



MAJOR PARTNER

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28 February 2022

To: ASX Company Announcements Platform

BRISBANE BRONCOS LIMITED AND ITS CONTROLLED ENTITIES 2021 FINANCIAL RESULTS

Please find attached the following documents in relation to the 2021 financial results for Brisbane Broncos Limited and its controlled entities ("the Group"):

- Earnings Release
- Appendix 4E – Preliminary Final Report
- 2021 Financial Report
- Independent Audit Report and Auditor's Independence Declaration

Yours faithfully

Brisbane Broncos Limited
Louise Lanigan
Company Secretary



Premier Partners



MAJOR PARTNER

BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

EARNINGS RELEASE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Brisbane, 28 February 2022

FINANCIAL PERFORMANCE

Result for the year

The Group recorded a net profit after tax for the 31 December 2021 financial year of \$2,897,260 compared to a net loss after tax of \$376,227 in 2020. Profit / (loss) before tax for the 2021 and 2020 financial years were \$4,257,300 and (\$469,200) respectively. Earnings Before Interest, Tax and Depreciation (EBITDA) increased from \$693,160 in 2020 to \$5,473,440 in 2021.

The 2020 financial year result reflected the unprecedented negative impact that Covid-19 restrictions had on the Group. The whole of the NRL competition was adversely affected, with only the first round of the 2020 NRL Telstra Premiership played to regular crowd attendances. The 2020 season was suspended on 24 March 2020 and recommenced on 28 May 2020. The Venue restrictions in the prior period impacted the Group's 2020 commercial operations through home game related shortfalls and the inability to deliver all contracted game day benefits. This resulted in a reduction in commercial revenue of sponsorship, ticketing and membership and merchandise sales.

The financial result to 31 December 2021 reflects a strong underlying commercial business and cash position for the Group. Brisbane Broncos home games in season 2021 were less impacted by Covid-19 than the 2020 season. As a result, the Group's consumer and commercial revenue increased in line with the ability to deliver 2021 season benefits to members, fans, corporate partners and sponsors. Incremental NRL funding above the base NRL Club grant was received throughout 2021. Game day and stadium operating costs increased with the return of crowds for the 2021 season. Community program costs increased due to the expansion of the Beyond the Broncos Girls Academy and Careers Club programs, and football termination and restructure costs were processed during the financial year impacting total expenditure.

Revenue

The Group recorded gross revenue for the 2021 financial year of \$50,967,240 which is a 46.0% increase on 2020. Operating revenue increased 46.3% whilst non-operating other revenue decreased 29.3%.

Sponsorship revenue increased 23.7% compared to 2020, reflecting the Group's ability to deliver contractual game day benefits in the 2021 season. The support from our corporate partner family over the 2021 season was exceptional.

As previously reported, 2020 ticketed memberships sold were reallocated to the 2021 season and accordingly minimal season membership revenue was recognised in 2020. As a result, total membership, ticketing, corporate sales, and game day revenue increased to \$12,873,931 (2020: \$2,379,453) in 2021. In the 2021 season, ticketed members received their benefits with the NRL Telstra Premiership returning to regular Broncos home game scheduling. The 2021 home game attendance increased 148.7%, with crowds averaging 21,444 (2020: 8,624). Total 2021 membership numbers increased to 28,533 (2020: 28,087) with ticketed membership numbers increasing to 22,253 (2020: 21,077) and non-ticketed membership numbers decreasing to 6,280 (2020: 7,010).

Merchandise sales revenue increased 27.8% on the comparative period, with game day merchandise sales transacted at 2021 home games. NRL merchandise royalty revenue increased to \$552,899 from \$102,738 in 2020, with the NRL remitting royalty revenue from applicable licensees on 2021 season sales.

The 2021 NRL Club grant decreased 1.6% compared to 2020. Additional NRL Club grant funding above the base grant was received throughout 2021. This included \$0.15m health insurance support, \$0.25m Covid-19 support and \$0.5m in 2021 NRL financial outperformance funding. In addition, there was an increase in government funding (cost recovery revenue) for community programs recognised in 2021, due to the expanded Beyond the Broncos Girls Academy and Careers Club community programs.

Expenditure

Total Group expenditure for 2021 was \$46,709,940, an increase of 32.0% compared to 2020. The increase in total expenditure is reflective of the return of crowds in the 2021 season and the resultant increase in costs associated with commercial, consumer and game day activities. The comparative period reflects the reduction in costs experienced in 2020 due to Covid-19 restrictions and cost reduction initiatives. Operating costs increased 33.4% and depreciation expense decreased 2.5%. Total expenditure reflects increased stadium operating expenses and corporate sales and ticketing expenses for the 2021 season. Marketing and advertising expenditure increased in line with increased sponsorship activation and the Group's ability to deliver contractual benefits in the 2021 season. Total football expenditure increased for player and coaching related restructure costs and development and community program costs increased for the expanded Beyond the Broncos Girls Academy and Careers Club community programs.



MAJOR PARTNER
BRISBANE BRONCOS LIMITED
(ABN 41 009 570 030)

APPENDIX 4E

**PRELIMINARY FINAL REPORT
FOR YEAR ENDED 31 DECEMBER 2021**

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities (\$000)	Up	46.0%	to	50,967
Profit / (loss) from ordinary activities before tax attributable to members (\$000)	Up	1,007.4%	to	4,257
Profit / (loss) from ordinary activities after tax attributable to members (\$000)	Up	870.1%	to	2,897
Basic earnings / (loss) per share (cents)	Up	870.1%	to	3.0
Diluted earnings / (loss) per share (cents)	Up	870.1%	to	3.0
Net tangible asset backing per ordinary share (cents)	Up	10.8%	to	25.1

DIVIDENDS	Amount per security	Franked amount per security
Final Dividend for 31 December 2021	1 cent	100%
Total amount per share relating to the year ended 31 December 2021	1 cent	100%
Previous corresponding period: Final Dividend for 31 December 2020	0.5 cents	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
28 February 2022

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Corporate Information

A.B.N. 41 009 570 030

Directors

K D Morris AO (Chair)
A J Joseph AM (resigned 3 October 2021)
D J Lockyer
N M Monaghan
V S Wilson OAM
A P Fraser (appointed 1 December 2021)
D J Asplin (appointed 1 December 2021)
K M Lawlor (Alternate Director)

Company Secretary

L A Lanigan

Registered Office and Principal Place of Business

Clive Berghofer Centre
81 Fulcher Road
Red Hill Queensland 4059

Securities Register

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001

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

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

Solicitors

Ashurst
123 Eagle Street
Brisbane, Queensland 4000

Bankers

Commonwealth Bank of Australia
201 Sussex Street
Sydney, New South Wales 2000

Auditors

Ernst & Young
111 Eagle Street
Brisbane, Queensland 4000

The Chair's Report

Dear Shareholder

The 2021 year was a challenging one for the Brisbane Broncos on and off the field. Covid-19 continued to impact the Brisbane Broncos and the National Rugby League as it did the entire country.

Thank you to Peter V'landy's and the team at the NRL for the work they undertook in 2021 to keep the season going in a very challenging Covid-19 environment.

We did not start 2021 the way we would have liked, however we did finish the season with more positive results, winning four of our final nine home games. It is encouraging to see the progress of the coaching team led by Kevin Walters. We welcome a number of new players and staff into the NRL football department for 2022 and our club is ready for a strong performance on the field in 2022. We are looking forward to supporting Coach, Kelvin Wright and the NRLW team for the two NRLW seasons that will be played in 2022.

Our Indigenous and Community programs continue to make positive change to participants' lives and their communities. This important work is delivered by our dedicated, passionate staff with the support of Federal and State Government funding.

Thank you to Paul White who finished as CEO on 28 February 2021, as CEO after 10 years. Thanks to Neil Monaghan who stepped in as interim CEO until the arrival of Dave Donaghy on 1 May 2021. We welcome Dave to the Broncos and are excited about the future under his leadership and the experience he brings to the role. Thank you to Tony Joseph for his contribution over 10 years. We welcome and look forward to the contributions of Andrew Fraser and David Asplin to the Board, who commenced 1 December 2021.

To my fellow directors, CEO Dave Donaghy, his executive team, staff, players, shareholders, members, fans, sponsors and community partners, I thank you for your ongoing support of this great club.

A handwritten signature in blue ink, appearing to read 'Karl Morris', with a stylized flourish at the end.

Karl Morris AO

The CEO's Report

The 2021 season was one of both change and consolidation at the Brisbane Broncos.

A challenging start to our season – as the Covid-19 pandemic continued to impact the NRL and wider community – was followed by a more positive finish, as the entire competition shifted to Queensland to allow it to continue without disruption.

As a club, our goal was to come out of our “Covid-19 bubble” in a better position than we went in. And despite a 4-5 win-loss record to finish the year, we felt that we achieved that. I'd like to thank our Head Coach, Kevin Walters, Head Of Football, Ben Ikin, and the entire Football Program for their contributions to the progress made in our preparation and performance.

Across the year, we placed a heavy focus on our recruitment and retention, with a number of players departing and more than 20 players retained, including our most exciting young talent. We also attracted a number of established players in Adam Reynolds, Kurt Capewell and Ryan James to add the experience needed to help steer the ship and bring out the best in our emerging young men.

Regarding our women's program, it was unfortunate that our NRLW campaign was held over to 2022 as a result of Covid-19. We look forward to supporting them when they return to the field under Coach Kelvin Wright and Captain Ali Briggishaw.

Off the field, I'd like to thank our shareholders, sponsors, corporate supporters, members and fans for their continued valued support of the club throughout 2021. The Federal and State Governments should also be acknowledged for their support which has allowed us to expand our education and mentoring programs to create a stronger connection with our community. Through the Beyond the Broncos Girls Academy and Careers Club, programs helping develop thousands of young indigenous students are now running in 51 schools across Southern Queensland and Northern New South Wales.

I'd also like to recognise management and all staff for their significant efforts in 2021 – as well as thank our Chair, Karl Morris, and the entire Board for their ongoing support as we drive to lift performance across the entire organisation. After the Covid-19 impacted 2020 season which saw a reduction in commercial and consumer activity, we finished the 2021 year in a strong financial position, with Earnings Before Interest Tax and Depreciation of \$5.47m, positive cashflows from operations and strong cash reserves.

I'm proud of how our club worked together as well as supporting the entire competition when it was relocated to Queensland, going the extra mile to ensure the greatest game of all maintained its spot as Australia's premier sporting competition.

Our efforts across the 2021 season have put us in a much-improved position as a team and as an organisation – the challenge is now ahead of us to build on that foundation and build an even closer connection with our community.



Dave Donaghy

Partner Overview

In 2021, the Brisbane Broncos partner family enjoyed an uninterrupted year of NRL content that saw all sponsorship entitlements and contractual obligations delivered. We once again worked diligently with all partners to ensure maximum value was derived in an often-challenging environment. The 2021 NRLW season was unfortunately postponed due to the pandemic and will occur in 2022, resulting in two seasons in 2022 for the Brisbane Broncos NRLW team.

This strong endorsement of our partners and their unrivaled support provided the Brisbane Broncos with a great foundation in a year of uncertainty. The Brisbane Broncos are very grateful to this long-standing partner group, and the relationships that have been forged over many, many, years. In particular, we would like to acknowledge the following partners who continued to provide unwavering support; major partner **Kia Australia**, and premier partners **XXXX**, **Ladbrokes**, **Firstmac**, **ASICS**, **Arrow Energy**, **National Storage**, **Deadly Choices**, **Coca-Cola**, and **NRMA Insurance**.

The 2021 season also saw the Broncos welcome ASICS Australia as our new Official Apparel Partner. The partnership saw ASICS supply apparel and footwear for the club's NRL and NRLW teams. The global sportswear brand places a focus on exceptional quality and high performance, with their values aligned with the Brisbane Broncos' consistent pursuit of improvement and success. We are thrilled to have this premium quality brand joining our stable of partners.

We continued to build new and innovative ways to leverage our sponsorships in 2021. Our television audience remained significant as we delivered the equal highest Free to Air viewers across all NRL teams and a cumulative audience of 15.2 million viewers, up 3% on 2020.

The Club continues to be well positioned commercially with all major categories fulfilled for the 2022 season. We believe our product will remain an attractive option for new and existing brands aspiring to reach large television audiences and deliver strong exposure numbers. In what was another challenging year we would like to take this opportunity to thank all our partners for their continued support and dedication to the Broncos throughout 2021, and we look forward to 2022.

2021 MAJOR PARTNER

Kia Australia

Kia Australia is part of the global Kia family, a mobility brand with a vision to create sustainable mobility solutions for consumers, communities, and societies around the world. Founded in 1944, Kia sells approximately 3 million vehicles a year worldwide, and is spearheading the popularisation of electrified and battery electric vehicles. The brand slogan – 'Movement that inspires' – encapsulates Kia's commitment to providing exciting, cutting-edge products and services. For Kia Australia, it is critical to partner with Australian organisations with this same commitment to excellence.

2021 PREMIER PARTNERS

XXXX GOLD

Queensland's favourite beer is proud to continue its partnership of more than 25 years with the Brisbane Broncos as a Premier Sponsor. The partnership enables the two celebrated icons to unite as Queensland's most favoured identities.

ASICS

Asics aspire to create quality lifestyles through intelligent sports technology they have developed over the years to offer environmentally friendly and sustainable goods and services. Their goal is based on this is to ensure a world in which each and every one can engage in exercise and sports throughout their lives and continue to live in good health, both mentally and physically.

Ladbrokes

Ladbrokes strives to be the most innovative bookmaker in Australia. Ladbrokes offer a wide range of sports betting opportunities. Ladbrokes.com.au is managed from Australia, with offices in Sydney, Melbourne & Brisbane, by a team of local sports betting experts and enthusiasts. The website and software have been specifically developed for Australia, one of the most sophisticated wagering markets in the world.

Firstmac

Firstmac is a privately-owned company that has been in business for 40 years. Having grown from a small family business to become Australia's leading non-bank lender. Over time they have provided 130,000 home loans and currently manage \$15 billion in mortgages and \$300 million in cash investments. Headquartered in Brisbane, Firstmac have also diversified their offering with the introduction of the Loans.com.au brand which offers self-serve, online home and car loans to a wider market.

Arrow Energy

Arrow Energy is an integrated energy company that explores and develops gas fields, produces and sells coal-seam gas and generates electricity. As a Premier Sponsor, Arrow provides a link between the Brisbane Broncos and Regional areas such as the Surat and Bowen Basins where they operate.

National Storage

National Storage is Australia's largest self-storage provider, tailoring self-storage solutions to residential and commercial customers at over 200 storage centres across Australia and New Zealand. In December 2013, National Storage listed on the Australian Securities Exchange becoming the first publicly listed independent, internally managed and fully integrated owner and operator of self-storage centres in Australia.

Partner Overview (continued)

Deadly Choices

Deadly Choices is an initiative of the Institute for Urban Indigenous Health (IUIH) Limited in South East Queensland (SEQ) and is jointly funded by Queensland Health and the Commonwealth Department of Health. The IUIH was established in 2009 by four Aboriginal Medical Services to coordinate planning, development and delivery of comprehensive primary health care services to over 60,000 Aboriginal and Torres Strait Islander peoples within the SEQ Region – representing over a third of the total Indigenous population of Queensland and the fastest growing Indigenous population in the country.

Coca-Cola

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

NRMA Insurance

NRMA Insurance is backed by IAG, the leading general insurer in Australia and New Zealand. NRMA Insurance aim to make your world a safer place with a wide range of insurance solutions to protect the things you care about.



Partner Overview (continued)



OFFICIAL SUPPLIERS

STATSports | Adsignz | Event Cinemas | Pillar Performance | ASI Solutions | Hyperice
Moreton Hire | Elastoplast | Streets | Australian Venue Co.
Top Cut Foods | HART Sport | AlphaSport | Niagara Therapy

Directors' Report

The directors submit their report for the year ended 31 December 2021.

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

Karl Douglas Morris AO
Non-Executive Chair
Independent

Mr Morris was appointed as Chair on 5 December 2017. Mr Morris is the Chief Executive and Managing Director of Ord Minnett Ltd, with a career spanning over 30 years in financial services and wealth management. Mr Morris is a Commerce graduate of Griffith University and holds diplomas from the Stockbrokers and Financial Advisers Association of Australia, FINSIA and the Australian Institute of Company Directors. Mr Morris was awarded an Officer of the Order of Australia (AO) on Australia Day 2019, for distinguished service to the financial and stockbroking sectors, and to the community through a range of organisations. Mr Morris is Chair of Bravehearts Foundation Fund, Patron of the Mary MacKillop Fund and Chair of the American Chamber of Commerce in Australia (AmCham) Council of Governors in Queensland. His other Board memberships include Australian Catholic University, J.P. Morgan Australia Advisory Council and National Vice Patron of Bravehearts. Mr Morris is a Master Member (and former Chair 2012-2018) of the Stockbrokers and Financial Advisers Association of Australia, and former Chair of QSuper (2013-2019). Mr Morris also sits on the Investment Committees of the Catholic Archdioceses of Brisbane and Sydney.

Darren James Lockyer
Non-Executive Director
Independent

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

Neil Monaghan
Non-Executive Director

Mr Monaghan was appointed director and Chair of the Audit Committee on 9 April 2018. Mr Monaghan was formally the Managing Director - Publishing Operations for News Corp Australia, from 2017-2020. Prior to News Corp Australia, Mr Monaghan was the Chief Executive Officer of the Australian Regional Media business for three years and managed the sale and subsequent integration of the company into News Corp Australia. Mr Monaghan has more than 30 years' experience in business across various industries including media, mining and construction. He has a Master of Applied Law degree from The University of Queensland. He is a former director of News Media Works, Australia's industry advocate for digital and print news media and 3rd Space, one of Brisbane's largest drop-in centres for the homeless.

Vicki Susan Wilson OAM
Non-Executive Director
Independent

Ms Wilson was appointed as a director on 12 May 2020. Ms Wilson is a former captain of the Australian Diamonds and one of Australia's most decorated and respected athletes through her strong and successful career both playing and coaching netball. Ms Wilson is a highly regarded high performance coach and works internationally with various clubs and teams around the world. Ms Wilson was awarded the Order of Australia Medal in 1992 for her distinguished service to netball as an elite player and coach through support and advocacy for young women and the community. Ms Wilson is an experienced board member, previously serving with Stadiums Queensland and the Queensland Academy of Sport. Ms Wilson is an accomplished public servant for State Government having fulfilled a number of sport and recreation advisory roles. Ms Wilson is also a former secondary school teacher.

Directors' Report (continued)

DIRECTORS (continued)

Names, qualifications, experience and special responsibilities (continued)

Andrew Peter Fraser
Non-Executive Director
Independent

Mr Fraser was appointed as a director on 1 December 2021. Mr Fraser is a full-time director, serving across a range of industries and sectors. Mr Fraser is currently the Chair of Sunsuper, Orange Sky Australia and Motorsport Australia. He is a non-executive director of BESIX Watpac Ltd and two charities, Hear and Say Centre and 3rd Space. Previously Mr Fraser has served as the Head of Strategy and Investment at the National Rugby League, as a director of the Rugby League World Cup 2017 and as an independent director of New Zealand Rugby League. As a former Commissioner on the Australian Sports Commission, and a former Minister for Sport, he brings strong corporate governance credentials and extensive sport governance experience. Mr Fraser also serves as the Deputy Chancellor of Griffith University, on whose governing Council he has served since 2017. He graduated from Griffith with First Class Honours with degrees in Law and Commerce and is a recipient of the University Medal. He has been a member of the Brisbane Broncos since 2004.

David James Asplin
Non-Executive Director
Independent

Mr Asplin was appointed as a director on 1 December 2021. Mr Asplin has served as a director of Brisbane Broncos Leagues Club since November 2018 and previously sat on the fundraising committee for the Clive Berghofer Centre Training and Community Facility. With 30 years' experience in the funds management industry, Mr Asplin is currently the Head of Funds Management and Deputy Managing Director of QIC's real estate funds management business. Prior to joining QIC in 2012, Mr Asplin held positions at LaSalle Investment Management, Challenger Financial Services, Colonial First State and Macquarie Bank. Mr Asplin has a Bachelor of Business in Accounting and Finance from QUT and has a long association and involvement with grassroots rugby league in Queensland.

Kevin Michael Lawlor
Non-Executive Alternate Director

Mr Lawlor was appointed Alternate Director to Mr Monaghan effective 9 April 2018. Mr Lawlor had previously been appointed director and Chair of the Audit Committee on 10 May 2016. He is currently the Finance Director - Commercial at News Corp Australia. Mr Lawlor joined News Corp Australia in April 2004 and has held a number of roles in the Finance function over that period. In his current role, Mr Lawlor has responsibility for commercial finance for all News Corp Australia publishing assets. Mr Lawlor holds a Bachelor of Commerce degree and a Master's degree in Business Studies from University College Dublin in Ireland. He has been a qualified accountant for more than 19 years and is a member of the Association of Certified Chartered Accountants.

Anthony John Joseph AM
Non-Executive Director
Independent
(resigned as Director
3 October 2021)

Mr Joseph was appointed as a director on 22 February 2011. Mr Joseph has been passionately involved in Queensland Rugby League since the Brisbane Broncos formed in 1988. He has more than 50 years' experience in the fruit and vegetable industry and is a director of a number of private companies. Mr Joseph has been Managing Director of Alfred E Chave Pty Ltd since 1975 and Chair of Brisbane Markets Limited since incorporation in 1994. He was also a longstanding member of the Brisbane Market Trust prior to corporatisation. Mr Joseph was on the Brismark board from 1982 to 2017, five of those years as President. He was previously a committee member of the Queensland Surf Lifesaving Foundation and Men of League (Queensland). Mr Joseph was appointed a director of Brisbane Broncos Leagues Club on 20 November 2014. Mr Joseph is a member of the Australian Institute of Company Directors and is a registered Commissioner of Declarations. Mr Joseph was appointed as a Member (AM) of the Order of Australia (General Division) in recognition of his significant service to the fruit and vegetable industry.

COMPANY SECRETARY

Louise Anna Lanigan
Company Secretary & Salary Cap
Manager

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

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

One director holds shares in the Company as disclosed in the Remuneration Report. There were no options in the Company issued as at the date of this report.

EARNINGS / (LOSS) PER SHARE

	Cents
Basic earnings / (loss) per share	3.0
Diluted earnings / (loss) per share	3.0

Directors' Report (continued)

DIVIDENDS

On 13 April 2021, the 2020 final dividend of half of one cent per share franked to 100% at the 30% corporate income tax rate was paid to shareholders totalling \$490,204. Refer to note 8 of the financial statements for further details.

On 28 February 2022, the Board of Directors declared a final dividend of one cent per share franked to 100% at the 30% corporate income tax rate to the holders of fully paid ordinary shares for the financial year ended 31 December 2021. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 December 2021 and will be recognised in the subsequent financial report.

PRINCIPAL ACTIVITIES

The principal activity of the Brisbane Broncos Group ("the Group") during the 2021 financial year was the management and operation of the Brisbane Broncos Rugby League Football teams ("the Broncos"). There were no significant changes in the nature of those activities during the year.

OPERATING AND FINANCIAL REVIEW

Operating results for the year

The Group recorded a net profit after tax for the 31 December 2021 financial year of \$2,897,260 compared to a net loss after tax of \$376,227 in 2020. Profit / (loss) before tax for the 2021 and 2020 financial years were \$4,257,300 and (\$469,200) respectively. Earnings Before Interest, Tax and Depreciation (EBITDA) increased from \$693,160 in 2020 to \$5,473,440 in 2021.

The 2020 financial year result reflected the unprecedented negative impact that Covid-19 restrictions had on the Group. The whole of the NRL competition was adversely affected, with only the first round of the 2020 NRL Telstra Premiership played to regular crowd attendances. The 2020 season was suspended on 24 March 2020 and recommenced on 28 May 2020. The Venue restrictions in the prior period impacted the Group's 2020 commercial operations through home game related shortfalls and the inability to deliver all contracted game day benefits. This resulted in a reduction in commercial revenue of sponsorship, ticketing and membership and merchandise sales.

The financial result to 31 December 2021 reflects a strong underlying commercial business and cash position for the Group. Brisbane Broncos home games in season 2021 were less impacted by Covid-19 than the 2020 season. As a result, the Group's consumer and commercial revenue increased in line with the ability to deliver 2021 season benefits to members, fans, corporate partners and sponsors. Incremental NRL funding above the base NRL Club grant was received throughout 2021. Game day and stadium operating costs increased with the return of crowds for the 2021 season. Community program costs increased due to the expansion of the Beyond the Broncos Girls Academy and Careers Club programs, and football termination and restructure costs were processed during the financial year impacting total expenditure. The Board are pleased to announce a dividend of one cent per share, franked to 100% at the 30% corporate income tax rate to holders of fully paid ordinary shares.

Review of operations

Revenue

The Group recorded gross revenue for the 2021 financial year of \$50,967,240 which is a 46.0% increase on 2020. Operating revenue increased 46.3% whilst non-operating other income decreased 29.3%.

Sponsorship revenue increased 23.7% compared to 2020, reflecting the Group's ability to deliver contractual game day benefits in the 2021 season. The support from our corporate partner family over the 2021 season was exceptional.

As previously reported, 2020 ticketed memberships sold were reallocated to the 2021 season and accordingly minimal season membership revenue was recognised in 2020. As a result, total membership, ticketing, corporate sales and game day revenue increased to \$12,873,931 (2020: \$2,379,453) in 2021. In the 2021 season, ticketed members received their benefits with the NRL Telstra Premiership returning to regular Broncos home game scheduling. The 2021 home game attendance increased 148.7%, with crowds averaging 21,444 (2020: 8,624). Total 2021 membership numbers increased to 28,533 (2020: 28,087) with ticketed membership numbers increasing to 22,253 (2020: 21,077) and non-ticketed membership numbers decreasing to 6,280 (2020: 7,010).

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Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

The 2021 NRL Club grant decreased 1.6% compared to 2020. Additional NRL Club grant funding above the base grant was received throughout 2021. This included \$0.15m health insurance support, \$0.25m Covid-19 support and \$0.5m in 2021 NRL financial outperformance funding. In addition, there was an increase in government funding (cost recovery revenue) for community programs recognised in 2021, due to the expanded Beyond the Broncos Girls Academy and Careers Club community programs.

Expenditure

Total Group expenditure for 2021 was \$46,709,940, an increase of 32.0% compared to 2020. The increase in total expenditure is reflective of the return of crowds in the 2021 season and the resultant increase in costs associated with commercial, consumer and game day activities. The comparative period reflects the reduction in costs experienced in 2020 due to Covid-19 restrictions and cost reduction initiatives. Operating costs increased 33.4% and depreciation expense decreased 2.5%. A dissection of total expenditure is listed in note 6 to the financial statements. Total expenditure reflects increased stadium operating expenses and corporate sales and ticketing expenses for the 2021 season. Marketing and advertising expenditure increased in line with increased sponsorship activation and the Group's ability to deliver contractual benefits in the 2021 season. Total football expenditure increased for player and coaching related restructure costs and development and community program costs increased for the expanded Beyond the Broncos Girls Academy and Careers Club community programs.

Financial Position

The directors believe the Group continues to remain in a sound financial position with \$18,401,015 cash assets and \$37,122,676 in net assets.

Community

In 2021, the Broncos in the Community program was again impacted by the limitations resulting from Covid-19. Players from the NRL squad were prevented from participating in community visits for most of the year, however were able to contribute to engagement activities at the completion of the playing season. The Beyond the Broncos Girls Academy program continued to support Indigenous students in 51 schools across Southern Queensland and Northern New South Wales to increase school attendance and to improve year 12 completions and post school career transitions. There were some disruptions to on site activity in NSW schools during the extended lockdown. More than 2,500 young people benefited from the Broncos Indigenous programs in 2021, which support the Australian Government's commitment to Closing the Gap in educational and employment outcomes between Indigenous and non-Indigenous Australians. During 2021, current program targets were achieved with 2,300 students participating in the Beyond the Broncos Girls Academy. We were grateful to receive a two-year extension to this program, to 2023, in the May 2021 budget. We also welcomed complementary funding from the Queensland government to add additional career pathway support to participants in the Girls Academy.

Community staff travelled over 61,000 kilometres in 2021, visiting students in the Indigenous programs. Broncos staff in schools spent more than 1,400 hours each week mentoring more than 2,500 students across Brisbane, South West Queensland and northern New South Wales.

The Broncos continue to support the Brisbane Broncos Charity Fund and its Charity Partner Program, however due to Covid-19 most activities were suspended. The program supported twelve Queensland charities in 2021 including Act for Kids, Camp Quality, Foodbank Queensland, Men of League, MND and Me Foundation, PCYC Queensland, Ronald McDonald House Charities South East Queensland, Rural Lifestyle Options Australia, The Sunlight Centre, Wesley Mission and Queensland and Youngcare. All partners, except Rural Lifestyle Options Australia, were able to participate in fundraising activities at home games, however they did participate at another 50-50 event.

National Rugby League Women's Premiership

In 2021 the NRL announced that the NRL Women's Premiership (NRLW) would expand to six teams, with the Gold Coast Titans, Newcastle Knights and Parramatta Eels joining the competition. The ARLC approved the expansion which saw the new clubs join the Brisbane Broncos, St George Illawarra Dragons and Sydney Roosters in the competition. Due to the impact of Covid-19 in 2021, the structure of the NRLW competition faced significant uncertainty and delays. This created challenges for all NRLW players and coaching staff who are to be commended for their efforts, patience and flexibility in these difficult conditions. During this period, the NRLW players were required to continue to train independently, isolated from their fellow team members, demonstrating remarkable commitment and determination to ensure they were prepared when the season commenced. The 2021 NRLW season was ultimately rescheduled to February 2022, with the NRL confirming that two NRLW competitions will be played in 2022. The Brisbane Broncos wish the players and coaching staff all the best for the upcoming seasons.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

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.

The strategic plan, outlines the key priorities of our business, detailing the key result areas for each department and informing the budgeting process and strategic decisions for the business. Following the impact of Covid-19 in 2020 and 2021, the Board and management are currently undertaking a thorough process of updating the Group's Purpose, Vision, Strategic Plan and Business Operating Model which will be completed and implemented during the 2022 financial year.

Dynamics of the business

With a strong leadership team and restructured football department, we move forward and are focused on delivering further growth and striving for on-field success.

The Broncos continue to expand our reach in the community, with growth in our Indigenous Education and Employment Programs. As a result, staffing has grown to enable the delivery of program outcomes. A very strong focus will continue to remain on our discussions and presentations to government to secure updated funding commitments to provide long-term security for the delivery of these programs.

The Brisbane Broncos remain one of the strongest sporting brands in the country having a strong balance sheet, backed by a stable commercial business and a disciplined focus on operating profits.

Following the unprecedented impact of Covid-19 in recent years and resultant economic and health crisis that has impacted all industries, it is anticipated that challenging economic conditions will remain in 2022. These challenging conditions include impacts on consumer behaviour and spending. The business is aware of the need to constantly innovate to improve all commercial offerings. The club continues to work with the NRL and other stakeholders as part of the negotiations for a perpetual club licence agreement.

The Board believes that the Company has more opportunities to achieve sports industry best practice to grow our business. Management believe they have taken appropriate steps to ensure that the Group is strongly positioned to deal with current economic uncertainties and capitalise on future opportunities to grow returns on investment.

Risk management

The Board has a proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an important part of the Group's approach to creating long-term shareholder value. In recognition of this, the Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. In doing so, the Board has taken the view that all Board members are to be a part of this process and as such has not established a separate Risk Management Committee.

The Board and management review the Company's risk management systems and strategies. Given the circumstances surrounding the Covid-19 pandemic, during 2021, the Board and management developed proactive management strategies and implemented additional risk management controls to secure the long term future of the club. The Board and management team provided leadership, technical expertise and advice to the National Rugby League and NRL clubs in the response to Covid-19, including the Club Apollo Protocols response strategy and operational planning framework to support the NRL competition in 2021.

The Group's risk register has been reviewed and updated, with controls and action plans for significant risks documented.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

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

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

EVENTS AFTER BALANCE DATE

On 28 February 2022, the Board of Directors declared a final dividend of one cent per share franked to 100% at the 30% corporate income tax rate to the holders of fully paid ordinary shares for the financial year ended 31 December 2021. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 December 2021 and will be recognised in the subsequent financial report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue its focus on improving on-field performance of our NRL and NRLW teams. This improved performance, coupled with the strong commercial foundations which have been laid, will provide dual benefits for our business.

The growth and reach of our community programs will continue as a priority throughout 2022 as we look to further imbed our reach and presence in communities.

The competitive nature of sport within Australia will continue to provide both risk but also opportunities as we look to cultivate new innovation, both on and off the field. Women's rugby league is a growing area of our game and we are well placed with the success of our NRLW program to capitalise on this growth. Technology and innovation will continue to remain a constant within all areas of our business as we seek to embrace innovation and seek out best practice across our entire business.

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 2021, 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.

Directors' Report (continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS AND DIRECTORS

Insurance and indemnity arrangements established in the previous year concerning officers of the Group were renewed during the 2021 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 combined monetary limit is \$15m for each and every claim and in the aggregate during the policies' period, with an initial \$5m cover and an excess layer of \$10m.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS

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

<i>Board or Committee</i>	<i>Number of Meetings</i>
Full Board	7
Audit Committee	2

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

	<i>Full Board</i>	<i>Audit Committee</i>
K D Morris AO	7 (7)	2 (2)
A J Joseph AM (resigned 3 October 2021)	5 (5)	2 (2)
D J Lockyer	7 (7)	n/a
N M Monaghan	7 (7)	2 (2)
V S Wilson OAM	7 (7)	n/a
A P Fraser (appointed 1 December 2021)	1(1)	n/a
D J Asplin (appointed 1 December 2021)	1(1)	n/a
K M Lawlor (Alternate Director)	0 (0)	0 (0)

Where a director did not attend all meetings of the Board or relevant committee (or was not a director for the entire year), the number of meetings for which the director was eligible to attend is shown in brackets.

Directors' Report (continued)

REMUNERATION REPORT (audited)

This Remuneration Report for the year ended 31 December 2021 outlines the remuneration arrangements of the Company and its controlled entities 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 executives in the Parent and the Group receiving the highest remuneration.

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

The remuneration report is presented under the following sections:

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

1. Individual key management personnel disclosures

Details of KMP of the Group as at the date of the report:

Key Management Personnel

(i) Directors

K D Morris AO	Chair (Non-Executive)
A J Joseph AM (resigned 3 October 2021)	Director (Non-Executive)
D J Lockyer	Director (Non-Executive)
N M Monaghan	Director (Non-Executive)
V S Wilson OAM	Director (Non-Executive)
A P Fraser (appointed 1 December 2021)	Director (Non-Executive)
D J Asplin (appointed 1 December 2021)	Director (Non-Executive)
K M Lawlor	Alternate Director (Non-Executive)

(ii) Executive

P M White (ceased employment 28 February 2021)	Chief Executive Officer
N M Monaghan (1 March 2021 – 30 April 2021)	Chief Executive Officer (Interim)
D H Donaghy (appointed 1 May 2021)	Chief Executive Officer
P J Nolan (ceased employment 23 June 2021)	General Manager - Football Operations
B AC Ikin (appointed 28 June 2021)	Head of Football
C L Halliwell	General Manager – Community & Government Programs
L A Lanigan	Company Secretary & Salary Cap Manager
T M Drinkwater (ceased employment 31 March 2021)	General Manager – HR, Risk & Compliance
K E Cullen (appointed 3 June 2021)	General Manager – People & Culture
M L Friend	Chief Financial Officer

2. Board oversight of remuneration

Remuneration Committee

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

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

2. Board oversight of remuneration (continued)

Remuneration approval process

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

Remuneration philosophy

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

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

- Are aligned to the Group's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Provide a strong link between individual and Group performance and rewards;
- Incorporate annual performance reviews to ensure executives are meeting pre-determined performance benchmarks; and
- Feature an in-depth recruitment 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 2021 financial year were \$211,441.

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 seek an increase for the non-executive director pool at the 2022 Annual General Meeting.

Structure

Each non-executive director receives \$32,000 plus statutory superannuation per annum for being a director of the Company. The Chair receives \$70,000 plus statutory superannuation per annum. Due to cost saving initiatives implemented to mitigate the financial impact of Covid-19 during the 2020 financial year, director remuneration reduced by 75% from 1 April 2020 to 31 December 2020. Directors' fees for Mr Lawlor, as Alternate Director, who is employed by News Corp Australia, are paid directly to News Corp Australia. 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 periods ended 31 December 2021 and 31 December 2020 are detailed in Table 1 and 2 respectively of this report.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

4. Executive remuneration arrangements

Remuneration levels and mix

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

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

Structure

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

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

- Fixed remuneration; and
- Variable remuneration.

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

Fixed remuneration

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

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

The fixed remuneration component of the Group and Company executives is detailed in Tables 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 commercial and administration senior management. The Head of Football is eligible for a STI based on football performance. The STI enables the Head of Football to achieve additional remuneration equivalent of up to 50% of the base salary each year in accordance with specified football performance Key Performance Indicators. All KMP may be paid annual bonuses at the Chief Executive Officer's discretion with the approval of the Board of Directors. The Chief Executive Officer considers results of performance reviews, effort, commitment, the financial and/or operational performance of the Company, and market conditions when considering the payment of bonuses.

For the 2021 year, the Chief Executive Officer was incentivised for annual bonuses to be paid upon achievement of annual profit and football team performance. In the event of these targets not being met, it is open to the Board to consider a discretionary bonus based on overall company performance and Mr Donaghy's personal efforts.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

5. Group performance

Profit / (loss) before income tax has increased to \$4,257,300 in 2021, compared to a loss before income tax of (\$469,200) in 2020. Earnings / (loss) per share for the current year and the past four financial years are shown below:

Year ended	2021	2020	2019	2018	2017
Profit / (loss) before tax	\$4.26 million	(\$0.47 million)	\$3.36 million	\$3.08 million	\$4.02 million
Basic earnings / (loss) per share (cents)	3.0	(0.4)	2.3	2.1	2.8
Share price	80 cents	44 cents	41 cents	49 cents	55 cents

The share price has moved from 44 cents at 1 January 2021 to 80 cents at 31 December 2021. The directors note that given the large shareholding of Nationwide News Pty Limited (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. Key management personnel contractual arrangements

Chief Executive Officer

It was announced to the ASX on 3 February 2021 that Mr David Donaghy had been appointed as Chief Executive Officer of the Group. Mr Donaghy's employment commenced on 1 May 2021. The structure, terms, conditions, and remuneration components of Mr Donaghy's employment agreement are detailed below:

- Mr Donaghy receives fixed remuneration of \$500,000 per annum plus statutory superannuation and a fully maintained motor vehicle.
- Mr Donaghy's employment agreement has no fixed term. It is an ongoing employment agreement until terminated by either party in accordance with the terms of the employment agreement.
- Mr Donaghy's salary package is reviewed annually by the Chair and the Board of Directors. In its review, the Board considers overall company performance, Mr Donaghy's personal effort and commitment and market rates and salary packages for similar roles in Australia.
- Mr Donaghy is eligible for fixed remuneration bonuses based on commercial and football performance. The short-term incentive scheme enables Mr Donaghy to achieve additional remuneration equivalent of up to 50% of his base salary each year in accordance with specified key performance indicators including annual profit and football results. The Board may also consider the payment of a discretionary annual bonus to Mr Donaghy based on overall performance.
- Mr Donaghy 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 Donaghy by providing payment of three months' salary in lieu of the notice period (based on the fixed component of Mr Donaghy'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. These payments are based on the fixed component of Mr Donaghy's remuneration.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Donaghy is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

Other KMP

Other KMP, have rolling contracts. The Company and KMP may terminate commercial and administration staff KMP 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 and Head of Football may terminate the employment by providing three months' 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 KMP contracts 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.

Performance measures for all other KMP reflect the same overarching objectives as the CEO, further customised for departmental objectives. The performance measures were chosen as they reflect the core drivers of short-term performance and also provide a framework for delivering sustainable value to the group and its shareholders.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

Remuneration of key management personnel

Table 1: Remuneration for the year ended 31 December 2021

	Salary & Fees	Cash Bonus	Short-Term Allowances #	Non-Monetary Benefits	Post Employment Superannuation	Long-Term Benefits Long Service Leave	Termination Benefits	Total	Performance Related
	\$	\$	\$	\$	\$	\$		\$	%
Non-executive directors									
K D Morris AO – Non-executive	70,000	-	-	-	6,825	-	-	76,825	-
A J Joseph AM – Non-executive (resigned 3 October 2021)	26,667	-	-	-	2,587	-	-	29,254	-
D J Lockyer – Non-executive	32,000	-	-	-	3,120	-	-	35,120	-
N M Monaghan – Non-executive *	26,667	-	-	-	2,587	-	-	29,254	-
V S Wilson OAM – Non-executive	32,000	-	-	-	3,120	-	-	35,120	-
A P Fraser – Non-executive (appointed 1 December 2021)	2,667	-	-	-	267	-	-	2,934	-
D J Asplin – Non-executive (appointed 1 December 2021)	2,667	-	-	-	267	-	-	2,934	-
K M Lawlor – Non-executive (Alternate Director)	-	-	-	-	-	-	-	-	-
Sub-total non-executive directors	192,668	-	-	-	18,773	-	-	211,441	-
Other key management personnel									
P M White – Chief Executive Officer (ceased employment 28 February 2021)	116,667	50,000	-	3,333	5,423	-	-	175,423	28.5%
N M Monaghan – Chief Executive Officer (Interim) (1 March 2021 – 30 April 2021) *	89,745	-	320	-	8,583	-	-	98,648	-
D H Donaghy – Chief Executive Officer (appointed 1 May 2021) ^	333,333	33,333	1,280	13,333	17,208	-	-	398,487	8.4%
P J Nolan – General Manager - Football Operations (ceased employment 23 June 2021)	112,346	-	900	10,000	16,291	2,651	71,765	213,953	-
B A C Ikin – Head of Football (appointed 28 June 2021)	153,461	-	900	10,000	11,784	-	-	176,145	-
C L Halliwell – General Manager – Community & Government Programs ^	157,000	7,500	16,200	-	29,167	5,267	-	215,134	3.5%
L A Lanigan – Company Secretary & Salary Cap Manager ^ ^^	177,853	5,000	15,000	-	28,496	3,371	-	229,720	2.2%
T M Drinkwater – General Manager – HR, Risk & Compliance + (ceased employment 31 March 2021)	37,500	-	300	5,000	3,591	-	-	46,391	-
K E Cullen – General Manager – People & Culture (appointed 3 June 2021)	110,080	2,500	540	11,667	11,312	-	-	136,099	1.8%
M L Friend – Chief Financial Officer	188,334	10,000	1,080	20,000	19,472	1,037	-	239,923	4.2%
Sub-total executive KMP	1,476,319	108,333	36,520	73,333	151,327	12,326	71,765	1,929,923	
Totals	1,668,987	108,333	36,520	73,333	170,100	12,326	71,765	2,141,364	

* During the period 1 March 2021 – 30 April 2021, Mr Monaghan was Interim CEO. As disclosed in Table 1, Mr Monaghan was remunerated for his CEO role and was not remunerated as a Non-executive Director during this time.

^ Mr Donaghy, Ms Halliwell and Ms Lanigan salary sacrificed a portion of their wages. Mr Donaghy salary sacrificed relocation costs. These amounts are salary sacrificed over a 24-month period and do not impact total remuneration over this time. The prepayment balance at 31 December 2021 was \$91,278.

^^ Ms Lanigan was remunerated for a 4-day week.

Allowances cover motor vehicle and other incidental administrative expenses.

+ Ms Drinkwater was remunerated for a 4-day week until ceasing employment on 31 March 2021.

If a person was not employed for the full year, the amounts above reflect the remuneration for the period the individual was employed. If a bonus pool is approved by the Board, individual performance bonus amounts are determined by the Chair and CEO following individual Performance Management Contract reviews. Bonus payments earned are recognised as an expense in the current year.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

Remuneration of key management personnel

Table 2: Remuneration for the year ended 31 December 2020

	Salary & Fees	Cash Bonus	Short-Term Allowances #	Non-Monetary Benefits	Post Employment Superannuation	Long-Term Benefits Long Service Leave	Termination Benefits	Total	Performance Related
	\$	\$	\$	\$	\$	\$		\$	%
Non-executive directors *									
K D Morris AO – Non-executive	30,625	-	-	-	2,909	-	-	33,534	-
A J Joseph AM – Non-executive	14,000	-	-	-	1,330	-	-	15,330	-
D J Lockyer – Non-executive +	14,000	-	-	-	1,330	-	-	15,330	-
N M Monaghan – Non-executive ++	15,330	-	-	-	-	-	-	15,330	-
V S Wilson OAM – Non-executive (appointed 12 May 2020)	5,000	-	-	-	475	-	-	5,475	-
K M Lawlor – Non-executive (Alternate Director)	-	-	-	-	-	-	-	-	-
++	-	-	-	-	-	-	-	-	-
Sub-total non-executive directors	78,955	-	-	-	6,044	-	-	84,999	-
Other key management personnel **									
P M White – Chief Executive Officer	495,833	-	-	20,000	21,349	10,999	-	548,181	-
T M Reader – Chief Strategy Officer (ceased employment 27 March 2020)	61,750	-	750	5,000	5,938	1,361	95,462	170,261	-
P J Nolan – General Manager - Football Operations	195,500	-	5,550	15,000	18,872	4,858	-	239,780	-
S A Moro – Chief Financial Officer (ceased employment 29 July 2020) ^	116,201	-	-	11,667	15,090	2,590	72,306	217,854	-
C L Halliwell – General Manager – Community & Government Programs ^	126,250	-	16,200	-	19,555	5,400	-	167,405	-
L A Lanigan – Company Secretary & Salary Cap Manager ^ ^^	143,187	-	15,000	-	20,864	3,230	-	182,281	-
T M Drinkwater – General Manager – HR, Risk & Compliance ^^	123,250	-	1,200	20,000	11,823	4,196	-	160,469	-
M L Friend – General Manager – Finance (appointed 1 July 2020)	90,000	-	1,790	8,333	8,720	-	-	108,843	-
Sub-total executive KMP	1,351,971	-	40,490	80,000	122,211	32,634	167,768	1,795,074	-
Totals	1,430,926	-	40,490	80,000	128,255	32,634	167,768	1,880,073	-

* Due to Covid-19 cost reduction measures in 2020, non-executive director remuneration reduced by 75% from 1 April 2020 to 31 December 2020.

+ Effective 1 January 2020, the Group engaged Mr Darren Lockyer to provide leadership consultancy services to the football department. A total of \$33,334 was paid to Mr Lockyer throughout 2020.

++ During 2020, fees for Mr Monaghan and Mr Lawlor were paid directly to their employer at an amount equivalent to the superannuation inclusive director fee.

** Due to Covid-19 cost reduction measures in 2020, CEO remuneration reduced by 50% from 1 April 2020 to 31 October 2020. Other KMPs employed for the full year had their remuneration reduced by 20% from 1 April 2020 to 31 December 2020.

^ Ms Moro, Ms Halliwell and Ms Lanigan salary sacrificed a portion of their wages.

^^ Ms Drinkwater and Ms Lanigan are remunerated for a 4-day week.

Allowances cover motor vehicle and other incidental administrative expenses.

If a person was not employed for the full year, the amounts above reflect the remuneration for the period the individual was employed. If a bonus pool is approved by the Board, individual performance bonus amounts are determined by the Chair and CEO following individual Performance Management Contract reviews. Bonus payments earned are recognised as an expense in the current year. Executive staff did not receive a discretionary bonus in respect of the 2020 year's performance.

Directors' Report (continued)

REMUNERATION REPORT (audited) (continued)

Shareholdings of Key Management Personnel (Consolidated)

Mr Lockyer holds shares in Brisbane Broncos Limited. No other Key Management Personnel hold shares in the Company. Mr Lockyer's shareholding at reporting date was 43,778 ordinary shares, which did not change in 2021.

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.

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. A copy of the Company's Corporate Governance Statement is available on the Brisbane Broncos' website www.broncos.com.au.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the declaration on page 21 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 28 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.



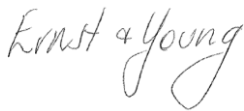
Karl Morris AO
Chair
Brisbane
28 February 2022

Auditor's independence declaration to the directors of Brisbane Broncos Limited

As lead auditor for the audit of the financial report of Brisbane Broncos Limited for the financial year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Brisbane Broncos Limited and the entities it controlled during the financial year.



Ernst & Young



Kellie McKenzie
Partner
28 February 2022

Statement of Financial Position as at 31 December 2021

	Note	2021 \$	Consolidated 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	18,401,015	16,031,004
Trade and other receivables	11	2,386,778	1,814,708
Inventories	12	185,593	204,200
Income tax receivable		53,459	-
Other current assets		917,532	478,458
Total Current Assets		21,944,377	18,528,370
Non-current Assets			
Property, plant and equipment	13	18,513,039	19,459,907
Intangible assets	14(a)	12,510,580	12,510,580
Lease straight-line asset		241,580	238,388
Deferred tax asset	7(c)	-	153,525
Other non-current assets		22,819	-
Total Non-current Assets		31,288,018	32,362,400
TOTAL ASSETS		53,232,395	50,890,770
LIABILITIES			
Current Liabilities			
Trade and other payables	15	2,986,472	2,724,515
Provisions	16	1,356,262	1,443,075
Unearned revenue	17	8,845,498	9,194,429
Total Current Liabilities		13,188,232	13,362,019
Non-current Liabilities			
Trade and other payables	18	-	396,812
Provisions	19	209,081	187,800
Deferred tax liability	7(c)	87,406	-
Unearned revenue	20	2,625,000	2,228,519
Total Non-current Liabilities		2,921,487	2,813,131
TOTAL LIABILITIES		16,109,719	16,175,150
NET ASSETS		37,122,676	34,715,620
EQUITY			
Equity attributable to equity holders of the Parent			
Contributed equity	21	28,991,500	28,991,500
Accumulated profits	22	8,131,176	5,724,120
TOTAL EQUITY		37,122,676	34,715,620

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 2021

	Note	2021 \$	Consolidated 2020 \$
Operations			
Revenue from contracts with customers	6	35,623,698	19,133,717
Grant received from National Rugby League Limited		15,248,417	15,500,302
Interest income		41,758	127,988
Other revenue		53,367	143,504
Revenue		50,967,240	34,905,511
Expenses	6	(46,709,940)	(35,374,711)
Profit / (loss) before income tax		4,257,300	(469,200)
Income tax (expense) / benefit	7(a)	(1,360,040)	92,973
Net profit / (loss) and total comprehensive income / (loss) for the year attributable to the ordinary equity holders of the parent		2,897,260	(376,227)
Earnings per share attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share	9	3.0 cents	(0.4 cents)
Diluted earnings/(loss) per share	9	3.0 cents	(0.4 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 2021

	Note	2021 \$	Consolidated 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		38,124,496	23,925,847
Payments to suppliers & employees		(49,271,783)	(37,750,929)
NRL grants received		16,355,259	16,302,103
Other revenue received		16,608	50,436
Purchase of inventories		(925,946)	(693,613)
Interest received		45,182	147,633
Income tax received/(paid)		(1,172,570)	305,583
Net cash flows from/(used in) operating activities	23	3,171,246	2,287,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(311,031)	(154,689)
Net cash flows from/(used in) investing activities		(311,031)	(154,689)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	8(a)	(490,204)	(980,406)
Net cash flows from/(used in) financing activities		(490,204)	(980,406)
Net increase/(decrease) in cash and cash equivalents		2,370,011	1,151,965
Cash and cash equivalents at beginning of the period		16,031,004	14,879,039
Cash and cash equivalents at end of year	10	18,401,015	16,031,004

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 2021**

CONSOLIDATED	Note	Attributable to equity holders of the Parent		Total Equity
		Contributed Equity	Accumulated Profits	
At 31 December 2019		28,991,500	7,080,753	36,072,253
Dividends paid	8(a)	-	(980,406)	(980,406)
Total comprehensive income / (loss) for the year		-	(376,227)	(376,227)
At 31 December 2020		28,991,500	5,724,120	34,715,620
Dividends paid	8(a)	-	(490,204)	(490,204)
Total comprehensive income / (loss) for the year		-	2,897,260	2,897,260
At 31 December 2021	21 & 22	28,991,500	8,131,176	37,122,676

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 2021

1. CORPORATE INFORMATION

The financial report of Brisbane Broncos Limited for the year ended 31 December 2021 was authorised for issue in accordance with a resolution of directors on 28 February 2022.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Basis of preparation

- (a) Compliance with International Financial Reporting Standards
- (b) New accounting standards and interpretations
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- (k) Intangible assets
- (l) Trade and other payables
- (m) Provisions and employee leave benefits
- (n) Government grants
- (o) Contributed equity
- (p) Revenue recognition
- (q) Income tax and other taxes
- (r) Earnings / (loss) per share

Basis of preparation

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

The accounting policies and methods of computation are consistent with those adopted in the 2020 financial report, except as noted in note 2(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Compliance with International Financial Reporting Standards

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

(b) New accounting standards and interpretations

The Group has considered new and upcoming accounting standards, amendments and interpretations which apply for the first time in 2021, none of which had a material impact on the financial position or performance of the Group.

(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). Control is achieved when the Group is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(d) Operating segments

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. Operating segments have been identified based on the information and internal reports provided to the chief operating decision maker being the Chief Executive Officer.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits convertible to cash within three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and other receivables

The classification of financial assets at initial recognition depends on the financial assets, contractual cash flow characteristics and the Group's business model for managing them. The Group's business model is to hold and collect the cash flows. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB 15 *Revenue from contracts with customers*.

Collectability of trade receivables is reviewed on an ongoing basis. The Group applies a simplified approach in calculating Expected Credit Losses (ECL). Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on life-time ECL at each reporting date. The Group has established a provision matrix that is based on its historic credit loss experience, adjusted for forward looking factors. A specific 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

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

(h) Property, plant and equipment

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. All other repairs and maintenance are recognised in profit or loss as incurred. The method of depreciation is straight-line basis over the estimated useful lives of the assets as follows:

Plant and equipment – over 1 to 30 years
Leasehold improvements – over 10 to 40 years

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

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

(i) Leases

(i) Group as lessee

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered low value. Exempt leases include the stadium hiring agreement and leases of gym equipment. Lease payments on short-term leases and leases of low-value assets are recognised as an expense as incurred. The total rental expense of exempt leases included in the Statement of Comprehensive Income is \$1,538,545.

The Group does not have any right-of-use assets nor lease liabilities therefore no carrying values are required to be recognised in the Statement of Financial Position.

(ii) Group as lessor

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets other than indefinite life intangibles

Non-financial assets other than 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 or groups of assets (cash-generating units).

(k) Intangible assets

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. The useful lives of intangible assets are assessed to be either finite or indefinite.

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each report period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite 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	Other Intangibles
Useful life	Indefinite	Indefinite
Method used	No amortisation	No amortisation
Impairment testing	Annually and more frequently where an indication of impairment exists	Annually and more frequently where an indication of impairment exists

(l) Trade and other payables

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions and employee leave benefits

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

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

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

Employee leave benefits

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

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

(ii) Long service leave

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

(n) Government grants

When the government grant relates to an asset, the grant is offset against the carrying value of the asset. The grant is then recognised in the Statement of Comprehensive Income over the useful life of the depreciable asset by way of a reduced depreciation charge. Refer to note 2(p) for government grant revenue accounting. When the grant relates to an expense item, it is recognised against the expense for which it is intended to compensate in the Statement of Comprehensive Income.

(o) Contributed equity

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.

(p) Revenue recognition

Membership, ticketing, corporate sales and game day revenue

In accordance with AASB 15, revenue related to memberships (included within membership, ticketing, corporate sales and game day revenue) comprise of three performance obligations being the merchandise pack, merchandise voucher and home game tickets.

Merchandise related revenue is recognised on delivery to or collection by the member of the merchandise pack and on presentation by the member of the merchandise voucher. The revenue for the ticket portion of the membership is recognised when the Broncos perform their home games across the season.

Ticketing, corporate sales and game day revenue relating to Brisbane Broncos home games has one performance obligation. The Group has concluded that revenue from ticketing, corporate sales and game day revenue is recognised at the point in time which the game is held. Revenues received in advance of a playing season are deferred as unearned revenue in the Statement of Financial Position and brought to account over the relevant season.

Sponsorship

The Group has concluded that revenue from sponsorship contracts should be recognised over time, on a monthly basis, wholly within the year to which the sponsorship contract relates and in line with relevant performance obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Development and community programs

The Group's contracts with customers for development and community programs consists of one performance obligation. The Group has concluded that revenue is recognised at a point in time when the attached conditions and milestones have been complied with.

Sale of goods

The Group's contracts with customers for the sale of goods, which consists of one performance obligation. The Group has concluded that revenue from the sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Royalties and commissions

The Group's contracts with customers for royalties and commissions consists of one performance obligation. The Group has concluded that revenue from royalties and commissions should be recognised at the point in time when the royalties and commissions is generated and is receivable.

Other Group Revenue Accounting Policies

Grant Received from the National Rugby League

The Group has concluded that grant revenue from the National Rugby League should be recognised over time, on a monthly basis, wholly within the year to which the grant relates and in line with relevant performance obligations.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. Government grants are recognised as revenue over the period to match the costs that it is intended to recover, unless they relate to an asset and then note 2(n) is applied.

Prize money

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

Interest

Income 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.

(q) Income tax and other taxes

Current tax assets and liabilities 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 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 a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences are 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 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(d).

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.

(r) Earnings / (loss) per share

Basic earnings / (loss) per share is calculated as net profit (loss) 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. The Group does not have any exposure to foreign exchange movements.

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	
	2021	2020
	\$	\$
Cash at bank and in hand	4,401,015	4,531,004
Short-term deposit	14,000,000	11,500,000
	<u>18,401,015</u>	<u>16,031,004</u>

The Group invests its cash in short-term deposits earning interest at an average rate of 0.37% (2020: 1.02%) per annum. It is reasonably possible that movements in interest rates (+ 0.3%, - 0.3%) would impact interest income by approximately \$63,713 (2020: \$132,968) and not have any material effect on net profit / (loss) or total equity of the consolidated group for the year ended 31 December 2021.

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 financial stability. The Group currently maintains sufficient cash reserves to meet this objective. The Group has \$893,618 (2020: \$933,258) financial liabilities with six months or less contractual maturity and has \$200,000 (2020: \$696,812) financial liabilities with greater than six months to five years' contractual maturity.

Capital Risk

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to equity holders. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(i) Significant accounting judgements

Impairment of non-financial assets other than intangibles

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 a value in use calculation, which incorporates a number of key estimates and assumptions.

Consolidation of Brisbane Broncos Rugby League Club Limited

As disclosed in note 24(a)(ii), the Group consolidates the results and position of Brisbane Broncos Rugby League Club Limited ("BBRLC"). BBRLC is a company limited by guarantee and has no share capital. Through operating and other arrangements, for financial reporting purposes, the Group has the ability to control BBRLC. All Board members of BBRLC are directors of the Group. Based on these facts and circumstances, management determined that for financial reporting purposes, in substance the Group controls BBRLC with no non-controlling interests.

(ii) Significant accounting estimates and assumptions

Impairment of intangibles with indefinite lives

The Group determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating unit 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 disclosed in note 14.

Estimate of useful lives of assets

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

5. SEGMENT INFORMATION

The principal activity of the Group during the 2021 financial year was the management and operation of the Brisbane Broncos Rugby League Football teams. This Group operates within one segment. There were no significant changes in the nature of those activities during the year. The Group operates in Australia only.

Revenue from one customer amounted to \$14,808,979 arising from sales and grants in respect of the 2021 financial year (2020: \$15,072,965).

Consolidated	
2021	2020
\$	\$

6. REVENUE FROM CONTRACTS WITH CUSTOMERS AND EXPENSES

REVENUE FROM CONTRACTS WITH CUSTOMERS

For the year ended 31 December 2021, the Group's revenue is disaggregated in the Statement of Comprehensive Income with the exception of Revenue from Contracts with Customers which is disaggregated below:

Membership, ticketing, corporate sales and game day	12,873,931	2,379,453
Sponsorship	12,757,777	10,310,407
Development and community programs	7,531,783	4,562,032
Sale of goods	1,301,054	1,017,913
Royalties and commissions	565,675	106,160
Rental income	437,842	423,751
Other	155,636	334,001
	35,623,698	19,133,717

EXPENSES

Cost of sales	944,553	653,725
Administration expense	8,212,936	6,891,432
Stadium operations expense	4,875,610	1,168,941
Corporate sales, merchandise and ticketing expense	3,487,752	1,903,739
Marketing, sponsorship and advertising expense	4,683,058	3,502,777
Development and community programs expense	5,840,456	4,058,763
Football related expenses	18,665,575	17,195,334
	46,709,940	35,374,711

Included in the above expenses are the following:

Lease payments – short-term and low value leases	1,538,545	136,903
Depreciation of property, plant and equipment	1,257,899	1,290,191
Employee leave provision expense	1,036,057	764,919
Salary and wage expense	23,565,149	20,264,784

	2021	Consolidated	2020
	\$		\$
7. INCOME TAX			
(a) Income tax (expense) / benefit			
The major components of income tax (expense) / benefit are:			
Statement of Comprehensive Income			
<i>Current income tax</i>			
Current income tax (expense) / benefit	(1,119,109)		193,977
<i>Deferred income tax</i>			
Relating to origination and reversal of temporary differences	(240,931)		(101,004)
Income tax (expense) / benefit reported in the Statement of Comprehensive Income	(1,360,040)		92,973
(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	4,257,300		(469,200)
At the Group's statutory income tax rate of 30% (2020: 30%)	(1,277,190)		140,760
<i>Expenditure not allowed for income tax purposes</i>			
Entertainment	(92,384)		(47,738)
Other	9,534		(49)
Aggregate income tax (expense) / benefit	(1,360,040)		92,973

Statement of Financial Position		Statement of Comprehensive Income	
2021	2020	2021	2020
\$	\$	\$	\$

7. INCOME TAX (continued)

(c) Recognised deferred tax assets and liabilities

Deferred income tax at 31 December relates to the following:

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(i) Deferred tax assets/(liabilities)

Sundry debtors	-	-	-	24,802
Provisions	8,090	8,682	(592)	441
Employee benefits	219,096	264,454	(45,358)	(62,649)
Prepayments	(3,714)	(2,161)	(1,553)	2,424
Lease straight-line asset	(72,474)	(71,516)	(958)	(8,071)
Fixed assets	(243,662)	(243,321)	(341)	(22,538)
Accruals	5,258	3,410	1,848	(35,413)
	(87,406)	(40,452)	(46,954)	(101,004)
Carried forward tax losses	-	193,977	(193,977)	193,977
Deferred tax assets/(liabilities)	(87,406)	153,525		
Deferred tax income/(expense)			(240,931)	92,973

(d) Tax Consolidation

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

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

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

Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting

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

Nature of the tax funding agreement

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

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

	Consolidated	
	2021	2020
	\$	\$
8. DIVIDENDS PAID AND PROPOSED		
(a) Recognised Amounts		
<i>Paid during the year:</i>		
Final franked dividend for 2020: half of one cent paid in 2021 (2020: for 2019 one cent paid in 2020)	490,204	980,406
(b) Unrecognised Amounts		
Dividends on ordinary shares:		
Final franked dividend for 2021: one cent per share (2020: final franked dividend for 2020: half of one cent)	980,406	490,023
(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% (2020: 30%)	8,183,966	7,221,485
- franking credits that will arise from the payment of income tax / (receipt of refund) as at the end of the financial year	53,459	-
- franking debits that will arise from the payment of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	(420,174)	(210,087)
	<u>7,817,251</u>	<u>7,011,398</u>

(d) Tax Rates

The tax rate at which paid dividends have been franked is 30% (2020: 30%). Dividends proposed will be franked at the rate of 30% (2020: 30%).

9. EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share amounts are calculated by dividing net profit / (loss) 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 profit / (loss) and share data used in the basic earnings / (loss) per share computation:

	Consolidated	
	2021	2020
Net profit / (loss) from continuing operations attributable to equity holders of the parent	\$2,897,260	(\$376,227)
Weighted average number of ordinary shares for basic earnings per share	98,040,631	98,040,631

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

	Consolidated	
	2021	2020
	\$	\$
10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	4,401,015	4,531,004
Short-term deposit	14,000,000	11,500,000
	<u>18,401,015</u>	<u>16,031,004</u>

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

	Consolidated	
	2021	2020
	\$	\$
11. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Trade receivables	1,394,454	840,895
Allowance for expected credit losses (a)	-	(48,721)
	<u>1,394,454</u>	<u>792,174</u>
Other receivables	992,324	1,022,534
Carrying amount of trade and other receivables	<u>2,386,778</u>	<u>1,814,708</u>

Other receivables for the Group include GST receivable of \$372,186 (2020: \$299,150) and corporate partnership receivables of \$486,545 (2020: \$665,200).

(a) Allowance for expected credit losses

The Group applies a simplified approach in calculating expected credit losses (ECL). Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on life-time ECL at each reporting date. The Group has established a provision matrix that is based on its historic credit loss experience, adjusted for forward looking factors. 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 and debts that are more than 90 days old are considered objective evidence of impairment.

The majority of trade receivables at 31 December 2021 are aged within the 30-90 day terms with \$593,816 (2020: \$62,359) of trade receivables past due but not considered impaired.

(b) Fair value and credit risk

Due to the short-term nature of receivables, their carrying value is assumed to approximate 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	
	2021	2020
	\$	\$
12. CURRENT ASSETS - INVENTORIES		
Finished goods – at cost	185,593	210,200
Provision for net realisable value write down	-	(6,000)
Total inventories at the lower of cost and net realisable value	<u>185,593</u>	<u>204,200</u>

Inventories recognised as an expense for the year ended 31 December 2021 totalled \$944,553 (2020: \$653,725) for the Group. This expense has been included in the cost of sales line item as a cost of inventories.

13. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

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

	<i>Plant and Equipment</i>	<i>Leasehold Improvements</i>	<i>Total</i>
	\$	\$	\$
Year ended 31 December 2021			
At 1 January 2020 net of accumulated depreciation, impairment and grant monies received	5,186,962	14,272,945	19,459,907
Additions	311,031	-	311,031
Depreciation charge for year	(844,569)	(413,330)	(1,257,899)
At 31 December 2021 net of accumulated depreciation, impairment and grant monies received	<u>4,653,424</u>	<u>13,859,615</u>	<u>18,513,039</u>
At 31 December 2021			
Cost	9,119,189	23,451,685	32,570,874
Accumulated grant monies received	(304,847)	(6,749,784)	(7,054,631)
Accumulated depreciation and impairment	(4,160,918)	(2,842,286)	(7,003,204)
Net carrying amount	<u>4,653,424</u>	<u>13,859,615</u>	<u>18,513,039</u>
	<i>Plant and Equipment</i>	<i>Leasehold Improvements</i>	<i>Total</i>
	\$	\$	\$
Year ended 31 December 2020			
At 1 January 2019 net of accumulated depreciation, impairment and grant monies received	5,903,324	14,692,085	20,595,409
Additions	154,689	-	154,689
Depreciation charge for year	(871,051)	(419,140)	(1,290,191)
At 31 December 2020 net of accumulated depreciation, impairment and grant monies received	<u>5,186,962</u>	<u>14,272,945</u>	<u>19,459,907</u>
At 31 December 2020			
Cost	8,827,026	23,451,685	32,278,711
Accumulated grant monies received	(304,847)	(6,749,784)	(7,054,631)
Accumulated depreciation and impairment	(3,335,217)	(2,428,956)	(5,764,173)
Net carrying amount	<u>5,186,962</u>	<u>14,272,945</u>	<u>19,459,907</u>

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Sporting Franchise	Other Intangibles	Total
\$	\$	\$

14. NON-CURRENT ASSETS - INTANGIBLE ASSETS

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

At 31 December 2021

Cost	13,382,857	28,000	13,410,857
Accumulated impairment	(900,277)	-	(900,277)
Net carrying amount	12,482,580	28,000	12,510,580

At 31 December 2020

Cost	13,382,857	28,000	13,410,857
Accumulated impairment	(900,277)	-	(900,277)
Net carrying amount	12,482,580	28,000	12,510,580

(b) Description of Group's intangible assets

Effective 10 February 2012, Brisbane Broncos Limited became a member of the Australian Rugby League Commission Limited ("ARLC"), as a Licensee. The ARLC was established to be, amongst other things, the single controlling body and administrator of the game of rugby league in Australia. National Rugby League Limited is a wholly controlled entity of the ARLC. As a Licensee, the Group enjoys the benefits from competing in the NRL competition. The Sporting Franchise is considered to have an indefinite useful life based on an analysis of all relevant factors. There is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Management is confident that the conditions necessary to obtain renewal will continue to be met on an ongoing basis.

During the year, negotiations continued between the NRL and the 16 NRL clubs for terms of a perpetual Club Agreement. A Memorandum of Understanding (MOU) was issued by the NRL in 2016. In accordance with that document, additional funds of \$3,000,000 were paid to each club, in various instalments over the 2016 and 2017 years. A Further Deed of Agreement was entered into with the NRL in December 2016 which supplemented aspects of the MOU and Club Agreement. The Deed stated that the additional funds received by clubs would be characterised as a loan, to be forgiven over a five-year period from November 2017 to October 2022. In 2017, the NRL advised that the nature of the additional funds is an advance of participation grant funds related to the same period. The advanced funds are being recognised as grant revenue over the five-year period in equal monthly instalments. At reporting date, \$600,000 (2020: \$600,000) in grant revenue has been recognised in the Statement of Comprehensive Income. Refer to note 15 for further details. Under the Deed, the term of the current Club Agreement, which was due to expire on 31 October 2018, expires on 31 October 2023. Intangible assets are 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 teams and all revenue streams are dependent and reliant upon these operations such as sponsorship, membership, ticketing, corporate sales and National Rugby League grant revenue. 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.

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

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

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

- market research results on brand recognition;
- the success of the Brisbane Broncos Rugby League Team since its inception;
- the Suncorp Stadium hiring agreement;
- the level of sponsorship and corporate sales with Covid-19 impacts considered;
- crowd attendances, gate takings and season memberships taking into account the Covid-19 impacts on game day cash flows; and
- impacts of the Covid-19 pandemic on the Group's operating environment.

An annual growth rate of 3% (2020: 3%) has been used in the future maintainable earnings calculation and a post-tax discount rate of 8.5% (2020: 8.5%) has been applied to the cash flow projections. Value in use has been calculated using a five-year model with a terminal value. 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 2021, the present value of the cash flow projections supported the carrying value of the cash generating unit and there is therefore no impairment.

Consolidated	
2021	2020
\$	\$

15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	593,618	633,258
Related party payables – National Rugby League Limited	471,481	600,000
Other payables	1,921,373	1,491,257
	<u>2,986,472</u>	<u>2,724,515</u>

For terms and conditions related to related party payables refer to note 14(b) and 24.

(a) Fair value

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing.

(b) Financial guarantees

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

(c) Related party payables

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

(d) Interest rate risk

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

Consolidated	
2021	2020
\$	\$

16. CURRENT LIABILITIES – PROVISIONS

Fringe benefits tax	118,126	90,629
Annual leave	623,059	654,703
Long service leave	615,077	697,743
	<u>1,356,262</u>	<u>1,443,075</u>

Brisbane Broncos Limited and its controlled entities

	Consolidated	
	2021	2020
	\$	\$
17. CURRENT LIABILITIES - UNEARNED REVENUE		
Game Day	4,260,854	6,188,362
Community Grants	4,481,125	2,856,398
Naming Rights	75,000	75,000
Other	28,519	74,669
	<u>8,845,498</u>	<u>9,194,429</u>

All community grants, naming rights and other unearned revenue as at 31 December 2020 has been recognised as revenue throughout the year to 31 December 2021.

	Consolidated	
	2021	2020
	\$	\$
18. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Related party payables – National Rugby League Limited	-	396,812
	<u>-</u>	<u>396,812</u>

For terms and conditions related to related party payables refer to notes 14(b) and 24.

	Consolidated	
	2021	2020
	\$	\$
19. NON-CURRENT LIABILITIES – PROVISIONS		
Long service leave	209,081	187,800
	<u>209,081</u>	<u>187,800</u>

Long Service Leave

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

	Consolidated	
	2021	2020
	\$	\$
20. NON-CURRENT LIABILITIES - UNEARNED REVENUE		
Naming Rights	2,625,000	2,200,000
Other	-	28,519
	<u>2,625,000</u>	<u>2,228,519</u>

Naming Rights relates to the Advertising and Naming Rights agreement for the Clive Berghofer Centre and Clive Berghofer Field. The agreement is for an amount of \$3m, all of which has been received at 31 December 2021. The agreement is for the 40-year term of the lease for the facility at Red Hill. Of the total unearned revenue at 31 December 2020, \$75,000 has been recognised as revenue throughout the year to 31 December 2021.

	Consolidated	
	2021	2020
21. CONTRIBUTED EQUITY		
Ordinary shares - issued and fully paid	\$28,991,500	\$28,991,500
Number of ordinary shares on issue	98,040,631	98,040,631

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

	Consolidated	
	2021	2020
	\$	\$
22. ACCUMULATED PROFITS		
Balance 1 January	5,724,120	7,080,753
Net profit / (loss)	2,897,260	(376,227)
Dividends	(490,204)	(980,406)
Balance 31 December	8,131,176	5,724,120

	Consolidated	
	2021	2020
	\$	\$

23. CASH FLOW STATEMENT RECONCILIATION

Reconciliation of net profit after tax to net cash flows from operations

Net profit / (loss)	2,897,260	(376,227)
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Adjustments for:

Depreciation and amortisation	1,257,899	1,290,191
Doubtful debts	(48,721)	48,721
Movement in employee benefit provisions	(93,029)	(317,362)

Changes in assets and liabilities

(Increase)/decrease in trade and other receivables	(985,242)	49,567
(Increase)/decrease in inventories	18,607	(39,888)
(Increase)/decrease in lease straight-line asset	(3,192)	(26,904)
(Increase)/decrease in deferred tax	240,931	(92,973)
(Decrease)/increase in current tax	(53,459)	305,583
(Decrease)/increase in creditors and accruals	(134,855)	(753,504)
(Decrease)/increase in unearned revenue	47,550	2,230,863
(Decrease)/increase in provisions	27,497	(31,007)

Net cash from/(used in) operating activities	3,171,246	2,287,060
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Brisbane Broncos Limited and its controlled entities

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	
			2021	2020
Brisbane Broncos Corporations Trust	Australia		100	100
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia		100	100
Brisbane Broncos Management Corporation Pty Ltd	Australia	(i)	100	100
Brisbane Broncos Rugby League Club Ltd	Australia	(ii)	n/a	n/a
Queensland Entertainment Services Pty Ltd	Australia	(i)	100	100
Laurelgrove Pty Ltd	Australia	(i)	100	100
Pacific Sports International Pty Ltd	Australia	(i)	100	100
Brisbane Broncos (Licencee) Pty Ltd	Australia		100	100
A.C.N. 067 052 386 Pty Ltd	Australia		100	100
Pacific Sports Holdings Pty Ltd (Trustee)	Australia	(i)	100	100
Brisbane Professional Sports Investment Pty Ltd	Australia		100	100
AH BR Pty Ltd	Australia		100	100

The financial years of all controlled entities are the same as that of the parent entity. All controlled entities were incorporated in Australia, have only issued ordinary share capital, and are controlled either directly or through its subsidiaries by the parent entity.

- (i) These companies have entered into a deed of cross guarantee with Brisbane Broncos Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each Company participating in the deed on winding up of that company. Closed group disclosures are not presented as no company within the closed group is required to avail itself of the relief from preparation of financial statements granted by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
- (ii) Brisbane Broncos Rugby League Club Ltd is a company limited by guarantee, is owned by its members but has been consolidated as a controlled entity under AASB 10 *Consolidated Financial Statements*.

(b) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 26.

(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 notes 15 and 18).

		<i>Sales to related parties \$</i>	<i>Grants and other income from related parties \$</i>	<i>Purchases from related parties \$</i>
CONSOLIDATED				
<i>Majority shareholder</i>				
News Corporation	2021	100,000	-	117,250
	2020	54,925	-	106,031
<i>Other</i>				
National Rugby League Limited	2021	713,461	14,648,417	307,544
	2020	383,609	15,086,094	326,383

24. RELATED PARTY DISCLOSURE (continued)

(c) Transactions with related parties (continued)

Majority shareholder

News Corporation, via its subsidiary Nationwide News Pty Limited, owned 68.87% of the Group as at 31 December 2021 (2020: 68.87%). News Corp Australia and its related entities provided the Group with commercial income during the financial year. Advertising and other services were also provided during the financial year by News Corp Australia and its related entities to the value of \$117,250 (2020: \$106,031).

Other

The licence held by the Group during the year was provided by National Rugby League Limited. The licence entitles the Group to receive an annual grant from National Rugby League Limited. Further advertising grants and merchandise royalty income were also provided to the Group during the financial year. Various amounts were paid to the National Rugby League by the Group, relating to tickets to rugby league matches and other functions, insurances, travel and other miscellaneous game day related items.

25. INFORMATION RELATING TO BRISBANE BRONCOS LIMITED (THE PARENT)

	Parent Entity	
	2021	2020
	\$	\$
Current assets	15,425,535	13,862,491
Total assets	29,302,267	28,416,909
Current liabilities	567,158	750,721
Total liabilities	7,911,952	9,455,340
Net Assets	21,390,315	18,961,569
Issued Capital	28,991,500	28,991,500
Accumulated profits/(losses)	(7,601,185)	(10,029,931)
Total equity	21,390,315	18,961,569
Profit / (loss) of the Parent Entity	2,918,950	(352,640)
Total comprehensive income / (loss) of the Parent Entity	2,918,950	(352,640)

The Parent has entered into a deed of cross guarantee with a number of its controlled entities as described at note 24.

The Parent guarantees the performance and financial obligations of Brisbane Broncos Rugby League Club Limited (BBRLC) under the terms of the Final Lease described at note 27.

The Parent has a Sub-sublease for a long-term commercial tenancy as described at note 27 as well as a shorter-term agreement with a café tenant at the Clive Berghofer Centre.

The Parent has no contingent liabilities. The Parent entity has no obligations to purchase plant and equipment at balance date (2020: nil).

26. KEY MANAGEMENT PERSONNEL

(a) Compensation of Key Management Personnel

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	1,887,173	1,551,416
Post-employment benefits	170,100	128,255
Termination benefits	71,765	167,768
Other long-term benefits	12,326	32,634
	2,141,364	1,880,073

Brisbane Broncos Limited and its controlled entities

26. KEY MANAGEMENT PERSONNEL (continued)

(b) Shareholdings of Key Management Personnel (Consolidated)

	Consolidated	
	2021	2020
Shares held in Brisbane Broncos Limited (number)	43,778	163,778
Balance as at 31 December	43,778	163,778

Refer to the Remuneration Report in the Directors' Report for details of KMP shareholdings.

(c) Other transactions and balances with Key Management Personnel

As at 31 December 2021, Mr Lawlor was an employees of News Corp Australia which is a related party of the Group. Transactions conducted with News Corp Australia and its related entities are disclosed in note 24 of this report.

27. COMMITMENTS AND CONTINGENCIES

(a) Commitments

(i) Leasing Commitments

Group as lessee

On 4 February 2015, the Hiring Agreement between Brisbane Broncos and ASM Global (Asia Pacific) Pty Ltd (Brisbane Stadium Management) as agent for Stadiums Queensland was signed. The lease has an eight-year term, with a review anniversary at four years and a renewal option. During 2018, a review was undertaken with no changes required. There is no 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. Refer to note 6 for amounts paid.

A Final Lease for the site at Fulcher Road, Red Hill was granted by the State of Queensland to Brisbane Broncos for a 40-year term commencing 30 November 2017. The lease allows for the occupation and operation of the completed facility, the Clive Berghofer Centre and Clive Berghofer Field. The lease requires Brisbane Broncos to meet the requirements of a Community Benefits Plan over the lease term. At the time that the lease took effect, other related lease documents and licence agreements required to accommodate the requirements within the Broncos structure also took effect.

Group as lessor

On 5 December 2017, an Agreement for Lease and Sub-sublease document were signed with Qscan for a long-term commercial tenancy at the Clive Berghofer Centre. The Sub-sublease took effect on 30 April 2018 following a fit-out period. The long-term agreement ensures that the Group has the ability to absorb the operational costs of the Clive Berghofer Centre.

(ii) Other Operational Commitments

The Group has entered into commercial leases for the provision of software and equipment. No motor vehicles leases are held in the current or prior year. Equipment rentals and software commitments have an average life of three years.

Future minimum rentals payable under non-cancellable leases for software and equipment agreements as at 31 December are as follows:

	Consolidated	
	2021	2020
	\$	\$
Within one year	144,548	113,836
After one year but not more than five years	-	107,482
Total minimum lease payments	144,548	221,318

27. COMMITMENTS AND CONTINGENCIES (continued)

(iii) Football Related, Community and Merchandise Commitments

Commitments for the payment of coaching staff, player and community staff contracts, affiliate club and merchandise forward orders in existence at the reporting date but not recognised as liabilities are:

	2021	Consolidated	2020
	\$		\$
Within one year	15,263,092		14,111,114
After one year but not more than five years	16,275,204		11,216,496
	31,538,296		25,327,610

(iv) Capital Expenditure Commitments

There are no capital expenditure commitments at 31 December 2021 (2020: nil).

(b) Contingencies

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets. From time to time, the Group is also subject to various claims and litigation from third parties during the ordinary course of business. The directors have given consideration to such matters which are or may be subject to claims or litigation at year end and, unless specific provisions have been made, are of the opinion that no material contingent liability for such claims or litigation exists.

28. AUDITORS' REMUNERATION

The auditor of Brisbane Broncos Limited is Ernst & Young.

	2021	Consolidated	2020
	\$		\$
<i>Amounts received, or due and receivable, by Ernst & Young for:</i>			
• an audit or review of the financial report of the entity and any other entity in the consolidated group	109,820		97,226
• other services in relation to the entity and any other entity in the consolidated group			
– compliance and employment taxes	22,430		31,700
	132,250		128,926

29. EVENTS AFTER BALANCE DATE

On 28 February 2022, the Board of Directors declared a final dividend of one cent per share franked to 100% at the 30% corporate income tax rate to the holders of fully paid ordinary shares for the financial year ended 31 December 2021. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 December 2021 and will be recognised in the subsequent financial report.

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 2021 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a),
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (d) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 24 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
2. This declaration is made after receiving the declarations required to be made to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial period ended 31 December 2021.

On behalf of the Board



Karl Morris AO
Chair
Brisbane
28 February 2022

Independent Auditor's Report to the Shareholders of Brisbane Broncos Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brisbane Broncos Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Revenue Recognition

Why significant

The recognition of revenue and the carrying value of the related unearned revenue liabilities was a key audit matter due to the size of the amounts involved, the differing nature of revenue streams and timing of when revenue is recognised for each stream in accordance with relevant performance obligations.

The process of revenue recognition and calculation of unearned revenue involves judgment with respect to the period over which revenue is recognised.

Note 2(p) and note 6 to the financial statements details the revenue streams of the Group and associated accounting policies.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We considered whether the Group's revenue recognition policies comply with applicable Australian Accounting Standards.
- ▶ For all significant revenue related contracts, we assessed whether the Group recognised revenue in accordance with Australian Accounting Standards on a monthly or per home game basis, depending on the performance obligations under the contract.

Specifically, for individual revenue streams our procedures included the following:

Membership, Ticketing, Corporate Sales, Game Day, Sponsorships and Community Revenue

- ▶ For a sample of membership, ticketing, corporate sales, game day, sponsorships and community revenue related revenue contracts we evaluated individual contracts, including any variations to contracts, to determine whether the timing and value of revenue was appropriately recognised in the financial statements.
- ▶ We assessed revenue received but not earned to determine whether unearned revenue balances were correctly calculated at period end.

National Rugby League Grant revenue

- ▶ We agreed the total approved grant revenue to correspondence the Group received from the National Rugby League, bank records and tested its allocation to earned revenue and unearned revenue.

We assessed the financial report disclosures for these revenue items relative to the requirements of Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Brisbane Broncos Limited for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

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.

A handwritten signature in dark blue ink that reads 'Ernst & Young' in a cursive, flowing script.

Ernst & Young

A handwritten signature in dark blue ink that reads 'K McKenzie' in a cursive, flowing script.

Kellie McKenzie
Partner
Brisbane
28 February 2022

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. This information is current as at 27 January 2022.

(a) Distribution of equity securities

98,040,631 fully paid ordinary shares are held by 850 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	Percentage	Ordinary share option-holders
1 – 1,000	122	0.08	-
1,001 – 5,000	491	1.39	-
5,001 – 10,000	118	0.90	-
10,001 – 100,000	104	2.86	-
100,001 – OVER	15	94.77	-
	850	100.00	-
Holding less than a marketable parcel	66		-

(b) Substantial shareholders

Ordinary Shareholders	Fully Paid Shares	Percentage
Nationwide News Pty Limited	67,521,089	68.87
BGM Projects Pty Ltd	21,620,972	22.05
	89,142,061	90.92

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
BGM Projects Pty Ltd	21,620,972	22.05
Mr Jonathan James Hunter and Mrs Rebecca Mei Liang Hunter	920,245	0.94
ASM Global (Asia Pacific) Pty Ltd	631,666	0.64
Meingrove Pty Ltd	500,000	0.51
Mr Sean Ryan and Mrs Julia Anne Ryan	388,464	0.40
Moonton Pty Ltd	304,151	0.31
A N Burnett Investments Pty Ltd	204,127	0.21
Mr Jeffrey Noel Hanan	187,021	0.19
Burnett & Ferguson Superannuation Pty Ltd	144,417	0.15
Mr Adrian Charles Vos	132,536	0.14
Mr D'Wayne Richard George Wigley and Mrs Lynne Wigley	124,203	0.13
Mr Anthony John Joseph and Mrs Nardia Maree Joseph	120,000	0.12
Ms Christine Gayel Lettsome Roney	105,000	0.11
Bushfly Air Charter Pty Ltd	100,000	0.10
Mr John Terence Wood	100,000	0.10
CS Fourth Nominees Pty Limited	95,777	0.10
Mr Simon Andrew Cook Watkins	89,848	0.09
Mr Brett Ralph and Mrs June Christine Ralph	88,916	0.09
Mr John James Nuell	86,000	0.09
	93,464,432	95.34