THE BRONCOS

ANNUAL REPORT 2022/23

BRONCOS CLUB IN NUMBERS

31,780
TOTAL MEMBERS

20,807
FACEBOOK FOLLOWERS

2,671
INSTAGRAM FOLLOWERS

EMPLOYEES FROM LOCAL AREA:	**79**
PERMANENT EMPLOYEES:	**32%**
CASUAL EMPLOYEES:	**68%**
TRAINING HOURS: (IN THE PAST 12 MONTHS)	**1,618**
DONATIONS: TO LOCAL COMMUNITY, SPORTING AND CHARITABLE ASSOCIATIONS	**$268,000**

CUPS OF COFFEE SOLD: 70,080

ICY COLD BEERS POURED: 101,502

MAIN MEALS SERVED: 96,056

5 YEARS OF SERVICE

JADE PEITI
LOUIS SPARKSMAN
TABITHA GORDON

7 YEARS OF SERVICE

DEAN MADDOX
GEMMA FARRINGTON
ABBIE MILLIKAN

MVP YEAR ENDED DECEMBER 2022

EMILY O'ROURKE

PEOPLE'S CHOICE YEAR ENDED DECEMBER 2022

ABBIE MILLIKAN

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th 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 Tuesday, 28 November 2023 at 5.30pm.

AGENDA

1. Apologies
2. Confirmation of minutes from the last Annual General Meeting held on Tuesday, 22 November 2022
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. Approval of Committee Members' remuneration year ended 30 June 2024
6. General Business (of which seven days written notice has been given).

Dated 26 October 2023 by order of the Board of Directors.

Chris Williams
Company Secretary

DIRECTOR'S REPORT

The Directors of Brisbane Broncos Leagues Club Ltd ("the Club") present their report together with the financial statements of the entity, for the year ended 30 June 2023.

GENERAL INFORMATION

Committee members
The names of committee members throughout the year and at the date of this report are:

Brendan Power (President)
Jason Greenhalgh (Vice President)
Sharna McLean (Treasurer - appointed 28 June 2023)
Anthony Joseph (Treasurer - resigned 28 June 2023)
John Kettle
Michael Hancock
Brendan O'Farrell

Company secretary
The following persons held the position of company secretary in the financial year:
Michelle Sander (Resigned 22/12/2022)
Chris Williams (Appointed 22/12/2022)

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 and;
- 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:

Brendan Power - 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 Managing Director of Clear to Work and Safe Food Pro Australia and is a non-executive Director of DXN Ltd.

Jason Greenhalgh - Vice President

Jason Greenhalgh joined the Board of Directors of the Club in 2018. Jason holds a Bachelor of Business and was the Assistant Marketing Manager of Brisbane Broncos Ltd from 1992-1996. He is currently the General Manager of the University of Queensland Rugby Football Club and Head of Sport at Rowland. Jason is the Chairman of the Club's Audit, Risk and Remuneration committee.

Sharna McLean - Treasurer

Sharna McLean joined the Board of Directors of the Club in 2021. Sharna holds a Bachelor of Business and is a qualified CPA. Sharna was the General Manager of Easts Leagues Club from 2000-2020. Sharna was part of the management team that held the management rights to the Brisbane Broncos Leagues Club Ltd from 2015-2018. Sharna is currently employed with Clubs QLD in a Relationship/Operational Specialist role.

John Kettle

John Kettle joined the Board of Directors of the Club in 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, competition and energy law expert joining Gadens Sydney in October 2023. He has taken FIFA to the International Sports Tribunal, has been a legal adviser to Brisbane Broncos Football Club and was nominated to this position by the football club. John was recently a director of the Elliott Green Power renewable energy group, is a guest lecturer 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. He is also a member of the Clean Energy Regulator.

Michael Hancock

Michael Hancock joined the Board of Directors of the Club in 2021 and is a former professional rugby league player for the Broncos, Queensland and Australia. Since retirement in 2002, Michael has forged a career in professional sports coaching and administration, having been at the Brisbane Broncos Rugby League Football Club since 2003 as a full-time staff member. Michael has had a long association with the leagues club industry, actively establishing and coordinating many community-based programs including government funded Life Skill and Job Readiness Mentoring Initiatives. Michael is also a life member of the Broncos Football Club, and an active member of the Broncos Old Boys and Former Origin Greats.

Brendan O'Farrell

Brendan O'Farrell joined the Board of Directors of the Club in 2022. Brendan is an experienced Non-Executive Director and currently sits on a number of Board Committees for organisations he represents. Brendan currently operates his own consulting firm, Maple Tree Consulting Pty Ltd, providing a range of management consulting services. Brendan's current directorships include TUH Health Fund, for which he is also a Member of both the Risk and Audit Committees, investLogan Pty Ltd, Stadiums Queensland where he Chairs the Strategic Planning Committee and is a Member of the Remuneration Committee, Alternate Director of Queensland Rugby Football League Limited and is a Member of the Public Trustee Advisory and Monitoring Board. Brendan holds a Master of Business Administration (MBA), is a Graduate from the Australian Institute of Company Directors (GAICD) and has undertaken various courses in Strategic Management from Wharton Business School and Leading and Building an Innovative Culture from Harvard Business School. Previously, Brendan had over 25 years' experience in Senior Executive Roles from General Manager to Chief Executive Officer, with his most recent executive role being Chief Executive Officer of Intrust Super Fund from 2005 to 2021.

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

The total profit after tax for the year is $1,560,349 (2022: $891,000)

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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $10 for all members, subject to the provisions of the Club's Constitution.

MEETINGS OF DIRECTORS

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Attended	Eligible to Attend	ARRC Meeting Eligible	Number Attended
Brendan Power	11		9
Jason Greenhalgh	11	4	15
Sharna McLean	11		11
John Kettle	11	4	11
Michael Hancock	11		10
Brendan O' Farrell	11		10
Anthony Joseph	11	4	14

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 2023 has been received and can be found on page 12 of the annual report.

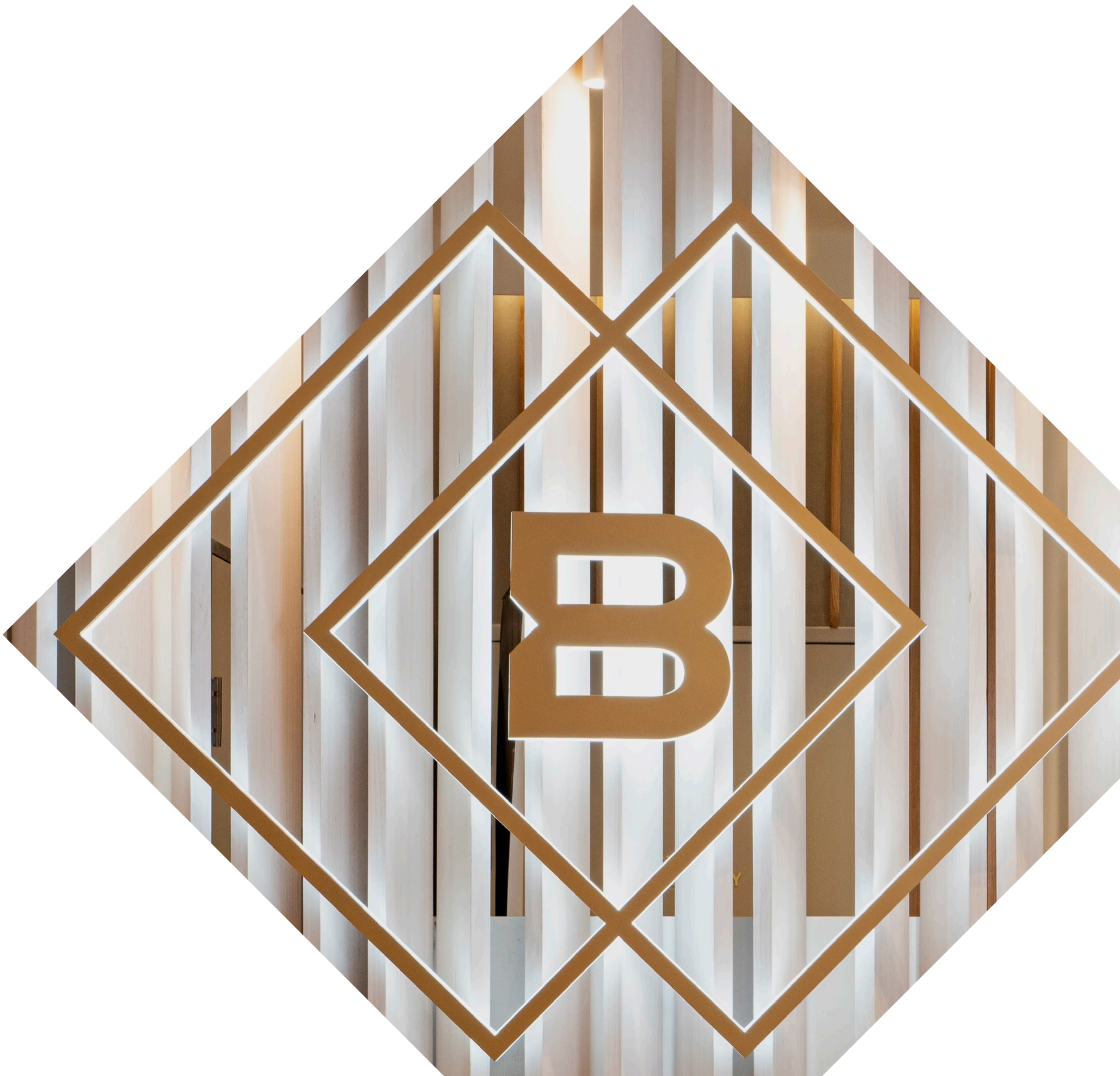
ROUNDING OF AMOUNTS

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:

President

26 September 2023
Brisbane



CHAIRMAN'S REPORT

The Board of Directors of the Brisbane Broncos Leagues Club Limited presents the 2022/2023 Annual Report to members.

During the year under review the Club recorded a profit of $1.560m (2022: profit $0.891m). The Club reduced debt by $2.4m during the financial year and contributed $0.268m to community programs and sponsorships.

A summary of the Club's financial performance for the 2022/2023 financial year is set out below:

	2023 $'000	2022 $'000
Revenue		
Sales – food and beverage	4,757	3,586
Gaming machine takings	12,521	10,942
Other	497	479
	17,775	15,007
Expenses		
Cost of sales	(3,790)	(2,879)
Gaming machine related expenses	(4,660)	(4,016)
Employee & other	(6,338)	(5,728)
	(14,788)	(12,623)
Profit before interest, tax, depreciation & sponsorship (EBITDAS)	2,987	2,384
Finance costs	(264)	(282)
Depreciation	(1,163)	(1,211)
Profit/(loss) from operations	1,560	891
Profit/(loss) before tax	1,560	891
Gains/(losses) on asset revaluation	0	0
Profit/(loss) for the year	1,560	891

COMMENTARY ON OPERATIONS

The increased profitability, with no mandated club closures during the year, is a result of increased patronage across all areas of the business. The food and beverage revenues exceeded pre-pandemic levels, benefiting from the renovations undertaken in 2019 and the continued improvement in offerings, recognised with the Grill awarded Clubs Queensland best medium sized dining venue. The board and management continue to focus on strengthening the Balance Sheet while continuing to improve the member experience.

The Queens Wharf casino is expected to open in the June 2024 quarter. The financial performance last financial year, alongside mitigation strategies being implemented by the board and management, provides confidence the Club will see minimal impact to our members.

BOARD & COMPANY SECRETARY

Anthony Joseph resigned from the board in June 2023 after 8 years of service and the board would like to thank Anthony for his considerable contribution and service. The board appointed Sharna McLean to the Honorary Treasurer position.

Joe Kelly resigned from the CEO position in September 2023 to pursue a role interstate. Joe leaves the Club in a strong position after 5 years of service and the board would like to thank Joe for his contribution, leading the organisation through the challenges faced during the renovations and COVID. Tom Streater was appointed to the CEO position in October 2023 and with his extensive industry knowledge and experience we look forward to building on the strong position of the Club.

In December 2022 Chris Williams commenced in the CFO role and assumed the position of Company Secretary.

LETTER FROM THE CEO

The past financial year has been the most satisfying through my 5 year tenure at the club. Financially the club performed extremely well with a net profit over $1.56m from a revenue base of $17.8m which was an increase of 18.44%.

The outstanding season from the Brisbane Broncos has certainly helped the club from a food and beverage perspective and we have been able to capitalise on that. Additionally, our membership base swelled by over 40% and we closed the financial year with 31,780 members.

This hard work has seen our debt facilities decrease and the club is in the most stable state it has possibly ever been in and something the team is very proud of.

Across our entire business each unit performed at its optimum and I would like to thank our team for their hard work, dedication, and support throughout the year.

To summarise the year:

- Revenue of $17.8m up 18.44% on last year
- Net profit $1.56m
- Provided support to over 26 community organisations
- Ended the year with 31,780 members
- Employed 79 staff from our local area and paid $3.4M in wages

As you would be aware, this will be my last CEO report as I tendered my resignation in September to start a new challenge in NSW. I am proud of what we have achieved over the last 5 years – the renovation and rebranding in 2019; the survival through COVID and now the huge revival of our business. This isn't possible without the great team I have worked with, and I give everyone that has worked with me at the club a huge heartfelt thanks and wish you all the best for the future. To the Board of Directors thank you for your support and it has been a pleasure implementing our strategic plans.

However, a club is not a club without our members. Many of you have made me feel so welcome and like part of the family and I will remember that forever so thank you and I wish you all and your families well for the future.

Joe Kelly
CEO

accountants + auditors

Brisbane
GPO Box 1087
Brisbane Qld 4001 Australia

Gold Coast
GPO Box 1087
Brisbane Qld 4001 Australia

Banyo
PO Box 80
Banyo Qld 4014 Australia

e: info@mgisq.com.au
w: www.mgisq.com.au
t: +61 7 3002 4800

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BRISBANE BRONCOS LEAGUES CLUB LIMITED

In accordance with section 307C of the *Corporations Act 2001*, as the lead audit partner for the audit of the financial report of Brisbane Broncos Leagues Club Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

MGI Audit Pty Ltd

S C Greene
Director

Brisbane

26 September 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Food and beverage sales		**4,757**	3,586
Gaming machine takings		**12,521**	10,942
Other revenue	2	**497**	479
Food and beverage expense		**(3,790)**	(2,879)
Gaming expense		**(4,660)**	(4,016)
Promotions and entertainment expense		**(2,050)**	(1,814)
Membership expense		**(223)**	(177)
Property costs		**(1,190)**	(1,107)
Administration expense		**(2,875)**	(2,630)
Depreciation and amortisation		**(1,163)**	(1,211)
Finance costs		**(264)**	(282)
Profit/(loss) before income tax		**1,560**	891
Income tax (expense)	3	**-**	-
Profit/(loss) for the year		**1,560**	891
Gains/(losses) on asset revaluation			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,560**	891

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	2023 $'000	2022 $'000
ASSETS			
Current			
Cash and cash equivalents	4	**1,294**	1,571
Trade and other receivables	5	**28**	26
Inventories		**130**	101
Other assets	6	**390**	365
Total current assets		**1,842**	2,063
Non current			
Property, plant and equipment	7	**14,254**	14,517
Right use of assets		**13**	28
Intangible assets		**8**	1
Total non current assets		**14,275**	14,546
Total assets		**16,117**	16,609
LIABILITIES			
Current			
Trade and other payables	8	**1,687**	1,287
AASB 16 Lease liability		**13**	16
Contract liabilities		**57**	79
Borrowings	9	**5,130**	2,077
Provisions	10	**190**	207
Total current liabilities		**7,077**	3,666
Non current			
Borrowings	9	**423**	5,877
AASB 16 lease liabilities		**-**	13
Long term provisions	10	**28**	24
Total non current liabilities		**451**	5,914
Total liabilities		**7,528**	9,580
Net assets		**8,589**	7,029
EQUITY			
Retained earnings		**8,529**	6,969
Revaluation reserve		**60**	60
Total equity		**8,589**	7,029

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Revaluation Surplus $'000	Retained earnings $'000	Total $'000
2022			
Balance at 1 July 2021	**60**	**6,078**	**6,138**
Profit/(loss) for the year		891	891
Other comprehensive income, net of tax			
Balance at 30 June 2022	**60**	**6,969**	**7,029**
2023			
Balance at 1 July 2022	**60**	**6,969**	**7,029**
Profit/(loss) for the year		1,560	1,560
Other comprehensive income, net of tax		-	
Balance at 30 June 2023	**60**	**8.529**	**8.589**

STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**19,469**	16,412
Payments to suppliers and employees		**(16,254)**	(14,166)
Membership fees received		**49**	35
Receipts from government stimulus measures		**-**	71
Interest received		**24**	-
Interest paid		**(264)**	(282)
Net cash provided by operating activities	11	**3,024**	2,070
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(884)**	(666)
Net cash used in investing activities		**(884)**	(666)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**-**	148
Repayment of bank & other borrowings		**(2,401)**	(1,470)
Payment of finance lease liabilities		**(16)**	(111)
Net cash used in financing activities		**(2,417)**	(1,433)
Net increase/(decrease) in cash and cash equivalents held		**(277)**	(29)
Cash and cash equivalents at beginning of financial year		**1,571**	1,600
Cash and cash equivalents at end of financial year	4	**1,294**	1,571

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

1. Statement of significant accounting policies

The financial report includes the financial statements and notes of Brisbane Broncos Leagues Club Ltd ("the Club").
Brisbane Broncos Leagues Club Ltd is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

(a) Basis of preparation

In the directors' opinion, the Club is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the requirements of the Corporations Act 2001. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Brisbane Broncos Leagues Club Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), with the exceptions of:

• AASB 119 Employee Benefits to the extent described in Note 1 (g); and
• AASB 112 Deferred taxes to the extent described in Note 1 (k).

These financial statements have been prepared in accordance with 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', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(n).

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(b) Revenue and other income

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Club

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club: identifies the contract with a customer, identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand- alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability

Sale of goods
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.

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

Rent
Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue.

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

Membership fees
Revenue from membership fees is recognised over the membership period. Members' subscription payments in advance are included in contract liabilities.

1. Statement of significant accounting policies (continued)

(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.

Display items are shown at fair value, based on periodic, at least every 5 years, valuations

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

by external independent valuers. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Increases in the carrying amounts arising on revaluation of display assets are recognised in profit and loss to the extent that it reverses a net revaluation decrease previously recognised in profit or loss. Otherwise, net revaluation increases are recognised in other comprehensive income. Decreases in the carrying amount are recognised in other comprehensive income to the extent of any credit balance existing within the revaluation reserve. Otherwise, net revaluation decreases are recognised in profit or loss.

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.

Depreciation
The depreciable amount of all fixed assets including building, right-of-use assets, but excluding freehold land and display assets is depreciated on a straight line basis over the

1. Statement of significant accounting policies (continued)

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	6.67% - 33%

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

An assets carrying amount is written down immediately to its recoverable amount if the assets 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
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.

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

1. Statement of significant accounting policies (continued)

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.

(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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

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)
- 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.

1. Statement of significant accounting policies (continued)

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 2023.

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 2023.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. 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 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

(g) Employee benefits
Short term
Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and other non-monetary benefits.

Long term
Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period where the employee has greater than 6 years of service. 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.

The Club presents employee benefit obligations as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

(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 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) and deferred taxes.

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 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) Critical accounting estimates and judgements
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.

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.

Recoverable amount of property plant and equipment:
The Club assesses impairment at each reporting date by evaluating conditions

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

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.

Valuation of display assets:
The Club obtains independent valuations from a qualified valuer at least every five years. The latest valuation, obtained in June 2021, was for $250,490. Fair value of display assets are determined by reference to the best available market evidence. Where available, this is based on the current market selling price of the same or similar works or on the estimated amount which market participants would be prepared to pay as determined by the independent valuer.

(0) Going concern
The directors of the Club have prepared the financial statements on a going concern basis for the 2023 financial year.

As at 30 June 2023 the Club has current liabilities which exceed its current assets by $5,232,000 (2022: $1,603,000).

This is largely driven by the accounting requirement to disclose the Club's commercial loan of $4,697,500 fully as a current liability in the statement of financial position, as the loan has an expiry date of 30 April 2024 as disclosed in Note 9.

Notwithstanding this, the Directors have prepared the financial statements on a going concern basis due to the following:

- The Directors intend to renew the commercial loan facility upon expiry, and at the date of signing the financial statements, the Directors have no reason to believe that the loan will not be renewed.

- Net profit for the financial year was $1,560,000 (2022: $891,000)

- Net cash inflows from operating activities for the financial year were $3,031,000, with $2,417,000 of those cash flows being used to repay external debt facilities (the balance being used to invest in fixed assets for use in the Club).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

	2023 $'000	2022 $'000
2. REVENUE AND EXPENSES		
(a) Other Income		
Commissions	**255**	222
Membership fees	**49**	35
Rent and recovery of outgoings	**162**	118
Government stimulus	**-**	71
Other	**31**	33
	497	479
(b) Expenses		
Remuneration of auditor:		
Audit of the financial statements	**28**	26
Taxation services	**-**	-
	28	**26**
3. INCOME TAX		
Income tax expense / (credit)		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
Reconciliation of income tax expense to prima facie tax payable		
(Loss)/profit for the year before income tax expense	**1,560**	891
Income tax calculated at the Australian rate of 25% (2022: 25%)	**390**	223
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable net mutual income	**(201)**	(112)
Net members only income	**49**	35
Other items	**(422)**	(312)
	(184)	(166)
Utilisation of carried forward tax losses	**-**	**-**
Income tax expense/(credit)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

	2023 $'000	2022 $'000
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents		
Cash on hand	**435**	276
Cash at bank	**859**	1,295
	1,294	1,571
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	**1,294**	1,571
Balance as per statement of cash flows	**1,294**	1,571
5. TRADE AND OTHER RECEIVABLES		
Current		
Trade and other receivables	**28**	26
Provision for expected credit losses	**-**	-
	28	26
6. OTHER ASSETS		
Prepayments	**381**	356
Other assets	**9**	9
	390	365

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

	2023 $'000	2022 $'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	**24,897**	24,895
Accumulated depreciation and impairment	**(17,136)**	(16,859)
	7,761	8,036
Plant and equipment at cost	**13,164**	12,030
Accumulated depreciation and impairment	**(10,950)**	(10,821)
	2,214	2,209
Display assets- at independent valuation	**250**	250
Work in progress	**29**	22
Total property, plant and equipment	**14,254**	14,517

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

	LAND	BUILDINGS	PLANT & EQUIPMENT	DISPLAY ASSETS	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 2021	**4,000**	**8,313**	**2,477**	**250**		**15,040**
Additions	-	-	644	-	22	666
Depreciation	-	(277)	(912)	-	-	(1,189)
Balance at 30 June 2022	**4,000**	**8,036**	**2,209**	**250**	**22**	**14,517**
Additions	-	2	875	-	7	884
Disposals			(1)			(1)
Depreciation	-	(277)	(869)	-	-	(1,146)
Balance at 30 June 2023	**4,000**	**7,761**	**2,214**	**250**	**29**	**14,254**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

	2023 $'000	2022 $'000
8. Trade and other payables		
Current		
Trade payables	**637**	397
Sundry payables and accrued expenses	**945**	818
GST payable	**105**	72
	1,687	1,287
9. Borrowings		
Current		
Secured liabilities:		
Finance lease obligation	**251**	362
Commercial loans	**4,730**	1,588
Unsecured liabilities:		
Other loans	**149**	127
Total current borrowings	**5,130**	2,077
Non current		
Secured liabilities:		
Finance lease obligation	**209**	343
Commercial loans	**214**	5,534
Total non-current borrowings	**423**	5,877
Total borrowings	**5,553**	7,954

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

Bank finance facilities

As at 30 June 2023 the Club had drawn down an amount of $4,697,500, out of a total facility available of $6,872,500, for the purpose of Club renovations. The facility end date is 30 April 2024 (principal and variable interest), which is within 12 months of balance date, and the total balance owing at 30 June 2023 has been disclosed as a current liability in accordance with the requirements of Australian Accounting Standard AASB 101 Presentation of Financial Statements. The loan is secured on the assets of the Club and future earnings. It is the intention of the Directors to renew this facility, and at the date of signing these financial statements, the Directors are not aware of any reasons why the facility will not be extended on 30th April 2024.

To assist with working capital during the COVID-19 pandemic a QRIDA loan for $250,000 was provided to the Club with an expiry date of May 2030. The interest rate is fixed at 2.5% per annum, and the first principal repayment was made in June 2023. The loan balance at 30 June 2023 is $247,284.

The Club also has hire purchase liabilities under an additional facility. This facility has a revolving limit of $1,000,000. At 30 June 2023 the total amount owing in relation to hire purchase liabilities under these facilities was $459,280 (2022: $705,000).

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

	Note	**2023 $'000**	2022 $'000
10. Provisions			
Current			
Employee entitlements		**190**	207
		190	207
Non current			
Employee entitlements		**28**	24
		28	24

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

		Note	2023 $'000	2022 $'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		**1,560**	891
	Cash flows excluded from profit attributable to operating activities			
	Non-cash flows in profit:			
	- depreciation and amortisation		**1,163**	1,211
	Changes in assets and liabilities, net of the effects of purchase of subsidiaries:			
	- (Increase)/decrease in receivables		**(3)**	(8)
	- (Increase)/decrease in prepayments		**(25)**	(61)
	- (Increase)/decrease in inventories		**(29)**	(1)
	- Increase/(decrease) in trade and payables		**393**	(13)
	- Increase/(decrease) in contract liabilities		**(22)**	29
	- Increase/(decrease) in provisions		**(13)**	22
	Cash flows from operations		**3,024**	2,070

(b) Non-cash investing and financing activities

During the 2023 year, the Club acquired plant and equipment with an aggregated fair value of $124,135 by means of hire purchase loans (2022: $225,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

12. Commitments and contingencies

(a) Capital commitments
The Club has no capital expenditure contracted for as at 30 June 2023 (30 June 2022: None).

(b) Contingent assets and liabilities
There are no contingencies or other matters as at 30 June 2023 (30 June 2022: None).

13. 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.

14. 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 $10 each towards meeting any outstanding obligations of the company. At 30 June 2023 the number of members was 31,780 (2022: 22,892).

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

In the Directors opinion:

1. The Company is not a reporting entity because there are no users dependent on general purpose financial statements, Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Brisbane Broncos Leages Club Limited;

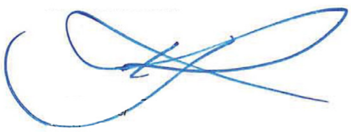
2. The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as descibed in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requierments;

3. The attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

4. There are reasonable grounds to believe that the company will be able to pay its debts and when they become due and payable.

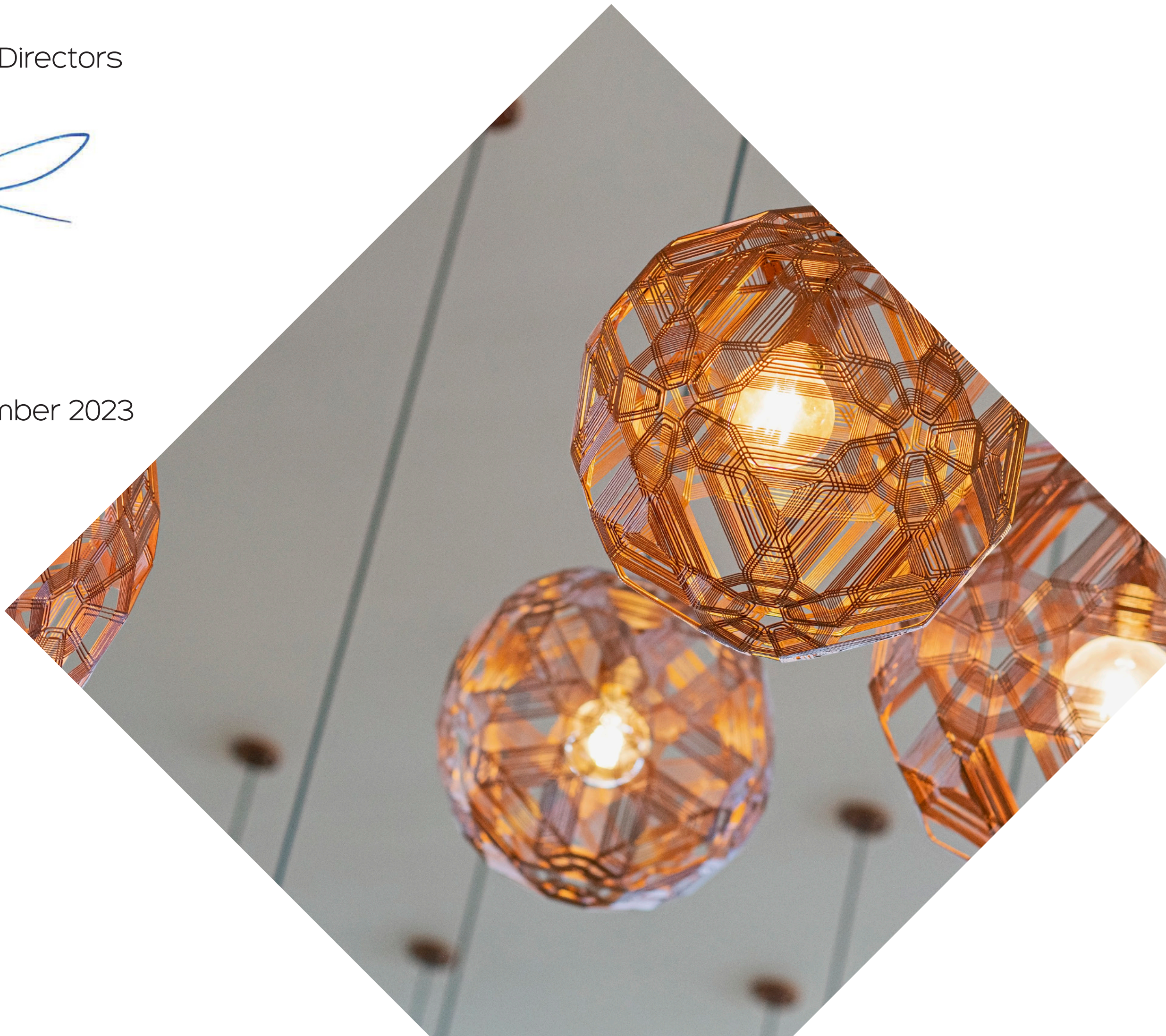
Signed in accordance with a resolution of Directors made persuant to s295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Brendan Power
President

Dated: 26 September 2023



accountants + auditors

Brisbane
GPO Box 1087
Brisbane Qld 4001 Australia

Gold Coast
GPO Box 1087
Brisbane Qld 4001 Australia

Banyo
PO Box 80
Banyo Qld 4014 Australia

e: info@mgisq.com.au
w: www.mgisq.com.au
t: +61 7 3002 4800

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISBANE BRONCOS LEAGUES CLUB LIMITED

Report on the Audit of the Financial Report

Auditor's 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 2023 and the statement of profit or loss and other comprehensive income, 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 Brisbane Broncos Leagues Club Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

(ii) 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* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1(o) in the financial report, which indicates that as of 30 June 2023 the Company's current liabilities exceeded its current assets by $5,232,000. The Club's Directors have classified the commercial loan of $4,697,500 at the 2023 reporting date fully as a current liability in the statement of financial position as required by Australian Accounting Standards, as the loan has an expiry date of 30 April 2024 as disclosed in Note 9.
This condition and others documented in Note 1(o) indicates the existence of potential uncertainty that may cast doubt about the Company's ability to continue as a going concern, should the commercial loan not be renewed in April 2024. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business should this event not occur.

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Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 of the financial report which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of 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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, 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.

Responsibility of the Directors of the Company for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in note 1 and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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 liquidated the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditor’s Responsibility for the Audit of the Financial Report (Continued)

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MGI Audit Pty Ltd

S C Greene

Director

26 September 2023

Brisbane

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THE BRONCOS

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