428,949</u>	<u>(225,894)</u>	<u>(206,816)</u>
(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:				
Accounting profit/(loss) before tax from continuing operations	<u>1,463,038</u>	<u>1,296,835</u>	<u>762,881</u>	<u>667,567</u>
At the Group's statutory income tax rate of 30% (2009: 30%)	438,911	389,051	228,864	200,270
<i>Expenditure not allowed for income tax purposes</i>				
Entertainment	43,520	39,898	1,353	1,273
Inter-company dividend	-	-	(456,111)	(408,359)
Aggregate income tax expense/(benefit)	<u>482,431</u>	<u>428,949</u>	<u>(225,894)</u>	<u>(206,816)</u>

Notes to the financial statements (continued)

for the year ended 31 December 2010

	Statement of Financial Position		Statement of Comprehensive Income	
	2010	2009	2010	2009
	\$	\$	\$	\$
7. INCOME TAX (continued)				
(c) Recognised deferred tax assets and liabilities				
Deferred income tax at 31 December relates to the following:				
CONSOLIDATED				
(i) <i>Deferred tax assets/(liabilities)</i>				
Unearned revenue	(79,262)	(173,694)	94,432	44,248
Doubtful debts	28,500	30,000	(1,500)	-
Employee benefits	97,109	88,786	8,323	7,844
Prepayments	(2,855)	(1,959)	(896)	(284)
Accruals	21,407	16,062	5,345	(3,019)
Expenses capitalised for income tax purposes	2,256	4,218	(1,962)	(4,251)
<i>Deferred tax assets/(liabilities)</i>	<u>67,155</u>	<u>(36,587)</u>		
<i>Deferred tax income/(expense)</i>			<u>103,742</u>	<u>44,538</u>
PARENT				
(ii) <i>Deferred tax assets/(liabilities)</i>				
Unearned revenue	(19,262)	(110,695)	91,433	51,899
Employee benefits	54,601	50,698	3,903	2,767
Prepayments	(293)	(255)	(38)	(52)
Accruals	11,294	10,097	1,197	(2,482)
Expenses capitalised for income tax purposes	1,425	432	993	(2)
<i>Deferred tax assets/(liabilities)</i>	<u>47,765</u>	<u>(49,723)</u>		
<i>Deferred tax income/(expense)</i>			<u>97,488</u>	<u>52,130</u>

(d) Tax losses

The Group has no carry forward tax losses arising in Australia as at the reporting date (2009: \$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 2010

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	
	2010	2009	2010	2009
	\$	\$	\$	\$

8. DIVIDENDS PAID AND PROPOSED

(a) Recognised Amounts

Paid during the year:

Final franked dividend for 2009: 0.5 cent	490,203	490,203
---	---------	---------

(b) Unrecognised Amounts

Dividends on ordinary shares:

Final franked dividend for 2010: 0.5 cent (2009: Nil)	490,203	-	490,203	-
---	---------	---	---------	---

(c) Franking Account Balance

The amount of franking credits available for the subsequent financial year are:

- franking account balance as at the end of the financial year at 30% (2009: 30%)	1,592,169	1,444,024
- franking debits that will arise from the refund of income tax receivable as at the end of the financial year	-	(73,613)
- franking debits that will arise from the payment of dividends as at the end of the financial year	154,328	-
	1,746,497	1,370,411

(d) Tax Rates

The tax rate at which paid dividends have been franked is 30% (2009: 30%). Dividends proposed will be franked at the rate of 30% (2009: 30%).

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	
	2010	2009
Net profit from continuing operations attributable to equity holders of the parent	\$980,607	\$867,886
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 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	3,324,357	3,491,117	2,596,649	2,888,327
Short-term deposit	10,500,000	8,633,162	10,500,000	8,633,162
	<u>13,824,357</u>	<u>12,124,279</u>	<u>13,096,649</u>	<u>11,521,489</u>

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		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
11. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES				
Trade receivables	1,710,070	1,030,534	-	-
Allowance for impairment loss (a)	-	-	-	-
	<u>1,710,070</u>	<u>1,030,534</u>	<u>-</u>	<u>-</u>
Other receivables	593,093	815,425	83,131	384,432
Carrying amount of trade and other receivables	<u>2,303,163</u>	<u>1,845,959</u>	<u>83,131</u>	<u>384,432</u>

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. The majority of trade receivables at 31 December 2010 are aged within the 30-90 day terms with only \$127,776 of trade receivables past due but not considered 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		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
12. CURRENT ASSETS - INVENTORIES				
Merchandise – at cost	33,035	70,500	-	-
Provision for net realisable value write down	(33,035)	(70,500)	-	-
Total inventories at the lower of cost and net realisable value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)
for the year ended 31 December 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
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		
	<i>Plant and Equipment</i>	<i>Leasehold Improvements</i>	<i>Total</i>
	\$	\$	\$
Year ended 31 December 2010			
At 1 January 2010 net of accumulated depreciation and impairment	552,693	1,596,047	2,148,740
Additions	345,516	3,455	348,971
Depreciation charge for year	(165,553)	(106,486)	(272,039)
At 31 December 2010 net of accumulated depreciation and impairment	732,656	1,493,016	2,225,672
At 1 January 2010			
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
At 31 December 2010			
Cost	1,506,877	1,909,960	3,416,837
Accumulated depreciation and impairment	(774,221)	(416,944)	(1,191,165)
Net carrying amount	732,656	1,493,016	2,225,672
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 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

Notes to the financial statements (continued) for the year ended 31 December 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
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		Parent	
	Sporting Franchise	Total	Total	
	\$	\$	\$	
16. NON-CURRENT ASSETS - INTANGIBLE ASSETS				
(a) Reconciliation of carrying amounts at the beginning and end of the period				
At 31 December 2010				
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 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	-	

(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 these operations i.e. gate takings, season tickets, corporate sponsorship, signage, corporate sales and National Rugby League grant monies. It is therefore considered that the cash generating unit to which the Sporting Franchise belongs is the Group and its operations, and as such the future maintainable earnings of the Group, excluding interest income, has been used to support the recoverable amount of the Group's net assets and therefore the Sporting Franchise.

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

Notes to the financial statements (continued) for the year ended 31 December 2010

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% (2009: 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 2010 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	
	2010	2009	2010	2009
	\$	\$	\$	\$
17. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES				
Trade payables	262,476	241,567	17,309	10,320
Other payables	876,540	372,477	243,958	67,691
	<u>1,139,016</u>	<u>614,044</u>	<u>261,267</u>	<u>78,011</u>

(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 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
18. CURRENT LIABILITIES - PROVISIONS				
Fringe benefits tax	137,630	94,044	20,197	14,914
Annual leave	231,745	259,820	77,485	79,129
Long service leave	209,511	144,148	102,807	47,717
	<u>578,886</u>	<u>498,012</u>	<u>200,489</u>	<u>141,760</u>

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$

19. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Related party payables - amounts payable to controlled entities

	-	-	4,066,803	3,592,097
--	---	---	-----------	-----------

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

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$

20. NON-CURRENT LIABILITIES – PROVISIONS

Long service leave	106,365	112,472	1,712	42,148
	<u>106,365</u>	<u>112,472</u>	<u>1,712</u>	<u>42,148</u>

(a) Long Service Leave

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

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$

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	<u>98,040,631</u>	<u>98,040,631</u>	<u>98,040,631</u>	<u>98,040,631</u>

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

Notes to the financial statements (continued)
for the year ended 31 December 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
22. ACCUMULATED LOSSES				
Balance 1 January	(4,874,529)	(5,742,415)	(20,772,304)	(21,646,687)
Net profit	980,607	867,886	988,775	874,383
Dividends	(490,203)	-	(490,203)	-
Balance 31 December	(4,384,125)	(4,874,529)	(20,273,732)	(20,772,304)

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
23. CASH FLOW STATEMENT RECONCILIATION				
Reconciliation of net profit after tax to net cash flows from operations				
Net profit/(loss)	980,607	867,886	988,775	874,383
Adjustments for:				
Depreciation and amortisation	272,039	233,937	-	-
Amounts recovered from subsidiaries under tax funding agreement	-	-	(714,580)	(628,175)
Dividends classified as investment cash flow	-	-	(1,520,369)	(1,361,196)
Employee benefits provisions	31,183	68,741	13,009	9,227
Changes in assets and liabilities				
(Increase)/decrease in inventories	37,465	60,555	-	-
(Increase)/decrease in trade and other receivables	(723,163)	1,090,934	273,087	145,457
(Increase)/decrease in deferred tax asset	(103,742)	(44,538)	(97,488)	(52,130)
(Decrease)/increase in current tax liability	227,941	(138,544)	227,941	(138,544)
(Decrease)/increase in creditors and accruals	577,216	(318,412)	180,049	(88,493)
(Decrease)/increase in unearned revenue	1,233,582	(344,250)	-	-
(Decrease)/increase in provisions	6,121	(43,565)	5,283	(1,702)
Net cash from/(used in) operating activities	2,539,249	1,432,744	(644,293)	(1,241,173)

Notes to the financial statements (continued)
for the year ended 31 December 2010

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	
			2010	2009
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				
<i>Major shareholder</i>				
News Limited	2010	48,993	-	171,338
	2009	46,512	-	110,453
<i>Other</i>				
National Rugby League Limited	2010	884,560	3,556,667	118,508
	2009	722,900	3,450,000	191,055

Notes to the financial statements (continued) for the year ended 31 December 2010

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 2010. 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 \$171,338 (2009: \$110,453).

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

L G Brindle	Chairman (Non-Executive)
D C Somerville	Chairman (Non-Executive) (Resigned 22 February 2011)
B P Cullen	Managing Director (Executive) (Retired as Managing Director on 31 December 2010)
D S Jackson	Director (Non-Executive) (Retired 31 December 2010)
D M Watt	Director (Non-Executive)
A J Joseph	Director (Non-Executive) (Appointed 22 February 2011)

(ii) Executives

L A Lanigan	Company Secretary and Chief Financial Officer
T M Reader	General Manager Marketing and Commercial Operations
A D Gee	General Manager Football Operations (Commenced 3 May 2010)

(b) Compensation of Key Management Personnel

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Short-term employee benefits	828,772	625,770	544,539	530,270
Post-employment	141,493	102,899	120,133	96,284
Other long-term benefits	25,158	9,600	8,298	8,144
	<u>995,423</u>	<u>738,269</u>	<u>672,970</u>	<u>634,698</u>

Notes to the financial statements (continued) for the year ended 31 December 2010

25. KEY MANAGEMENT PERSONNEL (continued)

(c) Shareholdings of Key Management Personnel (Consolidated)

Shares held in Brisbane Broncos Limited (number):

	Balance 1 Jan 2010	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 31 Dec 2010
Directors					
D C Somerville (Resigned 22 February 2011)	-	-	-	-	-
B P Cullen (Retired as Managing Director 2010)	-	-	-	-	-
D S Jackson (Retired 31 December 2010)	28,500	-	-	-	28,500
D M Watt	-	-	-	-	-
L G Brindle	-	-	-	-	-
Executives					
L A Lanigan	-	-	-	-	-
T R Reader	-	-	-	-	-
A D Gee	-	-	-	-	-
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 is an employee 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 property and motor vehicles. Motor vehicle leases have a life of two years. Property leases have an average life of 10 years with a renewable 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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	66,423	118,161	-	-
After one year but not more than five years	90,000	156,400	-	-
After more than five years	-	-	-	-
Total minimum lease payments	156,423	274,561	-	-

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 2010

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	5,133,510	4,566,360	-	-
After one year but not more than five years	5,316,940	4,441,600	-	-
	10,450,450	9,007,960	-	-

(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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	171,364	289,545	-	-
After one year but not more than five years	144,091	260,909	-	-
	315,455	550,454	-	-

(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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	352,450	333,375	-	333,375
After one year but not more than five years	661,300	-	-	-
	1,013,750	333,375	-	333,375

Mr Bruno Cullen retired as Managing Director on 31 December 2010. Mr Paul White was appointed as Chief Executive Officer on 1 January 2011. Amounts disclosed as 2010 remuneration commitments include commitments arising from Mr White's employment agreement that expires on 31 December 2013. The amounts include cash salary, superannuation and the provision of a motor vehicle. The Chief Executive Officer 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 2010

27. AUDITORS' REMUNERATION

The auditor of Brisbane Broncos Limited is Ernst & Young.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
<i>Amounts received, or due and receivable, by Ernst & Young (Australia) for:</i>				
• an audit or review of the financial report of the entity and any other entity in the consolidated group	80,000	77,000	72,000	69,500
• other services in relation to the entity and any other entity in the consolidated group				
– taxation services	535	9,850	535	9,850
	<u>80,535</u>	<u>86,850</u>	<u>72,535</u>	<u>79,350</u>
<i>Amounts received, or due and receivable, by non Ernst & Young audit firms for:</i>				
• Taxation services	<u>5,400</u>	<u>8,210</u>	<u>5,400</u>	<u>8,210</u>

28. EVENTS AFTER BALANCE DATE

On 10 February 2011, the Board of Directors declared a final dividend on ordinary shares in respect of the 2010 financial year. The total amount of the dividend is \$490,203 which represents a 0.5 cent dividend franked to 100% per share.

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 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
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 2010.

On behalf of the Board



Lawrence Brindle
Chairman
Brisbane
25 February 2011

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 2010, 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 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, 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 and International Standards on Auditing. 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.

Auditor's Opinion

In our opinion:

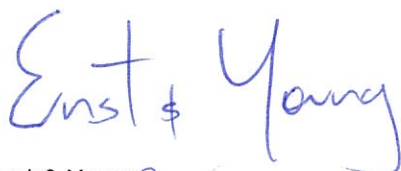
1. the financial report of Brisbane Broncos Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Brisbane Broncos Limited and the consolidated entity at 31 December 2010 and of their performance for the year ended on that 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 12 to 17 of the directors' report for the year ended 31 December 2010. 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 2010, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, likely belonging to Ric Roach.

Ric Roach
Partner
Brisbane
25 February 2011

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 7 February 2011.

(a) Distribution of equity securities

98,040,631 fully paid ordinary shares are held by 530 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	54	-
1001 – 5000	265	-
5001 – 10000	101	-
10001 – 100000	98	-
100001 – OVER	12	-
	530	-
Holding less than a marketable parcel	67	-

(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	3,091,756	3.15%
	90,211,530	92.01%

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	3,091,756	3.15%
Scanlon Group Holdings Pty Ltd	1,424,883	1.45%
AEG Ogden Pty Ltd	631,666	.64%
W F M Motors Pty Ltd	300,000	.31%
Moonton Pty Ltd	281,750	.29%
Meingrove Pty Ltd	278,149	.28%
Mr Adrian Charles Vos	132,536	.14%
Ms Joan Ann Mary Enever	110,000	.11%
Mr Raymond John Balkin and Mrs Ethel Moya Balkin	104,627	.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%
Lonestar Pty Ltd	68,900	.07%
Mr Gregory Apel	60,570	.06%
	94,144,944	96.01%