

BRISBANE



8 August 2017

To: ASX Company Announcements Platform

BRISBANE BRONCOS LIMITED AND CONTROLLED ENTITIES 2017 HALF-YEAR FINANCIAL RESULTS

Please find attached the following documents in relation to the June 2017 half-year financial results for Brisbane Broncos Limited and its controlled entities:

- Earnings Release
- Appendix 4D Half-Year Report
- 2017 Half-Year Financial Report
- Independent Review Report

Yours faithfully

L'Lanigan

Brisbane Broncos Limited Louise Lanigan Company Secretary





















Earnings Release: 8 August 2017

BRISBANE BRONCOS LIMITED and its controlled entities 30 June 2017 Half-Year Results

The Board of Brisbane Broncos Limited today announced the trading results for the half year ended 30 June 2017. The consolidated entity achieved a profit from ordinary activities before income tax of \$3.4 million.

The comparison between the 2017 and 2016 half-year results is as follows:

	June 2017 \$	June 2016 \$
Profit from ordinary activities before tax	3,431,633	3,061,302
Profit from ordinary activities after tax	2,368,739	2,104,663

The current period reflects normal trading activities but with the impact of an additional home game.

Total revenues increased to \$25.2 million (2016: \$22.0 million). Items of note include:

- The National Rugby League (NRL) Club Grant increased, funding the salary cap increase;
- An NRL incentive grant amount was recognised in 2017, not applicable in the comparative period;
- Upgraded and new contracts increased sponsorship revenue by 12.9% on the comparative period;
- The first half of 2017 included eight home games compared with seven in the comparative period. Accordingly, game day revenue and costs for one more game are reflected in the current period;
- Game day profits have been negatively impacted by crowd shortfalls. Brisbane Broncos average home game crowd for the reporting period has fallen to 32,139 compared to the average crowd for the first half of 2016 of 33,309. Two Thursday night games were held during each period. In 2017, a Friday match was held within six days of an away game being played at Suncorp Stadium and two State of Origin matches (2016: one) impacted discretionary spending, adversely impacting crowd numbers and gate takings revenue;
- Revenue includes amounts in respect of an away game played at Suncorp Stadium both in 2016 and 2017;
- Season membership sales revenue and costs are recorded on a home game basis. Accordingly, one more game's allocation is booked in the current period compared to the comparative period;
- Total memberships, ticketed and non-ticketed, of 36,220 were achieved as at 30 June 2017 (30 June 2016: 36,192). Full season membership revenue is up on the prior year despite the differences in mix of ticketed memberships sold. Ticketed memberships of 25,506 (30 June 2016: 26,458) and non-ticketed memberships of 10,714 (30 June 2016: 9,734) had been sold as at 30 June 2017;
- Full season ticketed membership sales and member attendance percentages in 2017 have been impacted by Thursday night scheduling in the prior and current seasons;

- The merchandise department profit is up 26.3% on the prior comparative period due to strong growth in royalty income. The merchandise trading result shows strong growth in sales with the new apparel provider however at a lower gross margin percentage with both stock purchases and other cost of sales up on the prior comparative period;
- Event scheduling has resulted in slightly more revenue from different events being recognised in the current period compared to the prior corresponding period; and
- Additional government funding for Indigenous and community programs has been recognised in the first half compared to the corresponding prior period as existing programs introduced in the second half of the prior year are delivered.

Total expenditure increased by 15.2% to \$21.8 million (2016: \$18.9 million). The increase primarily relates to additional resourcing and increased salary costs together with game day related expenditure associated with an extra home game played in the current reporting period. Eight home games were played in the 2017 first half, compared to seven in the corresponding prior period. Membership costs are allocated on a home game basis therefore these are also higher than the comparative period. Increased player salary costs have been incurred in line with the increased salary cap as well as additional resourcing costs related to the increased number of community programs compared to the prior comparative period.

Changes by the National Rugby League to the timing of the recognition of advanced grant funding received in the prior and current years has impacted the business in the current reporting period as decisions for budgeted costs had been made with the expectation that increased funding would be realised.

The first half result cannot be taken as an indication of a full year trend. The second half will include the remaining four home games and significant expenses including player salaries which are accounted for on a monthly basis.

A continuation of the current trends is expected to result in the full year profit before tax decreasing in the range of 20-30% compared to the prior corresponding period. This expectation is however contingent on a number of factors which will, when finalised, have a material impact on the reported results for the 2017 year:

- The outcome of negotiations between the NRL and the 16 NRL clubs to enter into a new club licence agreement and determination of the NRL club grant, 2018 salary cap amount and pathways for the post-National Youth Competition era;
- Completion of the 2017 season, crowd attendance and on field performance of the Brisbane Broncos; and
- Other factors such as the medical costs which are unable to be quantified in advance.



(ABN 41 009 570 030)

APPENDIX 4D HALF-YEAR REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

This information should be read in conjunction with the annual financial report for the year ended 31 December 2016.

RESULTS FOR ANNOUNCEMENT TO THE MARKET				
Revenues from ordinary activities (\$000)	Up	14.8%	to	25,242
Profit from ordinary activities before tax attributable to members (\$000)	Up	12.1%	to	3,432
Profit from ordinary activities after tax attributable to members (\$000)	Up	12.5%	to	2,369
Basic earnings per share (cents)	Up	12.5%	to	2.42
Diluted earnings per share (cents)	Up	12.5%	to	2.42
Net tangible asset backing per ordinary share	acking per ordinary share 20.98 cents (2016: 18.6 cents)			

DIVIDENDS	Amount per security	Franked amount per security
Interim Dividend	Nil	Nil
Total amount per share relating to the half-year ended 30 June 2017	Nil	Nil
Previous corresponding period (2016 Final Dividend)	0.75 cent	0.75 cent

AUDIT INFORMATION

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

L. Luniga

Louise Lanigan Company Secretary



AND ITS CONTROLLED ENTITIES

ACN 009 570 030

HALF-YEAR FINANCIAL REPORT 30 June 2017

CONTENTS

CORPORATE INFORMATION	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	17
INDEPENDENT REVIEW REPORT TO MEMBERS OF BRISBANE BRONCOS LIMITED	18

CORPORATE INFORMATION

A.B.N. 41 009 570 030

This half-year report covers the consolidated entity comprising Brisbane Broncos Limited and its subsidiaries (the Group). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report on pages 3 to 4. The Directors' Report is unaudited and does not form part of the financial report.

Directors D M Watt (Chairman) K S Bickford A J Joseph K M Lawlor D J Lockyer

Company Secretary L A Lanigan

Registered Office and Principal Place of Business Level 1, 92 Fulcher Road

Red Hill Qld 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

Creagh Weightman Level 1, 179 Mary Street Brisbane Qld 4000

Bankers

Commonwealth Bank of Australia Level 18, 180 Ann Street Brisbane Qld 4000

Auditors

EY 111 Eagle Street Brisbane Qld 4000

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 30 June 2017.

DIRECTORS

The names of the Brisbane Broncos Limited (the Company) directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

D M Watt (Chairman) K S Bickford A J Joseph K M Lawlor D J Lockyer

REVIEW AND RESULTS OF OPERATIONS

The profit before tax for the half-year ended 30 June 2017 is \$3.4 million compared to \$3.1 million for the corresponding 2016 period. The current period reflects normal trading activities.

Total revenues increased to \$25.2 million (2016: \$22.0 million). Items of note include:

- The National Rugby League (NRL) Club Grant increased, funding the salary cap increase;
- An NRL incentive grant amount was recognised in 2017, not applicable in the comparative period;
- Upgraded and new contracts increased sponsorship revenue by 12.9% on the comparative period;
- The first half of 2017 included eight home games compared with seven in the comparative period. Accordingly, game day revenue and costs for one more game are reflected in the current period;
- Game day profits have been negatively impacted by crowd shortfalls. Brisbane Broncos average home game crowd for the reporting period has fallen to 32,139 compared to the average crowd for the first half of 2016 of 33,309. Two Thursday night games were held during each period. In 2017, a Friday match was held within six days of an away game being played at Suncorp Stadium and two State of Origin matches (2016: one) impacted discretionary spending, adversely impacting crowd numbers and gate takings revenue;
- Revenue includes amounts in respect of an away game played at Suncorp Stadium both in 2016 and 2017;
- Season membership sales revenue and costs are recorded on a home game basis. Accordingly, one more
 game's allocation is booked in the current period compared to the comparative period;
- Total memberships, ticketed and non-ticketed, of 36,220 were achieved as at 30 June 2017 (30 June 2016: 36,192). Full season membership revenue is up on the prior year despite the differences in mix of ticketed memberships sold. Ticketed memberships of 25,506 (30 June 2016: 26,458) and non-ticketed memberships of 10,714 (30 June 2016: 9,734) had been sold as at 30 June 2017;
- Full season ticketed membership sales and member attendance percentages in 2017 have been impacted by Thursday night scheduling in the prior and current seasons;
- The merchandise department profit is up 26.3% on the prior comparative period due to strong growth in royalty
 income. The merchandise trading result shows strong growth in sales with the new apparel provider however at
 a lower gross margin percentage with both stock purchases and other cost of sales up on the prior comparative
 period;
- Event scheduling has resulted in slightly more revenue from different events being recognised in the current
 period compared to the prior corresponding period; and
- Additional government funding for Indigenous and community programs has been recognised in the first half compared to the corresponding prior period as existing programs introduced in the second half of the prior year are delivered.

DIRECTORS' REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

Total expenditure increased by 15.2% to \$21.8 million (2016: \$18.9 million). The increase primarily relates to additional resourcing and increased salary costs together with game day related expenditure associated with an extra home game played in the current reporting period. Eight home games were played in the 2017 first half, compared to seven in the corresponding prior period. Membership costs are allocated on a home game basis therefore these are also higher than the comparative period. Increased player salary costs have been incurred in line with the increased salary cap as well as additional resourcing costs related to the increased number of community programs compared to the prior comparative period.

Changes by the National Rugby League to the timing of the recognition of advanced grant funding received in the prior and current years has impacted the business in the current reporting period as decisions for budgeted costs had been made with the expectation that increased funding would be realised.

The first half result cannot be taken as an indication of a full year trend. The second half will include the remaining four home games and significant expenses including player salaries which are accounted for on a monthly basis.

A continuation of the current trends is expected to result in the full year profit before tax decreasing in the range of 20-30% compared to the prior corresponding period. This expectation is however contingent on a number of factors which will, when finalised, have a material impact on the reported results for the 2017 year:

- The outcome of negotiations between the NRL and the 16 NRL clubs to enter into a new club licence agreement and determination of the NRL club grant, 2018 salary cap amount and pathways for the post-National Youth Competition era;
- Completion of the 2017 season, crowd attendance and on field performance of the Brisbane Broncos; and
- Other factors such as the medical costs which are unable to be quantified in advance.

TRAINING, ADMINISTRATION AND COMMUNITY FACILITY

Construction is well underway for the club's new home at Red Hill with planned occupancy late in 2017. It will be an important milestone in the history of our club to see the commercial, administration, football and community arms all under the one roof. We continue to work hard to raise all necessary funds for the \$27.2 million project including a donor program. Through the Australian Sports Foundation, tax-deductible donations can be made to support the building project, game development and our award-winning community programs. The Board extends our sincere gratitude for the generous donations made so far.

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

The Directors received the declaration on page 6 from the auditor of Brisbane Broncos Limited.

Signed in accordance with a resolution of directors:

Immuta

Dennis Watt Chairman Brisbane 8 August 2017



Ernst & Young 111 Eagle Street Brisbane QLD 4000 Australia GPO Box 7878 Brisbane QLD 4001 Tel: +61 7 3011 3333 Fax: +61 7 3011 3100 ey.com/au

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

As lead auditor for the review of Brisbane Broncos Limited for the half-year ended 30 June 2017, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Emist 2 Yours

Ernst & Young

Brally Toy

Brad Tozer Partner Brisbane 8 August 2017

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		Consolidated		
	Notes	30 June 2017 \$	31 December 2016 \$	
ASSETS		Ψ	Ψ	
Current Assets				
Cash and cash equivalents	5	19,543,956	20,279,871	
Trade and other receivables	6	5,317,853	1,780,198	
Inventories		291,071	173,513	
Other current assets		757,195	860,499	
Total Current Assets		25,910,075	23,094,081	
Non-Current Assets				
Property, plant and equipment	8	12,798,746	7,222,383	
Deferred income tax asset		219,832	165,325	
Intangible assets		12,510,580	12,510,580	
Other non-current assets		116,667	134,167	
Total Non-Current Assets		25,645,825	20,032,455	
TOTAL ASSETS		51,555,900	43,126,536	
LIABILITIES Current Liabilities Trade and other payables Provisions Income tax payable Unearned revenue Total Current Liabilities	9	5,048,684 1,071,474 479,846 9,617,864 16,217,868	3,444,504 925,468 541,752 4,830,575 9,742,299	
Non-Current Liabilities				
Trade and other payables Provisions		1,609,535 260,201	1,126,778 247,743	
Unearned revenue		390,036	564,889	
Total Non-Current Liabilities		2,259,772	1,939,410	
TOTAL LIABILITIES		18,477,640	11,681,709	
NET ASSETS		33,078,260	31,444,827	
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	10			
Contributed equity	10	28,991,500	28,991,500	
Accumulated earnings/(losses)		4,086,760	2,453,327	
TOTAL EQUITY		33,078,260	31,444,827	

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

Half-Year Report

STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 30 June 2017

		Consolidated	
	Notes	2017	2016
Continuing energians		\$	\$
Continuing operations		1 011 050	1 0 20 1 4 0
Sale of goods Rendering of services		1,311,853 19,315,880	1,028,160 16,538,373
Grant Received National Rugby League		4,400,000	4,045,000
Interest revenue		199,422	289,306
Other income		15,101	88,059
Revenue		25,242,256	21,988,898
Expenses	3	(21,810,623)	(18,927,596)
Profit from continuing operations before			
income tax		3,431,633	3,061,302
Income tax expense	4	(1,062,894)	(956,639)
Net profit and comprehensive income		0.0/0.700	0.104.(/.0
attributable to members of the parent		2,368,739	2,104,663
Earnings per share (cents per share):			
- basic, for profit for the half-year attributable			
to ordinary equity holders of the parent		2.42	2.15
- diluted, for profit for the half-year attributable to			
ordinary equity holders of the parent		2.42	2.15

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

Half-Year Report

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2017

	Attributabl	Attributable to equity holders of the parent		
CONSOLIDATED	Issued Capital	Accumulated Issued Capital Earnings/(Losses)		
At 1 January 2016	28,991,500	384,772	29,376,272	
Profit for the period	-	2,104,662	2,104,662	
Dividends Paid	-	(735,306)	(735,306)	
At 30 June 2016	28,991,500	1,754,128	30,745,628	

	Attributable to equity holders of the parent		
		Accumulated	Total
CONSOLIDATED	Issued Capital	Earnings/(Losses)	Equity
At 1 January 2017	28,991,500	2,453,327	31,444,827
Profit for the period	-	2,368,739	2,368,739
Dividends Paid		(735,306)	(735,306)
At 30 June 2017	28,991,500	4,086,760	33,078,260

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

STATEMENT OF CASH FLOWS

for the half-year ended 30 June 2017

	Natas	Consolidated	
	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		30,648,996	24,082,486
Payments to suppliers and employees		(23,477,653)	(23,312,917)
Inventories		(994,556)	(588,917)
Interest received		209,698	292,760
Income taxes paid		(1,179,307)	(702,293)
Other revenue received		261,137	331,563
Net cash inflows/(outflows) from operating activities		5,468,315	102,682
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,680,692)	(2,429,801)
Grant funds and donations received		2,461,768	1,953,355
Net cash flows used in investing activities		(6,218,924)	(476,446)
Cash flows from financing activities			
Dividends paid		(735,306)	(735,306)
Proceeds from National Rugby League Limited		750,000	-
Net cash flows used in financing activities		14,694	(735,306)
Net increase/(decrease) in cash and cash			
equivalents		(735,915)	(1,109,070)
Cash and cash equivalents at beginning of period		20,279,871	21,206,671
Cash and cash equivalents at the end of period	5	19,543,956	20,097,601

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

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 30 June 2017

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the half-year ended 30 June 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the consolidated entity as the annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2016 and considered together with any public announcements made by Brisbane Broncos Limited during the half-year ended 30 June 2017 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report.

Changes in Accounting Policy

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2017, none of which had a material impact on the financial position or performance of the Group:

- AASB 2016-2 Amendments to Australian Accounting Standards Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards Further Annual Improvements 2014-2016 Cycle

New and amended accounting standards and interpretations have been issued by the AASB but are not yet effective for the period ended 30 June 2017. These standards are not expected to have a material impact on the financial position or performance of the Group.

The Group is evaluating the impact of AASB 15 - *Revenue from Contracts with Customers* and AASB 16 – *Leases*, however the Group is not yet at a point in its assessment to quantify any future impact.

Comparative Information

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* allows an entity to change the presentation or classification of items in its financial statements, if the change in presentation provides information that is reliable and more relevant to the users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. Certain comparative revenue and expense items in the notes to the financial statements have been reclassified to align with the 31 December 2016 full-year disclosures.

2. SEGMENT REPORTING

The consolidated entity operates solely in the business of sports management and entertainment and operates in Australia only.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (continued)

for the half-year ended 30 June 2017

	Consolidated	
	2017	2016
	\$	\$
3. EXPENSES		
Cost of sales	876,998	526,206
Administration expense	2,398,848	1,895,353
Stadium operations expense	4,147,390	3,639,175
Corporate sales, merchandise and ticketing expense	2,340,558	1,999,207
Marketing, sponsorship, and advertising expense	2,410,832	2,222,915
Development, community and indigenous program costs	1,223,929	524,488
Football related expense	8,412,068	8,120,252
	21,810,623	18,927,596

(b) Seasonality of Operations

The consolidated entity recognises game day related venue revenue and expenses on a home game basis. Accordingly, the half-year result is impacted by the number of Brisbane Broncos home games scheduled during each six-month period to 30 June. Eight home games were played at Suncorp Stadium during the half-year ended 30 June 2017 whilst seven home games were played in the first half of 2016. An away game was held at Suncorp in the first half of both 2016 and 2017. The net result includes revenue amounts related to this event.

4. INCOME TAX

The major components of income tax expense for the half-year ended 30 June 2017 and 30 June 2016 are:

	Consolidated	
Statement of Comprehensive Income	2017 \$	2016 \$
<i>Current Income Tax</i> Current income tax charge	1,117,401	991,121
<i>Deferred Income Tax</i> Relating to origination and reversal of temporary differences	(54,507)	(34,482)
Income tax expense/(benefit) reported in the Statement of Comprehensive Income	1,062,894	956,639

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (continued)

for the half-year ended 30 June 2017

5. CASH AND CASH EQUIVALENTS

	Consolidated		
	30 June	31 December	30 June
	2017	2016	2016
Reconciliation of Cash	\$	\$	\$
For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:			
Cash at bank and in hand	4,343,956	5,579,871	2,397,601
Short term deposit *	15,200,000	14,700,000	17,700,000
-	19,543,956	20,279,871	20,097,601

* Included in the balance is \$1,200,000 held as security for the duration of a bank guarantee. The bank guarantee is held as security for the duration of the Training, Administration and Community Facility project.

	Consolidated 31 December		
	30 June 2017 \$	2016 \$	
6. TRADE AND OTHER RECEIVABLES			
Trade receivables	4,027,763	1,282,900	
Other receivables	1,290,090	497,298	
	5,317,853	1,780,198	

7. COMMITMENTS AND CONTINGENCIES

As at 30 June 2017, the Group had commitments of \$11,611,044 in relation to the Training, Administration and Community Facility project and \$580,259 for merchandise forward orders, largely for the 2018 season stock.

There has been no other material change in total commitments outside the ordinary course of business since 31 December 2016. During the ordinary course of business, the Group has continued to sign player contracts in the period to 30 June 2017. This impacts the value of football related commitments at the period end.

The Suncorp Stadium hiring agreement was renewed for the commencement of the 2015 season, for an eightyear term with a review date at four years. There is no fixed component. As charges are subject to numerous factors, it is not possible to quantify the future financial statement impact.

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (continued)

for the half-year ended 30 June 2017

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group continued work on the Training, Administration and Community Facility, capitalising additions of \$8,551,957, offset by \$2,679,517 of government grant funds received and \$134,405 in net donations.

9. UNEARNED INCOME

During the six months ended 30 June 2017, the Group's unearned income liability increased as a result of the receipt of an additional \$5 million from the Federal Government for the expanded Beyond the Broncos Girls Academy program.

10.	CONTRIBUTED EQUITY	Consolidated		
		30 June 2017	31 December 2016	
Ordinary shares - issued and fully paid		\$28,991,500	\$28,991,500	
Number	r 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.

At 30 June 2017, there were no outstanding options to purchase shares in the Company.

11. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that were entered into with related parties for the half-years ended 30 June 2017 and 2016:

		Sales to related parties \$	Grants from related parties \$	Purchases from related parties \$	Loans from related parties \$
CONSOLIDATED					
Major shareholder					
News Corporation	2017	103,657	-	106,048	-
	2016	59,057	-	166,150	-
Associate					
National Rugby					
League Limited	2017	433,399	4,652,000	122,003	1,935,111
	2016	545,629	4,400,844	126,551	-

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (continued)

for the half-year ended 30 June 2017

11. RELATED PARTY DISCLOSURES (continued)

Inter-group loans and advances

During the half-year ended 30 June 2017, loans were advanced and repayments received on short-term intercompany accounts between Brisbane Broncos Limited and its subsidiaries.

Major shareholder

News Corporation owned 68.87% (2016: 68.87%) of the Group as at 30 June 2017. News Corporation and its related entities provided the Group with sponsorship and commercial income during the half-year ended 30 June 2017. Advertising and other services were also provided during the half-year by News Corporation and its related entities to the value of \$106,048 (2016: \$166,150).

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 half-year. Various amounts were paid to the National Rugby League by the Group during the half-year relating to tickets to rugby league matches, insurance, travel and other miscellaneous game day related items.

Negotiations continue between the National Rugby League and the 16 NRL Clubs for a proposed new licence agreement. During 2016, a Memorandum of Understanding (MOU) was issued by the NRL and in accordance with this document, additional funds of \$1,750,000 were paid to each club. In 2017, an additional \$1,250,000 will be paid to each club, in equal monthly instalments over 10 months, with \$750,000 of this amount received as at reporting date. A Further Deed of Agreement was entered into with the NRL in December 2016 which supplements aspects of the MOU and Club Agreement. The Deed states that the additional funds received by clubs in 2016 and 2017 will be characterised as a loan, to be repaid over a five-year period from November 2017 to October 2022. At reporting date, deemed interest of \$557,132 has been booked as unearned grant income in respect of the loan. Under the Deed, the term of the current Club Agreement, which was due to expire on 31 October 2018, has been extended for five years to 31 October 2023. At reporting date, the player Collective Bargaining Agreement, the 2018 salary cap, pathways and 2018 NRL grant amounts are yet to be determined.

Half-Year Report

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (continued)

for the half-year ended 30 June 2017

12. DIVIDENDS

	Consolidated		
	2017	2016	
	\$	\$	
(a) Dividends Paid			
A fully franked dividend of 0.75 cent per share for the financial year ended 31 December 2016 was paid on 12 April 2017 (2015 dividend of 0.75 cent per share paid on 15 April 2016).	735,306	735,306	
(b) Dividends Proposed			
No interim dividend is proposed (2016: Nil)	-	-	

13. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) give a true and fair view of the financial position as at 30 June 2017 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Imutu

Dennis Watt Chairman Brisbane 8 August 2017



Independent Auditor's Review Report to the Members of Brisbane Broncos Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Brisbane Broncos Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 30 June 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brisbane Broncos Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

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

Emist & Young

Ernst & Young

Breely Toy

Brad Tozer Partner Brisbane 8 August 2017