



~ 2007 ANNUAL FINANCIAL REPORT ~

COLLINGWOOD FOOTBALL CLUB LIMITED

(A COMPANY LIMITED BY GUARANTEE)
ACN 006 211 196

31 OCTOBER, 2007

Collingwood Football Club Limited

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Collingwood Football Club Limited

Directors' report

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

The Directors have pleasure in presenting their report together with the financial report of the Company and of the Group being the Company and its controlled entity for the year ended 31 October 2007 and the auditor's report thereon.

Directors

The Directors of the Company since the start of the financial year were:

Edward McGuire	President, Company Director of McGuire Media Pty Ltd, Former CEO of Channel 9.
Jack Kennedy	Surgeon.
Alex Waislitz	Company Director of Thorney Holdings Pty Ltd and McPherson's Limited.
Sally Capp	Chief Executive Officer and Company Director.
Ian McMullin	Company Director – Life's a Party Group.
Kevin Rose	Life member, former player, company Director of Rose Poultry Pty Ltd. Ceased being a Director on 19 th March 2007.
Gary Pert	Formerly Managing Director – Channel 9. Ceased to be a Director on 9 th May 2007.
Mark Korda	Principal – KordaMentha Group. Appointed as Director on 15 th May 2007.

Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year was:

Director	Number of meetings eligible to attend	Number of meetings attended
Edward McGuire	12	12
Jack Kennedy	12	11
Alex Waislitz	12	7
Sally Capp	12	11
Ian McMullin	12	10
Kevin Rose	5	5
Gary Pert	6	6
Mark Korda	5	5

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 control and otherwise provide a team of footballers bearing the name of the Collingwood Football Club.

The Group owns and operates a travel agency as a result of the acquisition of a Jetset Travel franchise on 1 April 2003.

The Group also operates and owns the leasehold of the following venues:

The Club, Caroline Springs (21 December 2005)

The Beach Hotel, Albert Park (22 December 2006)

Diamond Creek Tavern, Diamond Creek (5 March 2007)

Collingwood Football Club Limited

Directors' report (continued)

Review and result of operations

The profit from ordinary activities after income tax for the Group amounted to \$2,027,744 (2006: profit of \$2,013,563).

A detailed review of various aspects of the operations is contained in the President's report published in the "In Black and White 2007 Year book".

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 2007 Year book".

Directors' Interest 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 Company 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 Company.

Insurance premiums

During the financial year the Company paid insurance premiums totalling \$12,210 (2006: \$26,916) in respect of Directors' and officers' liability insurance contracts. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been Directors or officers of the Company.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Collingwood Football Club Limited

Directors' report (continued)

Finance and Operations Committee

The Club's finance and operations committee comprises; M Korda, S Capp and I McMullin, (Directors) G Pert, E Arocca, S Leach (Executives) and meets monthly prior to the Board meetings, and is primarily responsible for reviewing the Club's financial position and providing recommendations to the Board.

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the year ended 31 October 2007.

Dated at Melbourne this 19th day of November 2007.

Signed in accordance with a resolution of the Directors:



Edward McGuire
Director



Mark Korda
Director



Collingwood Football Club Limited

Lead auditors independence declaration under section 307C of the Corporations Act 2001

To: The Directors of the 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 2007 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



Peter Jovic

Partner

Melbourne

19 November 2007

Collingwood Football Club Limited

Income statements

For the year ended 31 October 2007

		Consolidated		The Company	
	Note	2007 \$	2006 \$	2007 \$	2006 \$
Revenue	3	54,234,301	44,206,086	49,887,305	39,593,473
Social club / gaming expenses		12,379,263	6,447,922	12,379,263	6,447,922
Football expenses		14,938,786	14,126,128	14,938,786	14,126,128
Administration expenses		3,460,907	3,415,644	3,445,528	3,415,644
Marketing and sponsorship expenses		10,654,635	9,534,640	10,654,635	9,534,640
Pie in the sky travel expenses		4,204,125	4,549,962	-	-
Membership expenses		2,713,821	2,882,096	2,713,821	2,882,096
Depreciation and amortisation expense		965,908	903,982	965,908	902,242
Operating lease rental expenses		<u>2,483,831</u>	<u>689,202</u>	<u>2,483,831</u>	<u>689,202</u>
Results from operating activities		<u>2,433,013</u>	<u>1,656,510</u>	<u>2,305,520</u>	<u>1,595,599</u>
Financial income	6	381,084	427,547	372,990	425,488
Financial expenses	6	<u>786,353</u>	<u>70,494</u>	<u>786,353</u>	<u>70,494</u>
Net financing income/(expense)		<u>(405,269)</u>	<u>357,053</u>	<u>(413,363)</u>	<u>354,994</u>
Profit before income tax		2,027,744	2,013,563	1,892,157	1,950,593
Income tax expense	2(g)	-	-	-	-
Profit for the period		<u>2,027,744</u>	<u>2,013,563</u>	<u>1,892,157</u>	<u>1,950,593</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 11 to 35.

Collingwood Football Club Limited

Statements of recognised income and expense

For the year ended 31 October 2007

		Consolidated		The Company	
	Note	2007	2006	2007	2006
		\$	\$	\$	\$
Income and expense recognised directly in equity		-	-	-	-
Profit for the period		<u>2,027,744</u>	<u>2,013,563</u>	<u>1,892,157</u>	<u>1,950,593</u>
Total recognised income and expense for the period	19	<u>2,027,744</u>	<u>2,013,563</u>	<u>1,892,157</u>	<u>1,950,593</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 11 to 35.

Collingwood Football Club Limited

Balance sheets

As at 31 October 2007

		Consolidated		The Company	
	Note	2007 \$	2006 \$	2007 \$	2006 \$
Assets					
Cash and cash equivalents	8	3,137,073	1,364,521	3,012,754	1,231,433
Trade and other receivables	9	2,504,176	1,989,800	2,404,078	1,900,549
Inventories	10	853,126	616,852	853,126	616,852
Investments	11	662,375	1,337,708	662,375	1,337,708
Prepayments		<u>625,114</u>	<u>265,126</u>	<u>524,637</u>	<u>273,016</u>
Total current assets		<u>7,781,864</u>	<u>5,574,007</u>	<u>7,456,970</u>	<u>5,359,558</u>
Investments	11	-	-	188,824	144,824
Property, plant and equipment	12	8,114,440	7,252,992	8,114,440	7,252,992
Intangible assets	13	<u>15,459,399</u>	<u>2,272,391</u>	<u>15,459,399</u>	<u>2,272,391</u>
Total non-current assets		<u>23,573,839</u>	<u>9,525,383</u>	<u>23,762,663</u>	<u>9,670,207</u>
Total assets		<u>31,355,703</u>	<u>15,099,390</u>	<u>31,219,633</u>	<u>15,029,765</u>
Liabilities					
Trade and other payables	15	3,994,101	2,533,225	4,030,277	2,518,387
Provisions	17	-	-	-	-
Employee benefits	18	1,817,250	1,409,585	1,805,696	1,379,903
Unearned income		<u>15,210</u>	<u>27,803</u>	<u>15,210</u>	<u>27,803</u>
Total current liabilities		<u>5,826,561</u>	<u>3,970,613</u>	<u>5,851,183</u>	<u>3,926,093</u>
Loans and borrowings	16	15,099,307	2,724,069	15,099,307	2,724,069
Unearned income		<u>30,421</u>	<u>33,038</u>	<u>30,421</u>	<u>33,038</u>
Total non-current liabilities		<u>15,129,728</u>	<u>2,757,107</u>	<u>15,129,728</u>	<u>2,757,107</u>
Total liabilities		<u>20,956,289</u>	<u>6,727,720</u>	<u>20,980,911</u>	<u>6,683,200</u>
Net assets		<u>10,399,414</u>	<u>8,371,670</u>	<u>10,238,722</u>	<u>8,346,565</u>
Equity					
Settled sum		10	10	-	-
Retained earnings	19	<u>10,399,404</u>	<u>8,371,660</u>	<u>10,238,722</u>	<u>8,346,565</u>
Total equity		<u>10,399,414</u>	<u>8,371,670</u>	<u>10,238,722</u>	<u>8,346,565</u>

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.

Collingwood Football Club Limited

Cash flow statements

For the year ended 31 October 2007

		Consolidated		The Company	
	Note	2007	2006	2007	2006
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		53,719,925	44,368,087	49,383,776	39,749,665
Cash paid to suppliers and employees		<u>(49,567,656)</u>	<u>(43,781,280)</u>	<u>(45,214,644)</u>	<u>(39,220,052)</u>
Cash generated from operations		4,152,269	586,807	4,169,132	529,613
Interest received		67,033	22,703	58,939	20,644
Interest paid		(10,146)	(70,494)	(10,146)	(70,494)
Dividends received		<u>57,112</u>	<u>133,425</u>	<u>57,112</u>	<u>133,425</u>
Net cash from operating activities	22	<u>4,266,268</u>	<u>672,441</u>	<u>4,275,037</u>	<u>613,188</u>
Cash flows from investing activities					
Acquisition of businesses		(13,950,000)	-	(13,950,000)	-
Proceeds on sale of investments		1,268,422	1,009,195	1,268,422	1,009,195
Payments for investments		(336,150)	(141,935)	(336,150)	(141,935)
Acquisition of property, plant and equipment		(949,754)	(2,489,184)	(949,754)	(2,489,184)
Sale of unit trust		-	100,000	-	100,000
Payment for gaming licences		<u>(245,000)</u>	<u>(350,000)</u>	<u>(245,000)</u>	<u>(350,000)</u>
Net cash from investing activities		<u>(14,212,482)</u>	<u>(1,871,924)</u>	<u>(14,212,482)</u>	<u>(1,871,924)</u>
Cash flows from financing activities					
Proceeds from borrowings		12,500,000	850,000	12,500,000	850,000
Repayment of borrowings		(5,027)	(42,676)	(5,027)	(42,676)
Interest paid		<u>(776,207)</u>	<u>-</u>	<u>(776,207)</u>	<u>-</u>
Net cash from financing activities		<u>11,718,766</u>	<u>807,324</u>	<u>11,718,766</u>	<u>807,324</u>
Net increase in cash and cash equivalents		1,772,552	(392,159)	1,781,321	(451,412)
Cash and cash equivalents at 1 November		<u>1,364,521</u>	<u>1,756,680</u>	<u>1,231,433</u>	<u>1,682,845</u>
Cash and cash equivalents at 31 October	8	<u>3,137,073</u>	<u>1,364,521</u>	<u>3,012,754</u>	<u>1,231,433</u>

The cash flow statements are to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

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 each. 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 2007 comprise the company and its subsidiaries (together referred to as 'the Group'). The financial report was authorised for issue by the Directors on 19 November 2007.

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 complies with the IFRSs 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.

Accounting standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 31 October 2007. No changes to the current accounting policies are anticipated on application of these issued or revised standards.

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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

2 Statement of significant accounting policies (continued)

(b) Basis of preparation (continued)

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.

(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.

IntraGroup balances and any unrealised income and expenses arising from intraGroup 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 can be 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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

2 Statement of significant accounting policies (continued)

(d) Revenue recognition (continued)

(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.

(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

Members' contributions that are not applicable to the 2007 financial year have been shown in the balance sheet as part of unearned income. These contributions relate 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.

(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 2007

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 taxation authority. 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 Company 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 below) 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 2007

2 Statement of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(iv) Memorabilia

Purchased

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

Collected

Over the years the Club 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.

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 memorabilia collections as their service potential has not, in any material sense, been consumed during the period.

(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 will be obtained on a periodic basis.

Revaluation increments, on a class basis, are recognised in the asset revaluation reserve except those amounts reversing a decrement previously recognised as an expense are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

(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 either the straight line or reducing balance method over their estimated useful lives.

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

	<u>2007</u>	<u>2006</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%

* All calculated using reducing balance method.

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 2007

2 Statement of significant accounting policies (continued)

(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. The licence is amortised from the date it is available for use. The estimated useful life in the current and comparative periods is as follows:

	<u>2007</u>	<u>2006</u>
• Licence	10 years	10 years

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.

(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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

2 Statement of significant accounting policies (continued)

(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. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

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

All impairment losses are recognised in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

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 and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

2 Statement of significant accounting policies (continued)

(p) Employee benefits (continued)

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 AA credit-rated (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. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

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.

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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
3 Revenue				
Social club and gaming	15,489,642	7,496,533	15,489,642	7,496,533
Marketing and sponsorship	16,052,454	15,619,058	16,052,454	15,619,058
Membership	7,937,138	7,668,550	7,937,138	7,668,550
AFL distributions and match returns	10,029,626	8,504,219	10,029,626	8,504,219
Pie in the Sky travel	4,346,996	4,614,662	-	-
Other	<u>378,445</u>	<u>303,064</u>	<u>378,445</u>	<u>305,113</u>
	<u>54,234,301</u>	<u>44,206,086</u>	<u>49,887,305</u>	<u>39,593,473</u>
4 Personnel expenses				
Wages and salaries	16,055,892	13,368,992	15,919,859	13,240,611
Contributions to superannuation	1,272,950	1,484,100	1,260,385	1,474,200
Movement in employee entitlements	<u>64,615</u>	<u>179,212</u>	<u>(36,996)</u>	<u>177,014</u>
	<u>17,393,457</u>	<u>15,032,304</u>	<u>17,143,248</u>	<u>14,891,825</u>
5 Auditor's remuneration				
Audit services:				
<i>Auditors of the Group</i>				
<i>KPMG Australia</i>				
Audit and review of the financial report	<u>80,000</u>	<u>75,000</u>	<u>73,000</u>	<u>70,000</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
6 Finance income and expense				
Interest income	67,033	22,703	58,939	20,644
Dividend income	57,112	133,425	57,112	133,425
Investments:				
Net gain on disposal	33,139	88,389	33,139	88,389
Re-measurement through profit and loss	<u>223,800</u>	<u>183,030</u>	<u>223,800</u>	<u>183,030</u>
Finance income	<u>381,084</u>	<u>427,547</u>	<u>372,990</u>	<u>425,488</u>
Interest expense	<u>786,353</u>	<u>70,494</u>	<u>786,353</u>	<u>70,494</u>
Finance expense	<u>786,353</u>	<u>70,494</u>	<u>786,353</u>	<u>70,494</u>
Net Finance income/(expense)	<u>(405,269)</u>	<u>357,053</u>	<u>(413,363)</u>	<u>354,994</u>

7 Segment information

The Group operates predominantly in the sporting industry wholly in Australia.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
8 Cash and cash equivalents				
Cash on hand	657,154	390,939	656,954	390,741
Cash at bank	<u>2,479,919</u>	<u>973,582</u>	<u>2,355,800</u>	<u>840,692</u>
Cash and cash equivalents	<u>3,137,073</u>	<u>1,364,521</u>	<u>3,012,754</u>	<u>1,231,433</u>
9 Trade and other receivables				
<i>Current</i>				
Trade debtors	2,174,046	799,895	2,074,435	730,984
Less: Provision for doubtful debts	<u>(22,818)</u>	<u>(27,727)</u>	<u>(22,818)</u>	<u>(27,727)</u>
	2,151,228	772,168	2,051,617	703,257
Other debtors	<u>352,948</u>	<u>1,217,632</u>	<u>352,461</u>	<u>1,197,292</u>
	<u>2,504,176</u>	<u>1,989,800</u>	<u>2,404,078</u>	<u>1,900,549</u>
10 Inventories				
Liquor, food, souvenirs and football equipment	<u>853,126</u>	<u>616,852</u>	<u>853,126</u>	<u>616,852</u>
11 Investments				
<i>Current</i>				
Listed equity securities held for trading	<u>662,375</u>	<u>1,337,708</u>	<u>662,375</u>	<u>1,337,708</u>
<i>Non-current</i>				
Shares in controlled entities	-	-	188,824	188,824
Provision for write-down of shares in controlled entities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,000)</u>
	<u>-</u>	<u>-</u>	<u>188,824</u>	<u>144,824</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

12	Property, plant and equipment						
	Consolidated						
■	Furniture and fittings	Leasehold improvements	Plant and equipment	Leasehold gaming venues	Purchased memorabilia	Freehold land & buildings	Total
Cost							
Balance as at 1 November 2005	960,814	3,299,146	2,933,334	-	85,938	-	7,279,232
Transfers	-	-	(125,000)	-	-	-	(125,000)
Acquisitions	61,169	320,033	294,328	550,000	100,140	1,163,514	2,489,184
Disposals	-	-	(52,800)	-	-	-	(52,800)
Balance as at 31 October 2006	1,021,983	3,619,179	3,049,862	550,000	186,078	1,163,514	9,590,616
■							
Balance as at 1 November 2006	1,021,983	3,619,179	3,049,862	550,000	186,078	1,163,514	9,590,616
Transfers	-	(355,000)	355,000	(550,000)	-	-	(550,000)
Acquisitions	302,169	47,635	563,256	-	36,694	-	949,754
Acquisition of business	1,148,897	-	-	-	-	-	1,148,897
Disposals	-	(18,356)	(502)	-	-	-	(18,858)
Balance as at 31 October 2007	2,473,049	3,293,458	3,967,616	-	222,772	1,163,514	11,120,409

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

12	Property, plant and equipment (continued)						
	Consolidated						
	Furniture and fittings	Leasehold improvements	Plant and equipment	Leasehold gaming venues	Purchased Memorabilia	Freehold Land & Buildings	Total
Depreciation							
Balance as at 1 November 2005	153,735	215,082	1,286,711	-	-	-	1,655,528
Depreciation charge for the year	111,683	159,226	426,492	-	-	-	697,401
Disposals	-	-	(15,305)	-	-	-	(15,305)
Balance as at 31 October 2006	265,418	374,308	1,697,898	-	-	-	2,337,624
■							
Balance as at 1 November 2006	265,418	374,308	1,697,898	-	-	-	2,337,624
Depreciation charge for the year	114,314	123,172	439,062	-	-	-	676,548
Disposals	-	(8,203)	-	-	-	-	(8,203)
Balance as at 31 October 2007	379,732	489,277	2,136,960	-	-	-	3,005,969
Carrying amounts							
As at 1 November 2005	807,079	3,084,064	1,646,623	-	85,938	-	5,623,704
As at 31 October 2006	756,565	3,244,871	1,351,964	550,000	186,078	1,163,514	7,252,992
As at 1 November 2006	756,565	3,244,871	1,351,964	550,000	186,078	1,163,514	7,252,992
As at 31 October 2007	2,093,317	2,804,181	1,830,656	-	222,772	1,163,514	8,114,440

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

12	Property, plant and equipment (continued)						
	Company						
■	Furniture and fittings	Leasehold improvements	Plant and equipment	Leasehold gaming venues	Purchased memorabilia	Freehold land & buildings	Total
Cost							
Balance as at 1 November 2005	960,814	3,299,146	2,926,779	-	85,938	-	7,272,677
Transfers	-	-	(125,000)	-	-	-	(125,000)
Acquisitions	61,169	320,033	294,328	550,000	100,140	1,163,514	2,489,184
Disposals	-	-	(52,800)	-	-	-	(52,800)
Balance as at 31 October 2006	1,021,983	3,619,179	3,043,307	550,000	186,078	1,163,514	9,584,061
■							
Balance as at 1 November 2006	1,021,983	3,619,179	3,043,307	550,000	186,078	1,163,514	9,584,061
Transfers	-	(355,000)	355,000	(550,000)	-	-	(550,000)
Acquisitions	302,169	47,635	563,256	-	36,694	-	949,754
Acquisition of business	1,148,897	-	-	-	-	-	1,148,897
Disposals	-	(18,356)	(502)	-	-	-	(18,858)
Balance as at 31 October 2007	2,473,049	3,293,458	3,961,061	-	222,772	1,163,514	11,113,854

Collingwood Football Club Limited
Notes to the financial statements
For the year ended 31 October 2007

12 Property, plant and equipment (continued)

■ **Company**

Depreciation

	Furniture and fittings	Leasehold improvements	Plant and equipment	Leasehold gaming venues	Purchased Memorabilia	Freehold Land & Buildings	Total
Balance as at 1 November 2005	153,735	215,082	1,281,896	-	-	-	1,650,713
Depreciation charge for the year	111,683	159,226	424,752	-	-	-	695,661
Disposals	-	-	(15,305)	-	-	-	(15,305)
Balance as at 31 October 2006	265,418	374,308	1,691,343	-	-	-	2,331,069

■

Balance as at 1 November 2006	265,418	374,308	1,691,343	-	-	-	2,331,069
Depreciation charge for the year	114,314	123,172	439,062	-	-	-	676,548
Disposals	-	(8,203)	-	-	-	-	(8,203)
Balance as at 31 October 2007	379,732	489,277	2,130,405	-	-	-	2,999,414

Carrying amounts

As at 1 November 2005	807,079	3,084,064	1,644,883	-	85,938	-	5,621,964
As at 31 October 2006	756,565	3,244,871	1,351,964	550,000	186,078	1,163,514	7,252,992
As at 1 November 2006	756,565	3,244,871	1,351,964	550,000	186,078	1,163,514	7,252,992
As at 31 October 2007	2,093,317	2,804,181	1,830,656	-	222,772	1,163,514	8114,440

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

12 Property, plant and equipment (continued)

Collected memorabilia

In addition to purchased memorabilia, the Club has a significant collection of memorabilia which was acquired at no cost. An independent valuation of this memorabilia collected over the years was performed by Mr R. Milne, certified with the Department of Communications and the Arts, on 12 October 2005 for \$5,634,525. This amount has not been brought to account.

13 Intangible assets

	Consolidated			Company		
	Gaming Licence \$	Goodwill \$	Total \$	Gaming Licence \$	Goodwill \$	Total \$
Cost						
Balance as at 1 November 2005	-	-	-	-	-	-
Acquisitions	2,353,972	-	2,353,972	2,353,972	-	2,353,972
Transfers	125,000	-	125,000	125,000	-	125,000
Balance as at 31 October 2006	<u>2,478,972</u>	<u>-</u>	<u>2,478,972</u>	<u>2,478,972</u>	<u>-</u>	<u>2,478,972</u>
Balance as at 1 November 2006	2,478,972	-	2,478,972	2,478,972	-	2,478,972
Acquisitions	-	12,801,103	12,801,103	-	12,801,103	12,801,103
Transfers	-	550,000	550,000	-	550,000	550,000
Revaluation	125,265	-	125,265	125,265	-	125,265
Balance as at 31 October 2007	<u>2,604,237</u>	<u>13,351,103</u>	<u>15,955,340</u>	<u>2,604,237</u>	<u>13,351,103</u>	<u>15,955,340</u>
Amortisation						
Balance as at 1 November 2005	-	-	-	-	-	-
Amortisation for the year	(206,581)	-	(206,581)	(206,581)	-	(206,581)
Balance as at 31 October 2006	<u>(206,581)</u>	<u>-</u>	<u>(206,581)</u>	<u>(206,581)</u>	<u>-</u>	<u>(206,581)</u>
Balance as at 1 November 2006	(206,581)	-	(206,581)	(206,581)	-	(206,581)
Amortisation for the year	(289,360)	-	(289,360)	(289,360)	-	(289,360)
Balance as at 31 October 2007	<u>(495,941)</u>	<u>-</u>	<u>(495,941)</u>	<u>(495,941)</u>	<u>-</u>	<u>(495,941)</u>
Carrying amounts						
At 1 November 2005	-	-	-	-	-	-
At 31 October 2006	2,272,391	-	2,272,391	2,272,391	-	2,272,391
At 1 November 2006	2,272,391	-	2,272,391	2,272,391	-	2,272,391
At 31 October 2007	2,108,296	13,351,103	15,459,399	2,108,296	13,351,103	15,459,399

The goodwill acquired relates to the acquisition of 'The Beach Hotel' and 'Diamond Creek Tavern' during the financial year.

The recoverable amount of the intangibles is based on value in use calculations. Those calculations use cash flow projections based on actual operating results and the company's business plan.

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2007

14 Acquisition of businesses

During the year the Club acquired the businesses of The Beach Hotel in Albert Park for \$7.0 million (22 December 2006) and the Diamond Creek Tavern for \$7.5 million (5 March 2007).

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Recognised values \$000	Fair value adjustments \$000	Carrying amounts \$000
Property, plant and equipment	<u>1,148,897</u>	<u>-</u>	<u>1,148,897</u>
Net identifiable assets and liabilities	<u>1,148,897</u>	<u>-</u>	<u>1,148,897</u>
Goodwill on acquisition			<u>13,351,103</u>
Consideration satisfied in cash			<u>14,500,000</u>
Net cash outflow			<u>14,500,000</u>

Pre acquisition carrying values were determined based on applicable accounting standards immediately before the acquisition. The value of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values (see note 2 for methods used in determining fair values).

Goodwill has arisen on the acquisitions above and does not include any separately identifiable assets at the date of acquisition.

There were no acquisitions made in the prior year.

In the period to 31 October 2007, these businesses contributed profits of \$109,607 to the Group after tax profit. If the above acquisitions had occurred on 1 November 2006, their full year contribution to Group revenues would have been \$9,827,745 and to the Group's profit after tax would have been \$457,484.

15 Trade and other payables

	Consolidated		The Company	
	2007 \$	2006 \$	2007 \$	2006 \$
Current				
Trade payables	2,349,232	953,877	2,345,672	953,248
Other payables and accruals	1,644,869	1,579,348	1,549,737	1,565,139
Related party payables	<u>-</u>	<u>-</u>	<u>134,868</u>	<u>-</u>
	<u>3,994,101</u>	<u>2,533,225</u>	<u>4,030,277</u>	<u>2,518,387</u>

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
16 Loans and borrowings				
<i>Non current</i>				
Bank loan – secured	840,070	845,097	840,070	845,097
Long term payable	1,759,237	1,878,972	1,759,237	1,878,972
Commercial bill	<u>12,500,000</u>	<u>-</u>	<u>12,500,000</u>	<u>-</u>
	<u>15,099,307</u>	<u>2,724,069</u>	<u>15,099,307</u>	<u>2,724,069</u>
Financing facilities				
Bank overdraft	1,000,000	2,000,000	1,000,000	2,000,000
Bank loan	850,000	850,000	850,000	850,000
Commercial bill facilities	12,500,000	12,500,000	12,500,000	12,500,000
<i>Facilities utilised at reporting date:</i>				
Bank overdraft	-	-	-	-
Bank loan	840,070	845,097	840,070	845,097
Commercial bill facilities	12,500,000	-	12,500,000	-
<i>Facilities not utilised at reporting date:</i>				
Bank overdraft	1,000,000	2,000,000	1,000,000	2,000,000
Bank loan	9,930	4,903	9,930	4,903
Commercial bill facilities	-	12,500,000	-	12,500,000

Bank overdraft

The overdraft is secured by registered mortgage debenture over the whole of the Company'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 2007 is 10.35% (2006: 9.70%).

Collingwood Football Club Limited

Notes to the financial statements For the year ended 31 October 2007

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 2007 is 7.49%.

Commercial bill facilities

The \$12,500,000 commercial bill facility was available from 6 October 2006. This is secured by a registered mortgage over the property leases of the two new venues and a specific charge over their liquor and gaming licences. Interest rate for The Beach loan is calculated on a 90 day rollover with a rate of 7.78% and for Diamond Creek Tavern is 8.01%

17 Provisions

Reconciliations

Reconciliations of the carrying amount of the provision are set out below:

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
<i>Surplus lease premises</i>				
Balance at 1 November	-	855,356	-	855,356
Payments made during the year	<u>-</u>	<u>855,356</u>	<u>-</u>	<u>855,356</u>
Balance at 31 October	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In 1995, the Company and the City of Yarra agreed to a lease of Victoria Park for a period of 21 years. On 31 March 2005, the Company ceased to be a tenant of the premises as a result of a new lease agreement for the Company to occupy the Lexus Centre.

In March 2006 the Victoria Park lease was settled, fully utilising the provision.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

18 Employee benefits

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current				
Salaries and wages accrued	1,042,795	699,744	1,042,795	680,003
Liability for long service leave	431,451	370,321	430,240	370,321
Liability for annual leave	<u>343,004</u>	<u>339,520</u>	<u>332,661</u>	<u>329,579</u>
	<u>1,817,250</u>	<u>1,409,585</u>	<u>1,805,696</u>	<u>1,379,903</u>

Number of employees

Number of full-time employees at year end

94	84	91	81
----	----	----	----

19 Retained earnings

Balance at 1 November	8,371,660	6,358,097	8,346,565	6,395,972
Total recognised income and Expense	<u>2,027,744</u>	<u>2,013,563</u>	<u>1,892,157</u>	<u>1,950,593</u>
Balance at 31 October	<u>10,399,404</u>	<u>8,371,660</u>	<u>10,238,722</u>	<u>8,346,565</u>

20 Commitments

Leases as Lessee

Non-cancellable operating lease rentals of property, plant and equipment are payable as follows:

Less than one year	3,832,895	1,601,971	3,832,895	1,601,971
Between one and five years	13,907,404	6,104,962	13,907,404	6,104,962
More than five years	<u>32,372,954</u>	<u>18,281,128</u>	<u>32,372,954</u>	<u>18,281,128</u>
	<u>50,113,253</u>	<u>25,988,061</u>	<u>50,113,253</u>	<u>25,988,061</u>

The Group 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.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

20 Commitments (continued)

Other commitments

Olympic Park

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

Victoria Park

Following the settlement of Victoria Park, the Club was committed to pay the City of Yarra \$1,250,000. In March 2006 the Company paid \$850,000, including the first instalment of \$100,000 for settlement of Victoria Park. These amounts have been fully provided for in past years. At settlement, the Company entered into an access agreement for a further four years with annual instalments of \$100,000 payable from 2006 - 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.

Other

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.

21 Contingent Asset

Waverley Park

Following the sale of the original Waverley Park to Mirvac, the AFL advised the company that it will distribute the final sale proceeds of \$250,000 on 15 October 2008.

The Club has been advised that this payment is conditional upon, and subject to certain conditions, accordingly the \$250,000 has not been brought to account as revenue as the club has not gained control over the remaining proceeds and the right to receive the proceeds does not exist until each condition is met at the payment date. This is in accordance with AASB 1004 *Contributions*.

On 15 October 2007 the Company received the sixth and penultimate instalment of \$250,000 (2006: \$300,000). This amount has been treated as revenue in the 2007 year.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

22 Notes to the statements of cash flows

Reconciliation of cash flows from operating activities

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash flows from operating activities				
Profit for the period	2,027,744	2,013,563	1,892,157	1,950,593
(Profit)/loss on sale of assets	10,655	37,495	10,655	37,495
(Profit)/loss on sale of investments	(33,139)	(88,389)	(33,139)	(88,389)
Depreciation of property, plant and equipment	676,548	697,401	676,548	695,661
Amortisation of intangibles	289,360	206,581	289,360	206,581
Interest paid	776,207	-	776,207	-
Reversal of write-down of investments	-	-	(44,000)	-
Revaluation of investments	(223,800)	(183,030)	(223,800)	(183,030)
Release of members funds to profit	<u>(15,210)</u>	<u>(27,803)</u>	<u>(15,210)</u>	<u>(27,803)</u>
Operating profit before change in working capital and provisions	3,508,365	2,655,818	3,328,778	2,591,108
(Increase)/decrease in trade/other debtors	(514,376)	(245,989)	(503,529)	(278,277)
(Increase)/decrease in inventory	(236,274)	25,403	(236,274)	25,403
(Increase)/decrease in prepayments	(359,988)	(50,817)	(251,621)	68,787
Increase/(decrease) in trade / other payables	1,460,876	(910,282)	1,511,890	(975,202)
Increase/(decrease) in provisions	<u>407,665</u>	<u>(801,692)</u>	<u>425,793</u>	<u>(818,631)</u>
Net cash from operating activities	<u>4,266,268</u>	<u>672,441</u>	<u>4,275,037</u>	<u>613,188</u>

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

23 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	
	2007	2006	2007	2006
	\$	\$	\$	\$
Short Term Employee Benefits	1,181,832	1,061,498	1,181,832	1,061,498
Other Long Term Benefits	<u>36,089</u>	<u>59,863</u>	<u>36,089</u>	<u>59,863</u>
	<u>1,217,921</u>	<u>1,121,361</u>	<u>1,217,921</u>	<u>1,121,361</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 the KMP's and their KMP related entities were no more favourable than those available, or which might be reasonably 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) 2007	Receivable/ (Payable) 2007	Income / (Expense) 2006	Receivable/ (Payable) 2006
I Mc Mullin	Food and Catering	-	137,552	(911,364)	-
M Korda	Administration/Football Review	(75,000)	-	-	-
E McGuire	Production Costs (Channel 9 Grand Final Breakfast)	(110,000)	-	(80,000)	-
E Arocca	Legal services	-	-	(27,896)	-
G Swann	Accounting services	-	-	(2,663)	-

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

23 Key Management Personnel disclosures (continued)

Non-key management personnel disclosures

The Group 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.

24 Additional financial instruments disclosure

Interest rate risk

The Group's major financial assets and liabilities are cash, borrowings, trade debtors and trade creditors. No interest is payable or receivable on trade and intercompany balances.

Current interest rate for cash at bank is 2.40% (2006: 3.50%), bank loan is 7.49% (2006: 6.99%) and commercial bill facilities are 7.78% (The Beach Hotel) and 8.01% (Diamond Creek Tavern) (2006: nil).

Fair values

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

The fair values and net fair values of financial assets and financial liabilities with standard terms and conditions on active liquid markets are determined with reference to the quoted market prices.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At balance date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Collingwood Football Club Limited

Notes to the financial statements

For the year ended 31 October 2007

25 Group entities

Name	<i>Group interest</i>	
	2007	2006
	%	%
<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	-	-

26 Events subsequent to balance date

There have been no matters or circumstances that have arisen since 31 October 2007 that will significantly affect, or may significantly affect the operations of the company, 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, set out on pages 7 to 35, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and Group as at 31 October 2007 and of their performance, as represented by the results of their operations and their cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 19th day of November 2007.

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

Report on the financial report

We have audited the accompanying financial report of Collingwood Football Club (the Company), which comprises the balance sheets as at 31 October 2007, 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 26 and the directors' declaration 7 to 36 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 financial position, and of its performance.

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

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 financial position as at 31 October 2007 and of its 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 also complies with International Financial Reporting Standards as disclosed in note 2.


KPMG

Peter Jovic
Partner

Melbourne

19 November 2007

