THE BRONCOS

ANNUAL REPORT 2019/20

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of Brisbane Broncos Leagues Club Ltd, ACN 010 798 679, will be held in the Darcey Mitchell Room, Brisbane Broncos Leagues Club Ltd, Fulcher Road, Red Hill on Thursday, 26 November 2020 at 6.00pm.

AGENDA

1. Apologies
2. Confirmation of minutes from the last Annual General Meeting held on Thursday, 28 November 2019
3. Business arising out of minutes
4. Annual reports for adoption:
   4.1 Chairman's Report
   4.2 Director's Report, Independent Auditor's Report and Financial Statements.
5. Election of Officers
   5.1 President
   5.2 Vice President
   5.3 Treasurer
   5.4 Committee Members
6. Approval of Committee Members' remuneration year ended 30 June 2021
7. General Business (of which seven days written notice has been given).

Dated 28 October 2020 by order of the Board of Directors.

Michelle Sander
Company Secretary

DIRECTOR'S REPORT

The Directors of Brisbane Broncos Leagues Club Limited "the Club" present their report together with the financial statements of the entity, for the year ended 30 June 2020.

GENERAL INFORMATION

Committee members

The names of committee members throughout the year and at the date of this report are:
Lawrence Brindle (President)
Brendan Power (Vice President)
Anthony Joseph (Treasurer)
Gene Miles
Jason Greenhalgh
David Asplin
John Kettle (Appointed 19/09/2019)

Company secretary

The following person held the position of company secretary at the end of the financial year:
Lawrence Brindle

Principal activities

The principal activities of the company are to provide a social and sporting club and to support the game of rugby league specifically through the Brisbane Broncos.

No significant changes in the nature of the entity's activity occurred during the financial year.

Short term objectives

The short term objective is to manage the cash flows of the company so as to meet liabilities and finance facility improvements.

Long term objectives

The long term objectives of the Club emanate from its stated principal purposes, which are:
(a) To provide for members and for members' guests, a social and sporting club with all the usual facilities of a club, including liquor, and other refreshments, libraries and provision for sporting, musical and educational activities and other social amenities; and
(b) To sponsor, promote, foster, support and encourage the aims and objects of Brisbane Broncos Rugby League Club Limited and all matters pertaining thereto.

STRATEGY FOR ACHIEVING THE OBJECTIVES

The strategy to achieve the short and long term objectives of the Club is through the provision of effective corporate strategies, including:

- Making decisions that are consistent with the Club's long term objectives.
- Compliance with any relevant legislative industrial and administrative requirements.
- Support of the community.
- Providing a safe, healthy and discrimination-free club environment.
- Retaining quality staff, by promoting a culture of continuous professional development and training.

The Club utilises industry benchmarks and budgets to develop key KPIs. Management and the Board of Directors meet on a regular basis to monitor performance and ensure that operations are managed so as to ensure that the most relevant KPI's are kept in focus.

INFORMATION ON DIRECTORS

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Lawrence Brindle - President

Lawrence Brindle joined the Board of Directors of the Club in 2014. Previously he was the Chairman of Brisbane Broncos Ltd from 2011 to 2013, a Non-Executive Director from 2008 until 2013 and a Director of Brisbane Broncos (previously Pacific Sports Entertainment Ltd) from 1996 to 1998. Lawrence held the position of Finance Director of the Queensland Press Group from 1990 to 2009. He served as Director of the Australian Stockman's Hall of Fame and Outback Heritage Centre and a Director of the North Queensland Cowboys Rugby League Football Ltd. Lawrence was also appointed Company Secretary on 26 March 2015.

Brendan Power - Vice President

Brendan Power joined the Board of Directors of the Club in 2016 and previously held positions as a Director of Eastern Suburbs Leagues Club and the Easts Leagues Foundation. Brendan holds a Bachelor of Business, a Master of Business Administration (MBA) and is a Graduate of the Institute of Company Directors. Brendan is the Chairman of the Club's Audit, Risk and Remuneration committee.

Anthony Joseph - Treasurer

Tony Joseph joined the Board of Directors of the Club in 2014. He has been a Director of Brisbane Broncos Limited for 5 years. He is Chairman of Brisbane Market Limited and Vice Chairman of Brismark Pty Ltd. Tony is on the Committee for Queensland Men of League as well as a Member of the Australian Institute of Company Directors. Tony also sits on the Club's Audit, Risk and Remuneration Committee.

Gene Miles

Gene Miles has been a Director of the Club for 24 years and represented Australia in rugby league and is a former captain of the Brisbane Broncos. He is currently Executive Chairman of the Former Origin Greats (FOGS). Gene has been a selector for the Qld State of Origin team for the previous 15 years. He is also a life member of the Club.

Jason Greenhalgh

Jason Greenhalgh joined the Board of Directors of the Club in November 2018. Jason holds a Bachelor of Business and was the Assistant Marketing Manager of Brisbance Broncos Ltd from 1992-1996. He is currently the General Manager of the University of Queensland Rugby Football Club and a Queensland Committee Member of Redkite.

David Asplin

David Asplin joined the Board of Directors of the Club in November 2018. David is the Deputy Managing Director and Head of Funds Management for QIC Global Real Estate, and has a Bachelor of Business from QUT. David was a member of the fund raising committee for the Clive Berghofer Centre, the Brisbane Broncos new state of the art training and community facility. David also sits on the Club's Audit, Risk and Remuneration Committee.

John Kettle
John Kettle joined the Board of Directors of the Club in November 2018. He is a graduate of Trinity College Dublin and Oxford University and is a qualified solicitor in Australia, England and Ireland. He is a corporate and competition law partner in McCullough Robertson where he heads the international practice. He has taken FIFA to the International Sports Tribunal and is a legal adviser to Brisbane Broncos Football Club. He is also a director of the Elliott Green Power renewable energy group, lectures at the University of Queensland, is a contributing editor of the Australian Law Journal, and has had a number of not for profit advisory roles.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The total loss after tax for the year is $832,000 (2019: loss of $799,000).

MEMBER GUARANTEE

Brisbane Broncos Leagues Club Ltd is a company limited by guarantee incorporated and domiciled in Australia. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to $100 for all members, subject to the provisions of the Club's constitution.

MEETINGS OF DIRECTORS

During the financial year, 13 meetings of directors (including committees of directors) were held.   Attendances by each director during the year were as follows:

Attended	Eligible to Attend	Number
Lawrence Brindle	8	8
Anthony Joseph	13	11
Gene Miles	8	6
Brendan Power	13	10
Jason Greenhalgh	8	7
David Asplin	13	12
John Kettle	6	6

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2020 has been received and can be found on page 12 of the annual report.

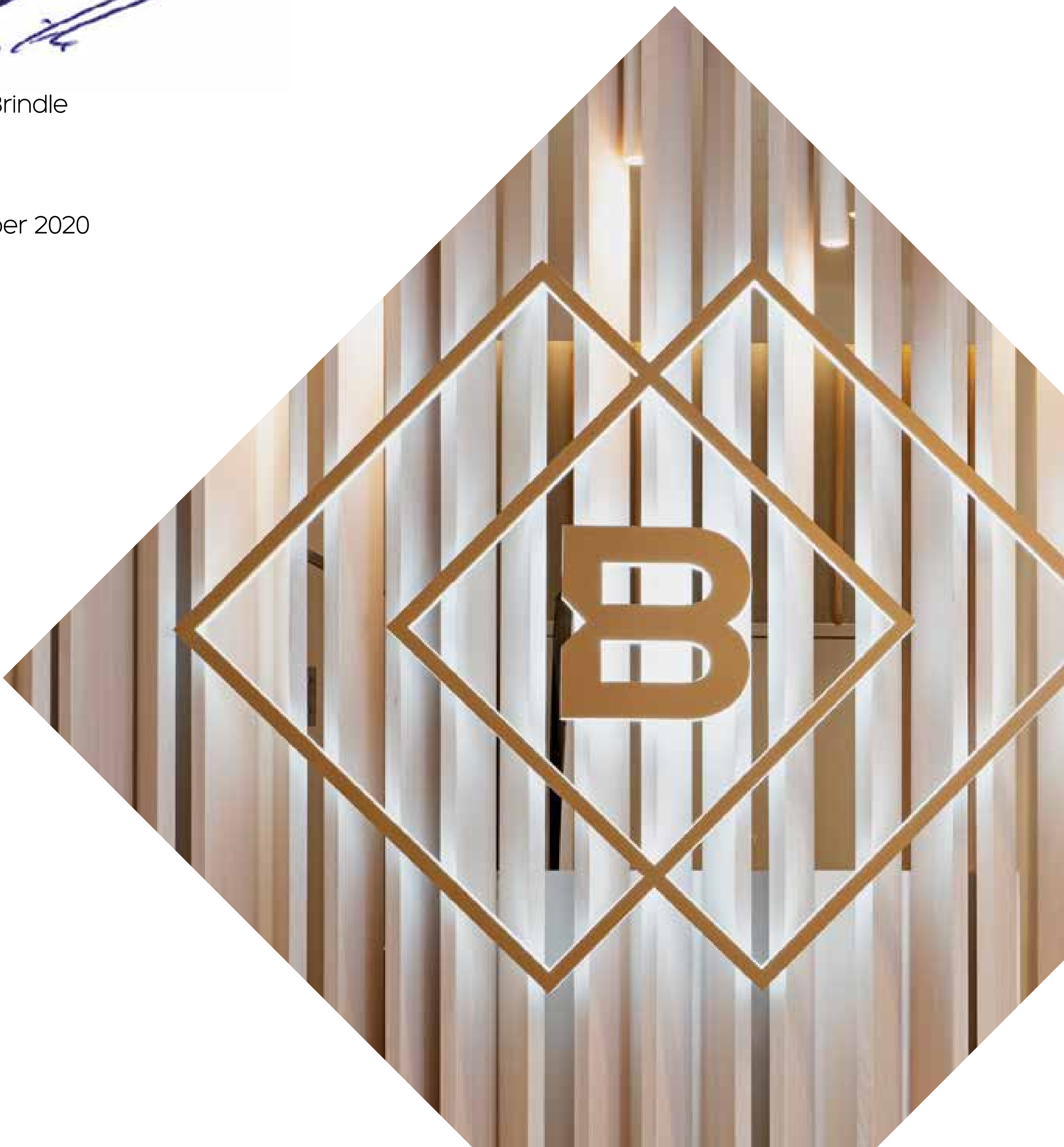
ROUNDING OF AMOUNTS

Pursuant to class order 2016/191, issued by the Australian Securities & Investments Commission, amounts in the directors report and financial report have been rounded off to the nearest thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors:

Lawrence Brindle
President

Dated:
24 September 2020



CHAIRMAN'S REPORT

The Board of Directors of the Brisbane Broncos Leagues Club Limited present the 2019/2020 Annual Report to members.

During the year under review the Club recorded a loss of $831m (2019: loss $.799m). The Club traded profitably until the government mandated close-down on March 22, 2020. The loss for the year directly related to the period of mandated closure from that date. Since that time the Club has been unable to trade, earning no operating income. Despite significant cost savings and JobKeeper income losses resulted.

A summary of the Club's financial performance for the 2019/2020 financial year is set out below:

	2020 $'000	2019 $'000
Revenue		
Sales – food and beverage	**3,086**	3,898
Gaming machine takings	**7,993**	11,056
Other	**1,080**	434
	12,159	15,388
Expenses		
Cost of sales	**(2,633)**	(3,127)
Gaming machine related expenses	**(2,899)**	(4,062)
Employee & other	**(5,615)**	(6,147)
	(11,147)	(13,336)
Profit before interest, tax, depreciation & sponsorship (EBITDAS)	**1,012**	2,052
Finance costs	**(398)**	(258)
Depreciation	**(1,446)**	(1,393)
Profit/(loss) from operations	**(832)**	401
Court case costs		(1,150)
Profit/(loss) before tax	**(832)**	(749)
Income tax credit/(expense)		(50)
Profit/(loss) for the year	**(832)**	**(799)**

COVID 19

The challenge during this current crisis is unprecedented. Whilst all businesses have been affected, the club industry has been hit particularly hard. The Board and management have taken all precautions during this time of uncertainty to ensure all staff, members and their guests are appropriately safeguarded and that the business is positioned to withstand the financial impacts. Since reopening in July 2020 there are some encouraging signs of a rebound. The Club has met the challenge, secured its immediate financial future, has implemented appropriate strategies to utilise the redeveloped facility, and looks forward to welcoming a growth in visitations over the next 12-24 months. The reopening has been supported by social media.

As a priority the Club continues to implement strong and effective procedures to safeguard members, visitors and staff against the threat of COVID-19.

COMMENTARY ON OPERATIONS

The 2020 financial year saw further progress in the recovery of the Club with the staged opening of the renovated facility from July through to October 2019. The reaction to the revitalised facility was encouraging and trading improvements began to flow. Unfortunately, the COVID-19 pandemic began to impact visitations and then on March 22, 2020 all clubs in Queensland were closed to the public.

During the close down period the Club relied on support from the National Australia Bank (NAB) and the Federal and State Governments. The NAB deferred facility repayment requirements and granted exemptions from loan covenant requirements. The Club was also able to take advantage of the Federal Government's JobKeeper package to support our staff and the Queensland Government allowed clubs to defer the payment of certain taxes. On behalf of the Board we should recognise our leadership group led by Joe Kelly during this difficult time. The Club is now positioned to provide members and their guests with a safe first-class facility run by an enthusiastic and dedicated team.

BOARD

Members have the opportunity at the upcoming Annual General Meeting to vote on the election of office bearers. Gene Miles and I will not be seeking reelection. I strongly support the nominations of all Directors including, Brendan Power (as President), Jason Greenhalgh (as Vice President), Tony Joseph (as Treasurer), David Asplin and John Kettle.

Gene Miles has provided wise council as a member of the Board since February, 1996. His links to the Rugby League community and profile in Queensland have opened doors for the Club and enhanced the Club's profile in the community. His contribution cannot be understated especially during the last few difficult years.

As outgoing President, I thank the Board, management, staff and members for their commitment and support during my tenure.

LETTER FROM THE CEO

The 2019/20 year started with great optimism and ended with great uncertainty. Thankfully three months after reopening post covid the optimism has returned.

The past 12 months is one we will all remember but particularly here at the Broncos Club. We started the financial year under construction where we totally refurbished, redesigned and reconfigured the ground floor of our Club in what was the biggest change the Club had seen in the better part of two decades. In October we opened the new Club and launched our new logo and new website. The new Grill was opened with one of the few Mibrasa Woodfired Oven and Parilla Woodfired Grill's in Brisbane which certainly revolutionised our menu offering. Our indoor/outdoor café, The Courtyard, was popular from breakfast to dinner and our newly laid out gaming room tucked discreetly away from the other areas of the Club was well received. Member feedback was overwhelming and our trade was strong.

In January however cases of COVID-19 and what was to be become a global pandemic started to be recorded in Australia and the uncertainty began. By mid-March the Government started bans on public gatherings and on Sunday March 22 the Prime Minister announced that from noon the following day we would be closed for an indefinite period. The week that followed I have never been more proud of our staff as they all helped us shut down the Club ensuring that it remained secure, safe and healthy as all food and beverages were disposed of and assets secured. Through the closure we continued to communicate with our members via electronic and social media and where we could directly - albeit we have 25,000 which makes that quite difficult. We had weekly Zoom meetings with our staff to check on their wellbeing and give updates where we could.

This period can now be quantified:

- The Club ran at a loss of $995,000 for that period;
- We incurred an additional $500,000 in debt due to Federal and State Government loan programs;
- 46 of our 68 staff were eligible for Jobkeeper and we only made two redundant through the whole period;
- Unlike some businesses, we allowed all our staff to access their leave entitlements during closure to assist in topping up their wages where required;
- Provided rent relief to our tenants on level 1;
- We received payroll tax relief and a waiver from the State Government for our Liquor Licence fees;
- Our bank, NAB, placed all our loan facilities on hold and has been a great partner through this whole period.

Hopefully this is an experience we can say we survived and never have to live through again.

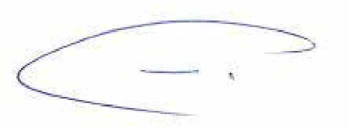
The Club reopened on July 3 2020 and we started our new financial year uncertain of what to expect. What has occurred we couldn't have dreamed of and to all our loyal members I thank you for your support. We opened the Club with one dining area being the Grill and Alfie's Bar on restricted hours. The reason for this was the Governments imposed restrictions on numbers and capacity. We have also had to be responsible and very careful with our expenses while we navigate through this unprecedented event to ensure the long term survival of our Club as in three years' time the new Queens Wharf casino will open and be our next challenge. By being responsible and with help from the relief of the Federal Government's Jobkeeper scheme we have started the year extremely strong:

- The Board agreed to waive all membership renewal fees for 2020/21;
- Strong first quarter of 2020/21 - $842k net profit;
- Strong cashflow position and ability to continue to pay down debt;
- $98k in community sponsorship since reopening;
- Return to work of almost all staff members in their usual roles;
- Full occupancy of our tenants on level 1.

Although the Club has started strongly we became ineligible for Jobkeeper as of September 28 and we wait to see the effects of the economy when Jobseeker decreases and Jobkeeper disappears. We will continue to remain responsible with our expenses without affecting our members experience too much. Unfortunately, our food and beverage trade, which is an industry wide trend, has started quite softly and for this reason we cannot justify opening a second kitchen in the Courtyard at this time nor can we justify opening Alfie's Bar 7 days a week. But rest assured once we can we will.

In closing I would like to thank all our members for their support during closure and since reopening but also, and more importantly, in adhering to the restrictions, practising social distancing where practical and keeping everyone safe since reopening.

To our wonderful staff thank you - you helped us when we were closing, you were here to get us open and you have provided superb service since we opened to our members. Finally, to my management team, Michelle, Jake and the team your support and friendship over this highly challenging, uncertain and stressful time is why we have opened strongly and why we will see this pandemic off and ensure a strong future for the Broncos Club.



Joe Kelly
CEO

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200
F +61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Brisbane Broncos Leagues Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Brisbane Broncos Leagues Club Limited for the year ended 30 June 2020, I declare that, 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; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S G Hancox
Partner – Audit & Assurance

Brisbane, 24 September 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Food and beverage sales		**3,086**	3,898
Gaming machine takings		**7,993**	11,056
Other revenue	2	**1,080**	434
Food and beverage expense		**(2,633)**	(3,127)
Gaming expense		**(2,899)**	(4,062)
Promotions and entertainment expense		**(1,797)**	(2,197)
Membership expense		**(105)**	(147)
Property costs		**(986)**	(1,216)
Administration expense		**(2,727)**	(2,587)
Depreciation and amortisation		**(1,446)**	(1,393)
Finance costs		**(398)**	(258)
Settlement of court case		**-**	(1,150)
Other expenses		**-**	-
Profit/(loss) before income tax		**(832)**	(749)
Income tax (expense)	3	**-**	(50)
Profit/(loss) for the year		**(832)**	(799)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(832)**	(799)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Note	2020 $'000	2019 $'000
ASSETS			
Current			
Cash and cash equivalents	4	**405**	1,211
Trade and other receivables	5	**209**	90
Prepayments	6	**81**	405
Inventories		**75**	80
Total current assets		**770**	1,786
Non current			
Property, plant and equipment	7	**15,344**	12,870
Intangible assets		**28**	29
Total non current assets		**15,372**	12,899
Total assets		**16,142**	14,685
LIABILITIES			
Current			
Trade and other payables	8	**696**	2,231
Borrowings	9	**10,136**	1,664
Provisions	10	**184**	649
Unearned revenue		**29**	66
Total current liabilities		**11,045**	4,610
Non current			
Borrowings	9	**778**	4,925
Long term provisions	10	**6**	5
Unearned revenue		**-**	-
Total non current liabilities		**784**	4,930
Total liabilities		**11,829**	9,540
Net assets		**4,313**	5,145
Equity			
Retained earnings		**4,313**	5,145
Total equity		**4,313**	5,145

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

	Retained earnings $'000	Total $'000
2019		
Balance at 1 July 2018	**5,944**	5,944
Profit attributable to members of the entity	**(799)**	(799)
Balance at 30 June 2019	**5,145**	5,145
2020		
Balance at 1 July 2019	**5,145**	5,145
Profit attributable to members of the entity	**(832)**	(832)
Balance at 30 June 2020	**4,313**	4,313

STATEMENT OF CASH FLOWS
for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**12,774**	16,867
Payments to suppliers and employees		**(13,876)**	(16,026)
Membership fees received		**46**	50
Receipts from government stimulus measures		**317**	-
Interest paid		**(398)**	(252)
Net cash provided by operating activities	11	**(1,137)**	639
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(3,553)**	(2,092)
Purchase of intangible assets		**(19)**	(33)
Proceeds from sale of property, plant and equipment		**-**	63
Net cash used in investing activities		**(3,572)**	(2,062)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**4,781**	1,728
Repayment of bank borrowings		**(600)**	(750)
Payment of finance lease liabilities		**(278)**	(222)
Net cash used in financing activities		**3,903**	756
Net increase/(decrease) in cash and cash equivalents held		**(806)**	(667)
Cash and cash equivalents at beginning of financial year		**1,211**	1,878
Cash and cash equivalents at end of financial year	4	**405**	1,211

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies

(a) Basis of preparation
The financial report includes the financial statements and notes of Brisbane Broncos Leagues Club Ltd ("the Club").

The Directors' have prepared the financial statements as in the opinion of the Directors, it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and AASB 1054 Australian Additional Disclosures.

Brisbane Broncos Leagues Club Ltd is a not-for-profit company, incorporated and domiciled in Australia.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

(b) Revenue and other income - for the period ending 30 June 2020
To determine whether to recognise revenue, the Club follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods to its customers.

Revenue from sale of goods, such as food and liquor, is recognised at a point in time when control of the goods has passed to the buyer at an amount that reflects the consideration the Club expects to be entitled to in exchange for those goods. Control of goods are considered passed to the buyer at the time of the delivery of the goods to the customer.

Revenue from gaming machines is recognised on the basis of daily takings.

Interest revenue is recognised as the interest accrues (using the effective interest rate method).

Revenue from membership fees is recognised over the membership period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

Members' subscription payments in advance are included in unearned revenue. Other amounts received in advance of provision of goods or services are also included in unearned revenue.

All revenue is net of goods and services tax (GST).

(b) Revenue and other income - for the comparative period ending 30 June 2019
The Club recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Club's activities as discussed below. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of goods, such as food and liquor, is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue from gaming machines is recognised on the basis of daily takings.

Interest revenue is recognised as the interest accrues (using the effective interest rate method).

Revenue from membership fees is recognised over the membership period.

Members' subscription payments in advance are included in unearned revenue. Other amounts received in advance of provision of goods or services are also included in unearned revenue.

All revenue is net of goods and services tax (GST).

(c) Property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

Depreciation

The depreciable amount of all fixed assets including building, right-of-use assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	1.33% - 10%
Plant and Equipment	10% - 33%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases - for the period ending 30 June 2020

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use assets

Right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(d) Leases - for the comparative period ending 30 June 2019

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

(e) Financial instruments

Recognition, initial measurement and derecognition Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.
Classifications are determined by both:
- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal
- amount outstanding
- After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Club's cash and cash equivalents, trade and most other receivables fall into this category.

Financial assets at fair value through profit or loss (FVPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)
The Club has no equity instruments at fair value through other comprehensive income as at 30 June 2020.

Debt instruments at fair value through other comprehensive income *(Debt FVOCI)*

The Club has no debt instruments at fair value through other comprehensive income as at 30 June 2020.

Trade and other receivables
The Club makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Club uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Club assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities
The Club's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Club **1.**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(f) Impairment of assets
At the end of each reporting year, Management reviews the carrying values of its tangible and intangible assets to determine whether
there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or current replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, Management estimates the recoverable amount of the cash generating unit to which the asset belongs.
Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Club would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Assets, other than goodwill that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation

- decrease as described in the accounting policy for property, plant and equipment.

(g) Employee benefits
Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(h) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(i) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income tax
The income tax expense (benefit) for the year comprises current income tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(k) Deferred tax
Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

of deferred tax assets or liabilities are expected to be recovered or settled

(l) Provisions
Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of Management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

(m) Trade and other payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Comparative figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Club applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(o) Critical accounting estimates and judgements
Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

(p) Adoption of new and revised accounting standards
During the current year, the Club adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

AASB 15 Revenue
from Contracts with Customers The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

AASB 16 Leases
The company has adopted AASB 16 from 1

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. In these instances, the amount of Income recognised is recorded at the fair value of the contributed asset. The adoption of these Standards has had no significant impact on the financial statements of the Company.

(q) Key judgements and estimates
When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

(i) Useful lives of depreciable assets:
Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Club. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

(ii) Recoverable amount of property plant and equipment:
The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. The analysis to assess the recoverable amount of property, plant & equipment is based on their value in use which involves an assessment of the Club's net present value of estimated future cash flows. There are a number of critical assumptions used in the value in use calculation, in particular the growth rate of earnings, the level and timing of future capital expenditure and the impact on earnings, and the discount rate applied to the net cash flows.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
2. REVENUE AND EXPENSES			
Other Revenue			
Commissions		**189**	223
Membership fees		**46**	53
Rent and recovery of outgoings		**92**	90
Entertainment shows		**-**	30
Other		**753**	38
		1,080	434
3. INCOME TAX			
Income tax expense / (credit)			
Current tax		**-**	-
Deferred tax		**-**	(50)
		-	(50)
Reconciliation of income tax expense to prima facie tax payable			
(Loss)/profit for the year before income tax expense		**(832)**	(749)
Income tax calculated at the Australian rate of 30% (2019: 30%)		**(250)**	(225)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:			
Non-assessable net mutual income		**(261)**	(397)
Net members only income		**290**	248
Other items		**221**	374
		-	-
Utilisation of carried forward tax losses			
Movement in temporary differences		**-**	(50)
Income tax expense/(credit)		**-**	(50)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
4. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents			
Cash on hand		**226**	411
Cash at bank		**179**	800
		405	1,211
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		405	1,211
Balance as per statement of cash flows		405	1,211
5. TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		**200**	37
Provision for doubtful debts		**-**	-
		200	37
Other receivables		**5**	9
GST receivables		**4**	44
		209	90
6. PREPAYMENTS			
Prepayments		**81**	405
		81	405

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
7. PROPERTY, PLANT AND EQUIPMENT			
Land			
At cost		**5,620**	5,620
Provision for impairment		**(1,620)**	(1,620)
		4,000	4,000
Buildings			
At cost		**24,932**	19,590
Accumulated depreciation and impairment		**(16,306)**	(16,413)
		8,626	3,177
Plant and equipment			
At cost		**12,926**	13,621
Accumulated depreciation		**(10,208)**	(11,041)
		2,718	2,580
Work in progress		**-**	3,113
Total property, plant and equipment		**15,344**	12,870

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

	LAND	BUILDINGS	PLANT & EQUIPMENT	WORK IN PROGRESS $'000	TOTAL $'000
Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below:					
Balance at 1 July 2018	4,000	3,309	3,308	43	10,660
Additions	-	-	643	3,070	3,713
Disposals	-	-	(122)	-	(122)
Depreciation	-	(132)	(1,249)	-	(1,381)
Reversal of impairment	-	-	-	-	-
Balance at 30 June 2019	4,000	3,177	2,580	3,113	12,870
ADDITIONS	-	-	911	3,065	3,976
Transfers	-	5,678	500	(6,178)	-
Disposals	-	-	(76)	-	(76)
Depreciation	-	(229)	(1,197)	-	(1,426)
Impairment charge					-
Reversal of impairment	-	-	-	-	-
Balance at 30 June 2020	4,000	8,626	2,718	-	15,344

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
8. Trade and other payables			
Current			
Trade payables		**105**	322
Sundry payables and accrued expenses		**591**	1,909
		696	2,231
9. Borrowings			
Current			
Secured liabilities:			
Bank overdrafts			
Finance lease obligation	12(a)	**404**	281
Commercial loans		**9,648**	1,300
Unsecured liabilities:			
Other loans		**84**	83
Total current borrowings		**10,136**	1,664
Non current			
Secured liabilities			
Finance lease obligation	12(a)	**336**	315
Commercial loans		**442**	4,610
Total non-current borrowings		**778**	4,925
Total borrowings		**10,914**	6,589

Bank finance facilities

As at 30 June 2020 the Club has one fully drawn down facility for the purpose of Club renovations for an amount of $6,000,000. In addition there are two other finance facilities drawn down to an amount of $3,590,000. These loans have an expiry date of 30 April 2021 and therefore have been classified as a current liability due to the expiry of the facility being within 12 months of balance date. The Club has no reason to suspect that it will not be able to obtain refinancing of this facility.

To assist with working capital during the COVID-19 pandemic two financing facilities of $250,000 have also been made to available to the Club and these facilities have been fully drawn down. These facilities have expiry dates of April 2023 and May 2030.

The Club also has hire purchase liabilities under an additional facility. This facility has a revolving limit of $1,000,000. At 30 June 2020 the total amount owing in relation to hire purchase liabilities under these facilities was $740,000 (2019: $596,000).

Under the finance facilities, the financier holds a security interest and charge over all of the present and future rights, property and undertaking of the Club.

	Note	**2020 $'000**	2019 $'000
10. Provisions			
Current			
Employee entitlements		**184**	194
Other provisions	13	**-**	455
		184	649
Non current			
Employee entitlements		**6**	5
		6	5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
11. Cash flow information			
(a) Reconciliation of result for the year to cash flows from operating activities			
Reconciliation of net income to net cash provided by operating activities			
Net profit for the period		**(832)**	(799)
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in profit:			
- depreciation and amortisation		**1,446**	1,393
- gain on fair value adjustment - investment properties		**-**	-
- impairment charge - property, plant and equipment		**-**	-
- reversal of impairment		**-**	-
- loss on disposal of property, plant and equipment		**76**	61
- loss on revaluation of property, plant and equipment		**-**	-
- Capital expenditure not yet paid			(1,151)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:			
- (Increase)/decrease in receivables		**(119)**	(47)
- (Increase)/decrease in prepayments		**324**	(157)
- (Increase)/decrease in inventories		**5**	(28)
- (Increase)/decrease in deferred tax assets		**-**	51
- Increase/(decrease) in payables		**(1,535)**	808
- Increase/(decrease) in unearned revenue		**(37)**	28
- Increase/(decrease) in provisions		**(465)**	480
Cash flows from operations		**(1,137)**	639

(b) Non-cash activities

During the 2020 year, the Club acquired plant and equipment with an aggregation fair value of $422,600 by means of hire purchase loans (2019: $470,000)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
12. Capital and leasing commitments			
(a) Finance lease commitments			
Payable - minimum lease payments		**411**	299
- no later than one year		**365**	327
- between 1 year and 5 years		**776**	626
Minimum lease payments			
Future finance charges		**(36)**	(30)
		740	596

Finance leases comprise of items of plant and equipment, mainly poker machines, under commercial hire purchase terms and conditions. These liabilities are secured by the underlying assets.

(b) Capital commitments			
Capital expenditure commitments contracted for:			
Club renovation		**-**	2,224
		-	2,224

The Club renovation was completed in October 2019. No capital expenditure commitments are contracted for as at 30 June 2020.

13. Contingent liabilities and contingent assets.

As disclosed in the prior year financial statements, The Club had a case before the Supreme Court and subsequently the Court of Appeal in relation to a property transaction with Principal Properties. During the prior year, the parties reached an agreement to settle the liability for the Costs Order. The Club was to pay $1,150,000 to Principal Properties in instalments between June 2019 and December 2019. As at 30 June 2020 these costs have been paid consistent with the instalment dates and no liability remains.

There are no contingences or unknown future amounts in relation to this case or any other matters as at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

14. Impact of COVID-19 on the financial statements

To comply with government directives the Club was unable to trade from March 23, 2020 through July 2, 2020. The Club was successful in obtaining a state government and a bank COVID loan during our closure to assist with ongoing expenses and retaining employees.

The currently known impacts of COVID-19 on the Club and its financial statements include:

- The Club was unable to earn operating revenue during the period the Club was closed.
- The Club received JobKeeper income from the Government which has been recorded as other income in the financial statements
- The Club reduced expenditure during the period the Club was closed.
- The Club failed to meet financial covenants in accordance with its banking facility agreement due to the closure.

Further to this,
- The Club's banking facility is due for renewal in April 2021.
- As the banking facility falls due during the 2021 financial year it is required that it is classified as current, resulting in an increase in the net current liability position to $10.275m (2019: $2.84m).
- The Club generated negative operational cash flows for the period of $1.137m (2019: $0.639m positive).

Management believe that the following factors address the risks identified:
- Ongoing negotiations with our financiers to manage repayment commitments including obtaining covenant waivers and repayment deferrals until September 2020
- Discussions with financiers indicate loans due to expire in April 2021 will be renewed and covenants renegotiated
- During shutdown, operating costs and employee costs were managed to preserve our available cash reserves, which could be performed again if a further shutdown was required
- The Club will receive JobKeeper and Cashflow boosts until September 2020
- The Club can fund another potential closure for approx. 14 weeks with available cash reserves
- Since reopening in July 2020, the Club recorded a strong profit in July and has generated surplus cash flows.

Therefore, the statements have been prepared on a going concern basis, despite the uncertain future impacts of COVID-19.

15. Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

16. Company details

Brisbane Broncos Leagues Club Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 25,162 (2019: 28,934).

The registered office and principal place of business of the company is:
Brisbane Broncos Leagues Club Ltd
Fulcher Road
RED HILL QLD 4059

DIRECTOR'S DECLARATION

The Directors of the Club declares that:

The Directors have determined that the Club is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

1. The financial statements and notes, as set out on pages 6 to 22 are in accordance with the Corporations Act 2001, and"
   (a) Comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) Give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date.

2. In the Director's opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Lawrence Brindle
President

Dated: 24 September 2020

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000

Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200
F +61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Brisbane Broncos Leagues Club Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Brisbane Broncos Leagues Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 Company is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

b complying with Australian Accounting Standards to the extent described in Note 1 and complying with 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 Company in accordance with 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* (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.

Emphasis of matter – basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter - Material uncertainty related to going concern

We draw attention to Note 14 in the financial statements, which indicates that the Company incurred a net loss of $832,000 (2019: $799,000) during the year ended 30 June 2020, and as of that date, the Company's current liabilities exceeded its current assets by $10,275,000 (2019: $2,824,000).

The Company's ability to continue as a going concern is reliant on various mitigating factors outlined in Note 14. If these events or conditions fail to eventuate, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Directors' report for the year ended 30 June 2020, 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.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the Members. The Directors' responsibility also includes 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S G Hancox
Partner – Audit & Assurance

Brisbane, 24 September 2020

THE BRONCOS

98 Fulcher Rd, Red Hill QLD 4059 p. 07 3858 9000
broncosclub.com.au