

2009 ANNUAL FINANCIAL REPORT

HEAR THE BARRACKERS A SHOUTING, AS ALL BARRACKERS SHOULD, ON THE PREMIERSHIP'S A CAKEWALK, FOR THE GOOD OLD COLLINGWOOD



COLLINGWOOD FOOTBALL CLUB LIMITED

(A COMPANY LIMITED BY GUARANTEE) ACN 006 211 196

31 OCTOBER, 2009

Collingwood Football Club Limited

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Collingwood Football Club Limited

Director's report

To the Members of the Collingwood Football Club Limited ("the Company").

The Directors present their report, together with the financial report of the Company and of the Group, being the Company and its controlled entities, for the year ended 31 October 2009 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year were:

Mr E McGuire

President – Appointed 29 September 1998
Experience – Director of McGuire Media Pty Ltd, Director of Victoria Major Events Company, Director of Athletics Australia, Director of Twenty3 Sports and Entertainment. PM appointed Board Member for the Australia Social Inclusion Board. Board & Committee member for numerous charities.

Mr J Kennedy

Vice President/Director – Appointed 11 December 1994
Qualifications – MB.BS (University of Melbourne), F.R.A.C.S F.A.C.S; MS (Iowa) DABO.
Experience – Associate Professor Otolaryngology, head and neck surgery; Director Rostig P/L.

Mr A Waislitz

Vice President/Director – Appointed 29 October 1998
Qualifications – B.Ec., LL.B.
Experience – Executive Chairman Thorney Investment Group.

Mr M Korda

Director – Appointed 15 May 2007
Qualifications – Bachelor of Business; registered Company Auditor; Liquidator; Official Liquidator.
Experience – Principal Kordamentha Group. Director of various companies.

Mr P Leeds

Director – Appointed 13 November 2007
Qualifications – Associate Fellow – Aust Institute of Management
Experience – Director of Victoria Racing Club; Director Radio 3UZ Pty Ltd; Director National Stroke Foundation; Chairman Interpartners Australasian Advertising Network; Chairman Twenty3 Sport and Entertainment; Chairman Australian made Media; Advisory Board Menzies Art Brands.

Ms S Capp

Director – Appointed 19 February 2004
Qualifications – Bachelor of Law (Hons), Bachelor of Commerce (University of Melbourne), Graduate of the Australian Institute of Company Directors.
Experience – CEO for Committee of Melbourne; Trustee for National Breast Cancer Foundation and People and Parks Foundation; Director of Centre for Social Impact and the Advisory Board for Economics and Commerce Faculty at the University of Melbourne; Member for Australia Day Committee (Victoria).

Mr I McMullin

Director – Appointed 29 October 1998
Qualifications – Bachelor of Commerce, University of Melbourne
Experience – Director of Life's a Party Group

Collingwood Football Club Limited

Directors' report (continued)

Directors meetings

The number of Directors meetings held and the number of meetings attended by each of the Directors during the financial year was as follows:

	Directors meetings		Finance & Operations Committee meetings	
	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held
Directors				
Edward McGuire	10	11	-	-
Jack Kennedy	10	11	-	-
Alex Waislitz	6	11	-	-
Sally Capp	10	11	10	10
Ian McMullin	11	11	10	10
Mark Korda	11	11	10	10
Paul Leeds	10	11	-	-

Principal activities

The principal activities of the Group during the course of the financial year were to conduct the operations of the Collingwood Football Club, to manage its affairs, and provide a team of footballers bearing the name of the Collingwood Football Club.

The Group owns and operates a travel agency. The Group also currently operates and owns the leasehold of The International in Lilydale, Coach and Horses in Ringwood, The Club in Caroline Springs, The Beach Hotel in Albert Park and the Diamond Creek Tavern in Diamond Creek.

Review and result of operations

The Group made an operating profit in 2009 of \$594,061 (2008: loss of \$3,278,859).

A detailed review of various aspects of the operations is contained in the President's report published in the "In Black and White 2009 Year Book".

Collingwood Football Club Limited

Directors' report (continued)

Dividends

The Articles of Association specifically prohibit the payment of dividends to members. No such dividends were declared or paid.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years have been referred to in the report of the President published in the "In Black and White 2009 Year Book".

Directors' interests and benefits

Other than as outlined in the notes to and forming part of the financial statements, since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefits because of a contract made by the Group with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest. Directors are not remunerated by the Group for their services.

Indemnification and insurance of officers

Indemnification

Under the Articles of Association, the Board and all members thereof shall be indemnified by the Group against all costs, losses, expenses and liabilities incurred by the Board or any members thereof in the course of the business and it shall be the duty of the Board to pay and satisfy all such costs, losses, expenses and liabilities out of the funds of the Group.

Insurance premiums

The Group has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and executive officers of the Group as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

Collingwood Football Club Limited

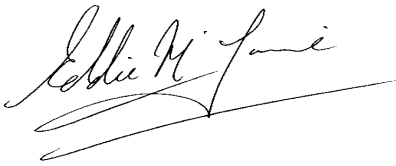
Directors' report (continued)

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the year ended 31 October 2009.

Dated at Melbourne this 16th day of November 2009.

Signed in accordance with a resolution of the Directors:



Edward McGuire
Director



Mark Korda
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Collingwood Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster
Partner

Melbourne

16 November 2009

Collingwood Football Club Limited

Income statements

For the year ended 31 October 2009

		Consolidated		The Company	
	Note	2009 \$	2008 \$	2009 \$	2008 \$
Revenue		62,702,193	62,611,192	58,137,915	57,622,719
Financial income		111,538	198,871	91,687	172,788
Other income		<u>-</u>	<u>750,000</u>	<u>205,892</u>	<u>1,105,964</u>
Total revenue and other income	3	<u>62,813,731</u>	<u>63,560,063</u>	<u>58,435,494</u>	<u>58,901,471</u>
Social club / gaming expenses		(19,030,635)	(16,380,764)	(19,030,635)	(16,380,764)
Football expenses		(17,023,915)	(16,325,805)	(17,023,915)	(16,325,805)
Administration expenses		(3,585,655)	(3,362,270)	(3,585,655)	(3,362,270)
Marketing and sponsorship expenses		(8,613,921)	(10,895,451)	(8,613,921)	(10,895,451)
Pie in the sky travel expenses		(4,378,237)	(4,775,284)	-	-
Membership expenses		(3,689,962)	(3,436,289)	(3,689,962)	(3,436,289)
Depreciation and amortisation expense		(915,222)	(1,042,904)	(915,222)	(1,042,904)
Operating lease rental expenses		(3,948,936)	(3,711,965)	(3,948,936)	(3,711,965)
Financial expenses	6	<u>(1,033,187)</u>	<u>(1,142,445)</u>	<u>(1,033,187)</u>	<u>(1,142,445)</u>
		594,061	2,486,886	594,061	2,603,578
Impairment loss on assets classified as held for sale		<u>-</u>	<u>(5,765,745)</u>	<u>-</u>	<u>(5,765,745)</u>
Profit/(loss) before income tax		594,061	(3,278,859)	594,061	(3,162,167)
Income tax expense	2(g)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) for the period		<u>594,061</u>	<u>(3,278,859)</u>	<u>594,061</u>	<u>(3,162,167)</u>

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 12 to 38.

Collingwood Football Club Limited
Statements of recognised income and expense
For the year ended 31 October 2009

	Note	Consolidated		The Company	
		2009 \$	2008 \$	2009 \$	2008 \$
Income and expense recognised directly in equity		-	-	-	-
Profit/(loss) for the period		<u>594,061</u>	<u>(3,278,859)</u>	<u>594,061</u>	<u>(3,162,167)</u>
Total recognised income and expense for the period	18	<u>594,061</u>	<u>(3,278,859)</u>	<u>594,061</u>	<u>(3,162,167)</u>

The statements of recognised income and expense are to be read in conjunction with the notes to the financial statements set out on pages 12 to 38.

Collingwood Football Club Limited

Balance sheets

As at 31 October 2009

		Consolidated		The Company	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	8	4,557,040	3,152,959	4,219,038	2,697,991
Trade and other receivables	9	2,971,686	2,597,360	2,815,968	2,890,338
Inventories	10	395,938	533,239	395,938	533,239
Prepayments		946,237	1,060,986	946,237	903,600
Assets classified as held for sale	12	<u>9,546,501</u>	<u>9,747,582</u>	<u>9,546,501</u>	<u>9,747,582</u>
Total current assets		<u>18,417,402</u>	<u>17,092,126</u>	<u>17,923,682</u>	<u>16,772,750</u>
Investments	11	-	-	188,824	188,824
Property, plant and equipment	13	6,383,030	6,239,383	6,383,030	6,239,383
Intangible assets	14	<u>1,591,978</u>	<u>1,850,137</u>	<u>1,591,978</u>	<u>1,850,137</u>
Total non-current assets		<u>7,975,008</u>	<u>8,089,520</u>	<u>8,163,832</u>	<u>8,278,344</u>
Total assets		<u>26,392,410</u>	<u>25,181,646</u>	<u>26,087,514</u>	<u>25,051,094</u>
Liabilities					
Trade and other payables	15	4,987,931	4,054,282	4,739,441	3,978,628
Loans and borrowings	16	7,250,000	105,561	7,250,000	105,561
Employee benefits	17	1,066,361	1,136,209	1,058,174	1,125,311
Unearned income		-	15,211	-	15,211
Total current liabilities		<u>13,304,292</u>	<u>5,311,263</u>	<u>13,047,615</u>	<u>5,224,711</u>
Trade and other payables	15	1,440,836	1,608,243	1,440,836	1,608,243
Loans and borrowings	16	3,833,980	11,083,980	3,833,980	11,083,980
Employee benefits	17	98,686	42,394	94,467	42,394
Unearned income		-	15,211	-	15,211
Total non-current liabilities		<u>5,373,502</u>	<u>12,749,828</u>	<u>5,369,283</u>	<u>12,749,828</u>
Total liabilities		<u>18,677,794</u>	<u>18,061,091</u>	<u>18,416,898</u>	<u>17,974,539</u>
Net assets		<u>7,714,616</u>	<u>7,120,555</u>	<u>7,670,616</u>	<u>7,076,555</u>
Equity					
Settled sum		10	10	-	-
Retained earnings	18	<u>7,714,606</u>	<u>7,120,545</u>	<u>7,670,616</u>	<u>7,076,555</u>
Total equity		<u>7,714,616</u>	<u>7,120,555</u>	<u>7,670,616</u>	<u>7,076,555</u>

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 12 to 38.

Collingwood Football Club Limited

Cash flow statements

For the year ended 31 October 2009

		Consolidated		The Company	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts in the course of operations		61,697,752	62,481,596	57,582,945	57,509,207
Cash paid in the course of operations		<u>(58,303,190)</u>	<u>(59,103,977)</u>	<u>(54,168,248)</u>	<u>(54,436,151)</u>
Cash generated from operations		3,394,562	3,377,619	3,414,697	3,073,053
Interest received		111,538	198,871	91,687	172,788
Interest paid		(152)	(1,377)	(152)	(1,377)
Distributions received		<u>-</u>	<u>-</u>	<u>116,682</u>	<u>-</u>
Net cash from operating activities	20(b)	<u>3,505,948</u>	<u>3,575,113</u>	<u>3,622,914</u>	<u>3,244,464</u>
Cash flows from investing activities					
Proceeds on sale of investments		-	852,663	-	852,663
Proceeds from sale of non-current assets		-	30,909	-	30,909
Payments for investments		-	(166,679)	-	(166,679)
Acquisition of property, plant and equipment		(800,710)	(869,794)	(800,710)	(869,794)
Payment for gaming licences		<u>(295,000)</u>	<u>(245,000)</u>	<u>(295,000)</u>	<u>(245,000)</u>
Net cash from investing activities		<u>(1,095,710)</u>	<u>(397,901)</u>	<u>(1,095,710)</u>	<u>(397,901)</u>
Cash flows from financing activities					
Repayment of borrowings		-	(2,256,090)	-	(2,256,090)
Interest paid		<u>(900,596)</u>	<u>(1,010,797)</u>	<u>(900,596)</u>	<u>(1,010,797)</u>
Net cash from financing activities		<u>(900,596)</u>	<u>(3,266,887)</u>	<u>(900,596)</u>	<u>(3,266,887)</u>
Net increase/(decrease) in cash and cash equivalents		1,509,642	(89,675)	1,626,608	(420,324)
Cash and cash equivalents at 1 November		<u>3,047,398</u>	<u>3,137,073</u>	<u>2,592,430</u>	<u>3,012,754</u>
Cash and cash equivalents at 31 October	20(a)	<u>4,557,040</u>	<u>3,047,398</u>	<u>4,219,038</u>	<u>2,592,430</u>

The cash flow statements are to be read in conjunction with the notes to the financial statements set out on pages 12 to 38.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

1 Collingwood Football Club Limited

Collingwood Football Club Limited (“The Company”) is a company limited by guarantee where statutory members guarantee its liabilities to the extent of \$10. The registered office of the Company is Lexus Centre, Olympic Park, Melbourne, Victoria. The consolidated financial report of the Company for the financial year ended 31 October 2009 comprises the Company and its controlled entities (together referred to as ‘the Group’). The financial report was authorised for issue by the Directors on 16 November 2009.

2 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Group also comply with the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

These consolidated financial statements are presented in Australian Dollars, which is the Company’s functional currency and the functional currency of the Group. The consolidated financial statements have been prepared on the historical cost basis except that financial instruments held for trading and freehold land and buildings are stated at fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The accounting estimates and judgments set out below in the significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements and have been applied consistently by Group entities.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(c) Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(d) Revenue recognition

(i) Sales Revenue

Revenues are recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Sales revenue comprises revenue earned (net of returns and discounts) from sponsorship, gaming, hospitality, marketing, AFL distributions, membership and the sale of products or services to entities outside the Group.

(ii) Travel Revenue

Revenue from the sale of airline tickets and travel packages is recognised when the following occurs:

- When deposits are received they are taken up as revenue to the extent that it equals the cancellation fee; or
- When full payment has been received from the consumer and airline tickets or redeemable value vouchers have been issued or when the airline or travel package provider has been paid.

(iii) AFL distributions and match returns

AFL distributions are recognised as they are received. Match day income is recognised at the conclusion of each AFL home game.

(iv) Membership

Membership income is recognised throughout the duration of the AFL home and away season.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(d) Revenue recognition (continued)

(v) Marketing and sponsorship income

Marketing & sponsorship income is recognised when amounts are due and payable in accordance with the terms and conditions of the sponsorship contract.

(vi) Social and gaming revenue

Gaming, bar, bistro and function revenue is recognised as it is earned.

(vii) Members' payments in advance

These contributions relating to a 10 year membership plan introduced in 2000 and are not refundable. Appropriate amounts are included as revenue in the years to which they relate.

Subscriptions received in advance from members that relate to future years are included in trade and other payables. These payments are included as revenue in the years to which they relate.

(viii) Dividend income

Dividends are recognised when declared.

(ix) Grant income

Grant income, including contributions of assets, is recognised when the Group controls the contribution or right to receive the contribution, and it is probable that the economic benefits comprising the contributions will flow to the Group, and the amount of the contribution can be measured reliably.

(e) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

(ii) Finance income and expenses

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income. Borrowing costs are expensed as incurred and included in net financing costs.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established, which in the case of quoted securities, is ex-dividend date.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(f) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statements on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Income tax

The Group is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

(h) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment (excluding freehold land and buildings, which are measured on a fair value basis – (see accounting policy h(v)) are stated at cost or deemed cost less accumulated depreciation (see accounting policy h (vi)) and impairment losses (see accounting policy o).

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(iv) Memorabilia

Purchased

Items of memorabilia purchased are recorded at the cost of acquisition and memorabilia is reviewed annually for impairment.

Memorabilia collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have a very long and indeterminate useful life. No amount of depreciation has been recognised in respect of purchased memorabilia collections as their service potential has not, in any material sense, been consumed during the period.

Collected

Over the years the Group has also collected considerable memorabilia. This memorabilia is not recorded in the financial statements, but has been independently valued and will be reviewed on a periodic basis.

(v) Revaluations of non-current assets

Land and buildings measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date. Independent valuations of freehold land and buildings are obtained on a periodic basis.

(vi) Depreciation

Items of property, plant and equipment, including building extensions and leasehold property but excluding memorabilia and freehold land and buildings, are depreciated using the residual balance method over their estimated useful lives.

The depreciation and amortisation rates used for each class of asset are as follows:

	<u>2009</u>	<u>2008</u>
Building Extensions	5%	5%
Leasehold Improvements	5%	5%
Furniture and Fittings	15%	15%
Plant and Equipment	20%	20%
Motor Vehicles	22.5%	22.5%
Freehold land & buildings	0%	0%
Memorabilia	0%	0%

The residual value, the useful life and depreciation method applied to an asset are reassessed at least annually.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(vii) Assets classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost of sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(i) Intangible Assets

Gaming licences that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see accounting policy (o)).

The fair value of gaming licences is calculated based on the present value of future cash flows, discounted at the market rate of interest at reporting date.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation is charged to the income statement on a straight line basis over the estimated useful life of the licence being 10 years. The licence is amortised from the date it is available for use.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(j) Receivables

Trade and other receivables are stated at amortised cost less impairment losses.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(m) Investments

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

The fair value of financial instruments classified as held for trading is their quoted bid price at the balance sheet date.

Financial instruments classified as held for trading investments are recognised/derecognised by the Group on the date it commits to purchase/sell the investments.

(n) Payables

Trade and other payables are stated at amortised cost. Trade accounts payable are settled within normal trading terms.

(o) Impairment

A financial asset is considered to be impaired if objective evidence indicates that one or more events has had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(p) Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method.

Superannuation plan

The Company contributes to a defined contribution employee superannuation plan. Contributions are recognised as an expense in the income statement as they are made.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(r) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated as amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(s) Use and revision of accounting estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amount of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

2 Statement of significant accounting policies (continued)

(s) Use and revision of accounting estimates (continued)

Assets held for sale

The Group assesses the carrying value of assets held for sale in accordance with accounting policy (h(vii)). These calculations involve estimating the anticipated sale proceeds and related costs and commitments.

Impairment of intangibles

The Group assesses whether intangibles are impaired at least annually in accordance with accounting policy (o). These calculations involve estimating the recoverable amount of the cash generating units to which the intangibles are allocated.

(t) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption as at 31 October 2009, but have not been applied in preparing this financial report:

- AASB 3 Business Combinations (Revised March 2008), AASB 127 Consolidated and Separate Financial Statements (Revised March 2008), and AASB 2008-3 Amendments to Australian Accounting Standards (March 2008);
- AASB 101 Presentation of Financial Statements (Revised, September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB101 (September 2007), and AASB 2007-10 Further amendments to Australian Accounting Standards arising from AASB101 (December 2007);
- AASB 123 Borrowing Costs (Revised, June 2007), and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB123 (June 2007);
- AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations among Not-for-Profit entities (November 2008);
- AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (July 2008);
- AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (April 2009); and
- AASB 2009-5 (May 2009), AASB 2008-6 (July 2008), AASB 2009-4 (May 2009), AASB 2009-7 (July 2009), AASB 2008-5 (July 2008), and AASB 2009-6 (June 2009), which amend Australian Accounting Standards arising from the Annual Improvements Project and other editorial amendments.

The Group has not yet determined the potential effect of the revised standards on the Group's financial statements.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
3 Revenue				
Social club and gaming	22,748,231	20,165,254	22,748,231	20,165,254
Marketing and sponsorship	15,113,627	17,290,010	15,113,627	17,290,010
Membership	9,582,383	9,278,512	9,582,383	9,278,512
AFL distributions and match returns	10,315,988	10,575,503	10,315,988	10,575,503
Pie in the Sky travel	4,564,278	4,988,473	-	-
Other	<u>377,686</u>	<u>313,440</u>	<u>377,686</u>	<u>313,440</u>
Total revenue	<u>62,702,193</u>	<u>62,611,192</u>	<u>58,137,915</u>	<u>57,622,719</u>
Interest income	111,538	159,235	91,687	133,152
Dividend income	-	16,026	-	16,026
Investments: Net gain on disposal	<u>-</u>	<u>23,610</u>	<u>-</u>	<u>23,610</u>
Finance income	<u>111,538</u>	<u>198,871</u>	<u>91,687</u>	<u>172,788</u>
Government grant income	-	500,000	-	500,000
Distribution income	-	-	205,892	355,964
Waverly Park proceeds	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total other income	<u>-</u>	<u>750,000</u>	<u>205,892</u>	<u>1,105,964</u>
Total revenue and other income	<u>62,813,731</u>	<u>63,560,063</u>	<u>58,435,494</u>	<u>58,901,471</u>
4 Personnel expenses				
Wages and salaries	18,555,164	18,303,204	18,413,490	18,148,108
Contributions to superannuation	1,532,847	1,555,195	1,520,053	1,541,280
Movement in employee entitlements	<u>(13,784)</u>	<u>94,516</u>	<u>(15,066)</u>	<u>95,171</u>
	<u>20,074,227</u>	<u>19,952,915</u>	<u>19,918,477</u>	<u>19,784,559</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
5 Auditor's remuneration				
Audit services: <i>Auditors of the Group</i>				
<i>KPMG Australia</i>				
Audit and review of the financial report	<u>90,000</u>	<u>85,000</u>	<u>83,000</u>	<u>78,000</u>
Other services	<u>48,200</u>	<u>2,200</u>	<u>45,000</u>	<u>-</u>
6 Financial expenses				
Interest expense	900,596	998,439	900,596	998,439
Discount unwind on other payables	<u>132,591</u>	<u>144,006</u>	<u>132,591</u>	<u>144,006</u>
	<u>1,033,187</u>	<u>1,142,445</u>	<u>1,033,187</u>	<u>1,142,445</u>
7 Segment information				
The Group operates predominantly in the sporting industry wholly in Australia.				
8 Cash and cash equivalents				
Cash on hand	622,329	638,862	622,329	638,662
Cash at bank	<u>3,934,711</u>	<u>2,514,097</u>	<u>3,596,709</u>	<u>2,059,329</u>
	<u>4,557,040</u>	<u>3,152,959</u>	<u>4,219,038</u>	<u>2,697,991</u>
9 Trade and other receivables				
<i>Current</i>				
Trade debtors	1,805,113	2,391,035	1,773,143	2,684,013
Less: Provision for doubtful debts	<u>(37,864)</u>	<u>(19,468)</u>	<u>(37,864)</u>	<u>(19,468)</u>
	1,767,249	2,371,567	1,735,279	2,664,545
Other receivables	<u>1,204,437</u>	<u>225,793</u>	<u>1,080,689</u>	<u>225,793</u>
	<u>2,971,686</u>	<u>2,597,360</u>	<u>2,815,968</u>	<u>2,890,338</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

	Consolidated		The Company	
	2009 \$	2008 \$	2009 \$	2008 \$
10 Inventories				
Liquor, food, souvenirs and football equipment	<u>395,938</u>	<u>533,239</u>	<u>395,938</u>	<u>533,239</u>
11 Investments				
<i>Non-current</i>	<u>-</u>	<u>-</u>	<u>188,824</u>	<u>188,824</u>
12 Assets classified as held for sale				

The Beach Hotel and Diamond Creek Tavern are presented as disposal groups held for sale following the commitment of the Group's management to a plan to sell the venues.

Formal Heads of Agreement have been signed for both venues and the respective sales are expected to be completed by early 2010.

In 2008, an impairment loss of \$5,765,745 on the re-measurement of the disposal groups to the lower of their carrying amount and their fair value less costs to sell was charged against operating profit.

	Note	Consolidated		The Company	
		2009 \$	2008 \$	2009 \$	2008 \$
Property, plant and equipment	13	1,800,235	1,943,063	1,800,235	1,943,063
Inventories		160,908	219,161	160,908	219,161
Intangibles	14	<u>7,585,358</u>	<u>13,351,103</u>	<u>7,585,358</u>	<u>13,351,103</u>
		9,546,501	15,513,327	9,546,501	15,513,327
Less impairment		<u>-</u>	<u>(5,765,745)</u>	<u>-</u>	<u>(5,765,745)</u>
Total assets held for sale		<u>9,546,501</u>	<u>9,747,582</u>	<u>9,546,501</u>	<u>9,747,582</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

13 Property, plant and equipment Consolidated

	Furniture and fittings	Leasehold improvements	Plant and equipment	Purchased memorabilia	Freehold land & buildings	Total
Cost						
Balance as at 1 November 2007	2,473,049	3,293,458	3,967,616	222,772	1,163,514	11,120,409
Transfers to assets held for sale	(1,588,224)	-	(483,528)	-	-	(2,071,752)
Acquisitions	374,494	-	495,300	-	-	869,794
Disposals	-	-	(52,277)	-	-	(52,277)
Balance as at 31 October 2008	<u>1,259,319</u>	<u>3,293,458</u>	<u>3,927,111</u>	<u>222,772</u>	<u>1,163,514</u>	<u>9,866,174</u>
Balance as at 1 November 2008	1,259,319	3,293,458	3,927,111	222,772	1,163,514	9,866,174
Acquisitions	94,986	378,698	327,026	-	-	800,710
Balance as at 31 October 2009	<u>1,354,305</u>	<u>3,672,156</u>	<u>4,254,137</u>	<u>222,772</u>	<u>1,163,514</u>	<u>10,666,884</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

13 Property, plant and equipment (continued) Consolidated

	Furniture and fittings	Leasehold improvements	Plant and equipment	Purchased Memorabilia	Freehold Land & Buildings	Total
Depreciation						
Balance as at 1 November 2007	379,732	489,277	2,136,960	-	-	3,005,969
Depreciation charge for the year	170,229	128,153	486,363	-	-	784,745
Transfers to assets held for sale	(59,917)	-	(68,772)	-	-	(128,689)
Disposals	-	-	(35,234)	-	-	(35,234)
Balance as at 31 October 2008	490,044	617,430	2,519,317	-	-	3,626,791
Balance as at 1 November 2008	490,044	617,430	2,519,317	-	-	3,626,791
Depreciation charge for the year	136,024	144,892	376,147	-	-	657,063
Balance as at 31 October 2009	626,068	762,322	2,895,464	-	-	4,283,854
Carrying amounts						
As at 1 November 2007	2,093,317	2,804,181	1,830,656	222,772	1,163,514	8,114,440
As at 31 October 2008	769,275	2,676,028	1,407,794	222,772	1,163,514	6,239,383
As at 1 November 2008	769,275	2,676,028	1,407,794	222,772	1,163,514	6,239,383
As at 31 October 2009	728,237	2,909,834	1,358,673	222,772	1,163,514	6,383,030

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

13 Property, plant and equipment (continued) Company

	Furniture and fittings	Leasehold improvements	Plant and equipment	Purchased memorabilia	Freehold land & buildings	Total
Cost						
Balance as at 1 November 2007	2,473,049	3,293,458	3,961,061	222,772	1,163,514	11,113,854
Transfers to assets held for sale	(1,588,224)	-	(483,528)	-	-	(2,071,752)
Acquisitions	374,494	-	495,300	-	-	869,794
Disposals	-	-	(45,722)	-	-	(45,722)
Balance as at 31 October 2008	1,259,319	3,293,458	3,927,111	222,772	1,163,514	9,866,174
Balance as at 1 November 2008	1,259,319	3,293,458	3,927,111	222,772	1,163,514	9,866,174
Acquisitions	94,986	378,698	327,026	-	-	800,710
Balance as at 31 October 2009	1,354,305	3,672,156	4,254,137	222,772	1,163,514	10,666,884

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

13 Property, plant and equipment (continued) Company

	Furniture and fittings	Leasehold improvements	Plant and equipment	Purchased Memorabilia	Freehold Land & Buildings	Total
Depreciation						
Balance as at 1 November 2007	379,732	489,277	2,130,405	-	-	2,999,414
Depreciation charge for the year	170,229	128,153	486,363	-	-	784,745
Transfer to assets held for sale	(59,917)	-	(68,772)	-	-	(128,689)
Disposals	-	-	(28,679)	-	-	(28,679)
Balance as at 31 October 2008	490,044	617,430	2,519,317	-	-	3,626,791
Balance as at 1 November 2008	490,044	617,430	2,519,317	-	-	3,626,791
Depreciation charge for the year	136,024	144,892	376,147	-	-	657,063
Balance as at 31 October 2009	626,068	762,322	2,895,464	-	-	4,283,854
Carrying amounts						
As at 1 November 2007	2,093,317	2,804,181	1,830,656	222,772	1,163,514	8,114,440
As at 31 October 2008	769,275	2,676,028	1,407,794	222,772	1,163,514	6,239,383
As at 1 November 2008	769,275	2,676,028	1,407,794	222,772	1,163,514	6,239,383
As at 31 October 2009	728,237	2,909,834	1,358,673	222,772	1,163,514	6,383,030

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2009

13 Property, plant and equipment (continued)

Collected memorabilia

In addition to purchased memorabilia, the Company has a significant collection of memorabilia which was acquired over the years at no cost. An independent valuation of this memorabilia was performed by Mr R. Milne, certified with the Department of Communications and the Arts, on 29 September 2009 for \$8,722,560. This amount has not been brought to account.

14 Intangible assets

	Consolidated			Company		
	Gaming Licence \$	Goodwill \$	Total \$	Gaming Licence \$	Goodwill \$	Total \$
Cost						
Balance as at 1 November 2007	2,604,237	13,351,103	15,955,340	2,604,237	13,351,103	15,955,340
Transfers to assets held for sale	-	(13,351,103)	(13,351,103)	-	(13,351,103)	(13,351,103)
Balance as at 31 October 2008	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>
Balance as at 1 November 2008	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>
Balance as at 31 October 2009	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>	<u>2,604,237</u>	<u>-</u>	<u>2,604,237</u>
Amortisation						
Balance as at 1 November 2007	(495,941)	-	(495,941)	(495,941)	-	(495,941)
Amortisation for the year	<u>(258,159)</u>	<u>-</u>	<u>(258,159)</u>	<u>(258,159)</u>	<u>-</u>	<u>(258,159)</u>
Balance as at 31 October 2008	<u>(754,100)</u>	<u>-</u>	<u>(754,100)</u>	<u>(754,100)</u>	<u>-</u>	<u>(754,100)</u>
Balance as at 1 November 2008	<u>(754,100)</u>	<u>-</u>	<u>(754,100)</u>	<u>(754,100)</u>	<u>-</u>	<u>(754,100)</u>
Amortisation for the year	<u>(258,159)</u>	<u>-</u>	<u>(258,159)</u>	<u>(258,159)</u>	<u>-</u>	<u>(258,159)</u>
Balance as at 31 October 2009	<u>(1,012,259)</u>	<u>-</u>	<u>(1,012,259)</u>	<u>(1,012,259)</u>	<u>-</u>	<u>(1,012,259)</u>
Carrying amounts						
At 1 November 2007	2,108,296	13,351,103	15,459,399	2,108,296	13,351,103	15,459,399
At 31 October 2008	1,850,137	-	1,850,137	1,850,137	-	1,850,137
At 1 November 2008	1,850,137	-	1,850,137	1,850,137	-	1,850,137
At 31 October 2009	1,591,978	-	1,591,978	1,591,978	-	1,591,978

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2009

15 Trade and other payables

	Consolidated		The Company	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Current</i>				
Trade payables	2,254,914	1,616,757	2,080,450	1,607,934
Other payables and accruals	2,433,017	2,142,525	2,358,991	2,075,694
Gaming licences	<u>300,000</u>	<u>295,000</u>	<u>300,000</u>	<u>295,000</u>
	<u>4,987,931</u>	<u>4,054,282</u>	<u>4,739,441</u>	<u>3,978,628</u>
<i>Non current</i>				
Gaming licences	<u>1,440,836</u>	<u>1,608,243</u>	<u>1,440,836</u>	<u>1,608,243</u>

16 Loans and borrowings

Current

Bank overdraft	-	105,561	-	105,561
Commercial bill	<u>7,250,000</u>	<u>-</u>	<u>7,250,000</u>	<u>-</u>
	<u>7,250,000</u>	<u>105,561</u>	<u>7,250,000</u>	<u>105,561</u>

Non current

Bank loan	833,980	833,980	833,980	833,980
Commercial bill	<u>3,000,000</u>	<u>10,250,000</u>	<u>3,000,000</u>	<u>10,250,000</u>
	<u>3,833,980</u>	<u>11,083,980</u>	<u>3,833,980</u>	<u>11,083,980</u>

Financing facilities

Bank overdraft	1,000,000	1,000,000	1,000,000	1,000,000
Bank loan	850,000	850,000	850,000	850,000
Commercial bill facilities	10,250,000	10,250,000	10,250,000	10,250,000

Bank overdraft

The overdraft is secured by registered mortgage debenture over the whole of the Group's assets including all properties and members' payments in advance. Interest on the bank overdraft is charged at prevailing market rates. The weighted average effective interest rate for the overdraft at 31 October 2008 was 11.31%.

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2009

16 Loans and borrowings (continued)

Bank loan

The bank loan is secured by a registered mortgage over the freehold land and buildings of the Group. The term of the bank loan is thirty years and is payable on or before 17 February 2036. The loan is payable on an interest only basis for a period of 10 years from 2006. The current variable interest rate at 31 October 2009 is 6.76% (2008: 8.01%).

Commercial bill facilities

The \$12,500,000 commercial bill facility was available from 6 October 2006. This was reduced to \$10,250,000 during the 2008 financial year. This facility is secured by a registered mortgage over the property leases of The Beach Hotel and Diamond Creek Tavern and a specific charge over their liquor and gaming licences. The interest rate for The Beach loan is calculated on a 90 day rollover with a weighted average rate at 31 October 2009 of 8.48% (2008: 7.78%) and for Diamond Creek Tavern the fixed rate element is 9.29% (2008: 8.59%) and the weighted average variable rate element is 5.10% (2008: 8.15%) at 31 October 2009.

17 Employee benefits

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Salaries and wages accrued	122,271	309,632	122,271	309,632
Liability for long service leave	362,267	386,903	362,267	384,582
Liability for annual leave	<u>581,823</u>	<u>439,674</u>	<u>573,636</u>	<u>431,097</u>
	<u>1,066,361</u>	<u>1,136,209</u>	<u>1,058,174</u>	<u>1,125,311</u>
Non Current				
Liability for long service leave	<u>98,686</u>	<u>42,394</u>	<u>94,467</u>	<u>42,394</u>

Number of employees

Number of full-time employees at year end	96	105	94	102
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18 Retained earnings

Balance at 1 November	7,120,545	10,399,404	7,076,555	10,238,722
Total recognised income and expense	<u>594,061</u>	<u>(3,278,859)</u>	<u>594,061</u>	<u>(3,162,167)</u>
Balance at 31 October	<u>7,714,606</u>	<u>7,120,545</u>	<u>7,670,616</u>	<u>7,076,555</u>

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2009

19 Commitments

Leases as Lessee

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Non-cancellable operating lease rentals of property, plant and equipment are payable as follows:				
Less than one year	3,666,283	3,971,761	3,666,283	3,971,761
Between one and five years	13,654,033	13,660,364	13,654,033	13,660,364
More than five years	<u>26,562,883</u>	<u>30,423,784</u>	<u>26,562,883</u>	<u>30,423,784</u>
	<u>43,883,199</u>	<u>48,055,909</u>	<u>43,883,199</u>	<u>48,055,909</u>

The Company leases property, plant and equipment under operating leases expiring from one to twenty one years, typically with an option to renew the leases after they expire.

Of the non-cancellable operating leases at 31 October 2009, \$12,993,576 (2008: \$14,703,080) relates to The Beach Hotel and \$10,747,834 (2008: \$11,470,558) relates to the Diamond Creek Tavern. Outstanding commitments for The Beach Hotel and Diamond Creek Tavern on the date of disposal will cease to be commitments of the Company at that date.

Other commitments

Victoria Park

The Company has an access agreement with Victoria Park, with the final instalment of \$100,000 paid in 2009.

Player Payments

Due to the contract terms varying considerably amongst players, it is not practical to reliably measure the future commitments under player contracts.

Guarantees

The Company has provided a bank guarantee of \$200,000 as part of the Olympic Park lease agreement.

The Company has provided a bank guarantee of \$110,000 to George Adams Pty Ltd as part of the agreement to operate gaming machines at The Club, Caroline Springs.

The Company has provided a bank guarantee of \$420,000 to Bleakehouse P/L in respect to The Beach Hotel.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

20 Notes to the statements of cash flows

	Consolidated		The Company	
	2009	2008	2009	2008
(a) Cash and cash equivalents	\$	\$	\$	\$
Cash on hand	622,329	638,862	622,329	638,662
Cash at bank	3,934,711	2,514,097	3,596,709	2,059,329
Bank overdraft	<u>-</u>	<u>(105,561)</u>	<u>-</u>	<u>(105,561)</u>
	<u>4,557,040</u>	<u>3,047,398</u>	<u>4,219,038</u>	<u>2,592,430</u>
(b) Reconciliation of cash flows from operating activities				
Profit/(loss) for the period	594,061	(3,278,859)	594,061	(3,162,167)
(Profit)/loss on sale of assets	-	(13,869)	-	(13,869)
(Profit)/loss on sale of investments	-	(23,610)	-	(23,610)
Depreciation of property, plant and equipment	657,063	784,745	657,063	784,745
Amortisation of intangibles	258,159	258,159	258,159	258,159
Interest paid	900,596	1,010,797	900,596	1,010,797
Discount unwind on other payables	132,591	144,006	132,591	144,006
Impairment of assets classified as held for sale	-	5,765,745	-	5,765,745
Realised profit on members funds	<u>(30,422)</u>	<u>(15,210)</u>	<u>(30,422)</u>	<u>(15,210)</u>
Operating profit before change in working capital and provisions	2,512,048	4,631,904	2,512,048	4,748,596
(Increase)/decrease in trade/ other debtors	(374,326)	(93,176)	74,370	(486,252)
(Increase)/decrease in inventory	137,301	100,726	137,301	100,726
(Increase)/decrease in prepayments	114,749	(435,872)	(42,637)	(378,962)
Increase/(decrease) in trade / other payables	928,879	10,181	755,817	(102,398)
(Increase)/decrease in assets classified as held for sale	201,081	-	201,081	-
Increase/(decrease) in provisions	<u>(13,784)</u>	<u>(638,650)</u>	<u>(15,066)</u>	<u>(637,246)</u>
Net cash from operating activities	<u>3,505,948</u>	<u>3,575,113</u>	<u>3,622,914</u>	<u>3,244,464</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

21 Key Management Personnel disclosures

Key management personnel compensation

The key management personnel (KMP) compensation (included in personnel expenses (see Note 4)) are as follows:

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short Term Employee Benefits	1,410,513	1,269,487	1,410,513	1,269,487
Other Long Term Benefits	<u>14,148</u>	<u>6,314</u>	<u>14,148</u>	<u>6,314</u>
	<u>1,424,661</u>	<u>1,275,801</u>	<u>1,424,661</u>	<u>1,275,801</u>

Other key management personnel disclosures

A number of KMP's of the Company, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

During the year a number of KMP's purchased club membership packages, finals tickets, attended Club functions, made donations and contributed towards fundraising auctions. The terms and conditions of the transactions with KMP's and their KMP related entities were no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and other related parties, for the Company and Group, were as follows:

KMP/Director	Service	Income/ (Expense) 2009	Receivable/ (Payable) 2009	Income / (Expense) 2008	Receivable/ (Payable) 2008
I Mc Mullin	Catering Services	(52,543)	-	(192,454)	-
	Finals and Presidents Functions	9,005	-	-	-
A Waislitz	Finals and Catering	-	-	-	21,520
	Finals and Membership	4,742	4,515	-	-
	Waislitz Dinner Dance	378,438	378,438	-	-
M Korda	Presidents Functions and Finals	37,515	1,515	-	-
P Leeds	Presidents Functions	2,273	-	-	-
S Capp	Finals and Functions	3,206	-	-	-

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

21 Key Management Personnel disclosures (continued)

Non-key management personnel disclosures

The Company has a related party relationship with its subsidiaries and with its key management personnel.

Loans are made by the Company to wholly owned subsidiaries for capital purchases. Loans outstanding between the Company and its controlled entities have no fixed date of repayment and are non-interest bearing.

22 Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board established a Finance & Operations Committee, which also reviews the Group's financial position and provides recommendations to the Board. The Committee comprises; M Korda, S Capp and I McMullin (Directors), G Pert, S Leach (Executives) and J Bucknell (Management) and meets monthly prior to the Board meetings.

Risk management policies are established to identify and analyse the risks faced by the Company and the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Finance & Operations Committee oversee how management monitors compliance with the Group's risk management policies and procedures.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash deposits.

The Group seek to only deal with counter parties with acceptable credit rating/credit worthiness. Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. At balance date the Group's receivables primarily relate to entities that provide sponsorship to the Company under established contractual arrangements. The maximum exposure to credit risk is represented by the carrying amount of each asset in the balance sheet.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

22 Financial risk management (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Trade and other receivables	2,971,686	2,597,360	2,815,968	2,890,338
Cash and cash equivalents	<u>4,557,040</u>	<u>3,152,959</u>	<u>4,219,038</u>	<u>2,697,991</u>
	<u>7,528,726</u>	<u>5,750,319</u>	<u>7,035,006</u>	<u>5,588,329</u>

Impairment losses

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each member/sponsor.

The ageing of the Group's trade receivables at the reporting date was:

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Not past due	445,509	631,031	413,539	924,009
Past due 0-30 days	127,661	1,457,538	127,661	1,457,538
Past due 31-120 days	1,231,943	130,780	1,231,943	130,780
Past due 121 days to one year	-	171,686	-	171,686

The impairment loss at 31 October 2009 of \$37,864 relates to the recoverability of sponsorship income.

The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

22 Financial risk management (continued)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. Refer to note 16 for details relating to financing facilities held by the Group.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated

31 October 2009

	Carrying Amount	Contractual Cash flows	12mths or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans secured	833,980	(1,873,578)	(56,377)	(56,377)	(169,131)	(1,591,693)
Commercial Bill	10,250,000	(10,899,630)	(7,589,291)	(230,700)	(3,079,639)	-
Gaming licences	1,740,836	(2,205,000)	(300,000)	(305,000)	(945,000)	(655,000)
Trade and other payables	4,687,931	(4,687,931)	(4,687,931)	-	-	-

31 October 2008

	Carrying Amount	Contractual Cash flows	12mths or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans secured	833,980	(2,152,327)	(66,802)	(66,802)	(200,406)	(1,818,317)
Commercial Bill	10,250,000	(12,263,699)	(824,525)	(6,945,250)	(4,493,924)	-
Gaming licences	1,903,243	(2,500,000)	(295,000)	(300,000)	(930,000)	(975,000)
Trade and other payables	3,759,282	(3,759,282)	(3,759,282)	-	-	-
Bank Overdraft	105,561	(105,561)	(105,561)	-	-	-

Disclosures in respect to the Company are not materially different to that of the Group.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

22 Financial risk management (continued)

Market Risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

Interest rate risk

The Group manages interest rate risk by ensuring interest rates applicable to any borrowing are acceptable given the form and tenure of the particular borrowings, and are reflective of market rates. Interest rates are fixed where appropriate.

Effective interest rates and repricing analysis

The Group's exposure to interest rate risk and the effective weighted average interest rates on financial assets and liabilities at the balance sheet date are:

Consolidated 31 October 2009

	Note	Weighted average interest rate	Fixed interest rates				Non interest bearing	Total
			Floating interest rate	1 year or less	1 - 5 years	More than 5 years		
Financial assets								
Cash and cash equivalents	8	3.33%	3,476,101	-	-	-	1,080,939	4,557,040
Financial liabilities								
Gaming licences	16	8.00%	-	180,733	937,330	622,773	-	1,740,836
Bank-loan secured	16	6.76%	833,980	-	-	-	-	833,980
Commercial bill	16	6.88%	750,000	6,500,000	3,000,000	-	-	<u>10,250,000</u>
Total financial liabilities								<u>12,824,816</u>

31 October 2008

	Note	Weighted average interest rate	Fixed interest rates				Non interest bearing	Total
			Floating interest rate	1 year or less	1 - 5 years	More than 5 years		
Financial assets								
Cash and cash equivalents	8	4.90%	2,290,378	-	-	-	862,581	3,152,959
Financial liabilities								
Bank overdraft	16	11.31%	105,561	-	-	-	-	105,561
Gaming licences	16	8.00%	-	162,409	848,145	892,689	-	1,903,243
Bank-loan secured	16	8.01%	833,980	-	-	-	-	833,980
Commercial bill	16	8.04%	750,000	-	9,500,000	-	-	<u>10,250,000</u>
Total financial liabilities								<u>13,092,784</u>

Disclosures in respect of the Company are not materially different to that of the Group.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2009

22 Financial risk management (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change in 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2009.

	Profit or Loss	
	100bp increase \$	100bp decrease \$
31 October 2009		
Loans and borrowings	(15,839)	15,839
31 October 2008		
Loans and borrowings	(15,839)	15,839

The Directors' consider that the carrying amount of financial assets and financial liabilities in the financial statements approximates their fair values.

Foreign exchange risk

The Group is not exposed to significant foreign exchange risk as trading is predominately conducted in Australia, in Australian dollars.

23 Group entities

Name	<i>Group interest</i>	
	2009 %	2008 %
<i>Parent entity</i>		
Collingwood Football Club Limited, incorporated in Australia		
<i>Subsidiaries</i>		
Pie in the Sky Travel Pty Ltd, incorporated in Australia	100	100
Pie in the Sky Trust	100	100

24 Events subsequent to balance date

There have been no matters or circumstances that have arisen since 31 October 2009 that will significantly affect, or may significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Company in subsequent years.

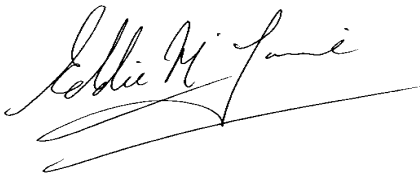
Directors' declaration

In the opinion of the directors of Collingwood Football Club Limited ("the Company"):

- (a) the financial statements and notes that are contained in pages 8 to 38, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at 31 October 2009 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 16th day of November 2009.

Signed in accordance with a resolution of the Directors:



Edward McGuire
Director



Mark Korda
Director



Independent auditor's report to the members of Collingwood Football Club Limited

We have audited the accompanying financial report of Collingwood Football Club Limited (the Company), which comprises the balance sheets as at 31 October 2009, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 24 and the directors' declaration set out on pages 8 to 39 of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

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



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Collingwood Football Club Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at 31 October 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in Note 2.

KPMG

Gordon Sangster
Partner

Melbourne

16 November 2009

GOOD OLD COLLINGWOOD FOREVER, WE KNOW HOW TO PLAY THE GAME, SIDE BY SIDE WE STICK TOGETHER, TO UPHOLD THE MAGPIES NAME,



SIDE BY SIDE
COLLINGW09D

