COLLECTION HOUSE LIMITED

(ANNUAL REPORT 2007)

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Collection House Limited will be held on 26 October 2007 at 11.00 am at the offices of Hopgood Ganim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane 4000.

The business of the meeting is outlined in the formal Notice and Proxy Form that are enclosed with this report.

Performance Highlights

- Improved trading performance in latter half of year results in profits after tax of $3.1m for the six months to 30 June 2007 ($3.8m twelve months to 30 June 2007).
- Resumption of dividend payments with directors declaring an unfranked dividend of 2 cents.
- Restructure of sales force and reinstatement of sales as the Group's major priority builds forward flow debt pipeline with a minimum of $54m in new debt purchases expected for 2007/08.
- Significant improvements in management information and improved internal processes lift productivity and efficiencies in our core collections area.
- Successful rationalisation of non core businesses with the sale of Insurance Claims Solutions Pty Ltd and Rapid Ratings Pty Ltd, and conditional agreements finalised for the sale of Australian Business Research Pty Ltd and National Tenancy Database Pty Ltd.

Figure No.1
NPAT

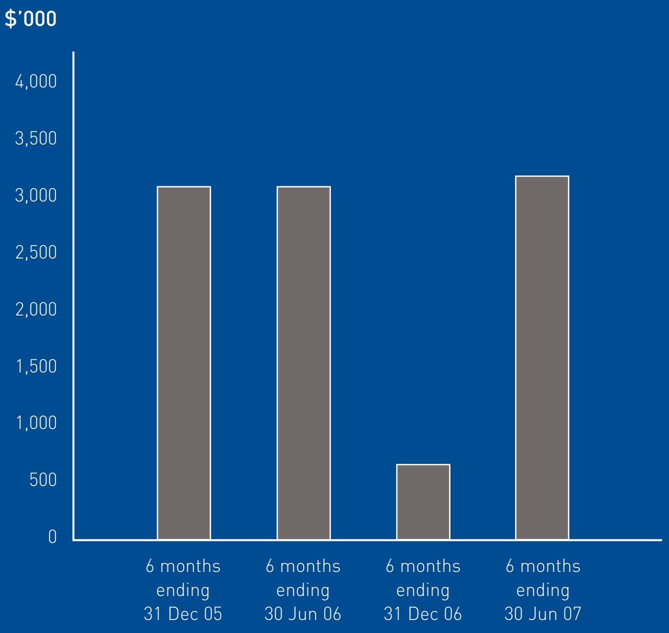
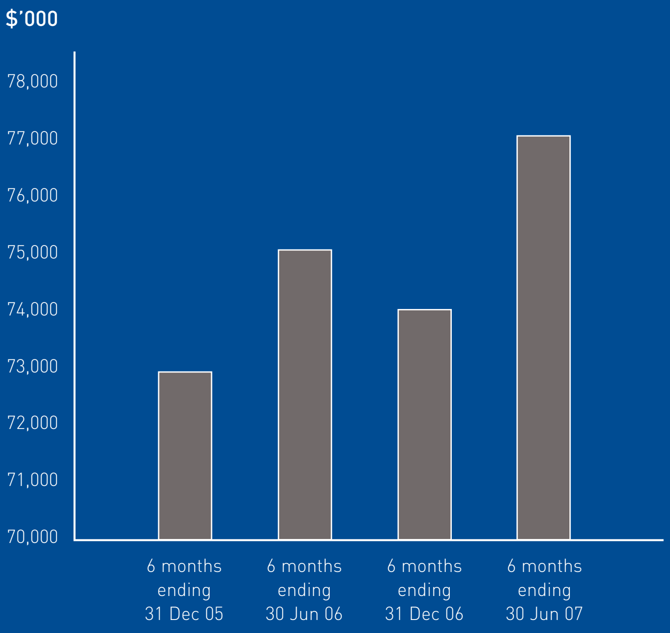


Figure No.2
Group Equity



Chairman's Address

Fellow Shareholders,

2006/07 was a year of contrasting halves.

Despite recent achievements which included controlling costs, establishing a rigid pricing methodology for new debt purchases, and building new reporting tools to assist our collections operations, the first half of the year was less than satisfactory from a shareholder perspective. After tax profits were down to $0.7m and we were unable to declare a dividend.

In my experience, turning around the financial performance of a company usually takes twelve to eighteen months. It has therefore been pleasing to the Board to see the turnaround that is underway, both in terms of financial results and the work we are completing behind the scenes. From an unacceptably low base, pre tax profits in the second half were up 98% and post tax up 370%, which enabled the Company to resume paying dividends.

During the year there were a number of Board changes. Stephen Walker, Rhonda King and Colin Day all left in the first half and I would like to thank them for their wise counsel over many years. Given the substantial experience of remaining directors, we decided that the time was opportune for a smaller Board and only Colin Day was replaced following the appointment of Tony Aveling as Managing Director & Chief Executive Officer.

Looking ahead, the industry in which we operate is very competitive, but it is growing. Collection House has a well deserved reputation for its compliance and ethical debt collection practices. This affords us a decided edge with clients who are concerned with their reputation and brands. With the debt purchase forward flow arrangements already in place, I am confident that Collection House will continue to grow.

Dennis Punches
Chairman

Managing Director & Chief Executive Officer's Report

2006/07 can be characterised as a year in which we failed to meet the expectations of shareholders in the first half, then took steps towards restoring shareholder value in the second half.

Looking briefly at the first half, our financial performance was clearly unsatisfactory. That said, there had been a considerable amount of positive work behind the scenes which provided a sound platform from which to move forward. When I joined Collection House in late November, I was the fortunate beneficiary of this investment in our future.

At the half year I advised shareholders that we had three priorities moving forward:

- enhancing client focus and generating profitable revenue,
- improving productivity and efficiencies in our core collections area, and
- further rationalisation of any non core business generating insufficient returns for shareholders.

So how did we perform?

In terms of the first priority, I had warned shareholders that it takes time for new business to flow onto our books and for collectors to become experienced. That is exactly what happened. Adjusted revenues were down 5% over the half, due primarily to the relatively low level of debt purchases over a long period of time. The reality is that in this business one needs a solid pipeline because it is not only the debt one buys today that produces revenue, but also the debt one purchased in the past.

None of this is a matter for concern going forward. To enhance our client focus we restructured our sales force, notably appointing Brian Savage to a new position of General Manager Business Development. We also reinstated sales as our number one priority and provided the sales team with much greater support. The results have been dramatic. For the eleven months to the end of May we had paid only $16m for purchased debt. By the end of June this had climbed to $29m. Given that a number of the new contracts were forward flow arrangements (where we are guaranteed a flow of new debt over a period), we are already assured of at least $54m in debt purchases in the year ahead.

In relation to our second priority, Matt Thomas' appointment as Chief Process Officer has led to better utilisation of management information, enhanced processes and better productivity within our core collections area. This remains a work in progress, but one which is showing continuing improvement.

Rationalisation of non core businesses has also been achieved. At the end of the first half we sold substantially all of the assets of the loss making Rapid Ratings Pty Ltd. This was followed by the sale of Insurance Claims Solutions Pty Ltd. Finally, on 30 June, we signed conditional agreements for the sale of Australian Business Research Pty Ltd and National Tenancy Database Pty Ltd. The sale of the last two is subject to a number of conditions, the most notable being the need for clearance from the Australian Competition and Consumer Commission. This clearance was obtained on 22 August 2007.

So what is the outlook?

While the old challenges are largely gone, there are of course new ones. But in a way these are better challenges to have because they are the challenges of a company that has moved into a growth phase.

Firstly, we need to convert revenue into profitability. On the purchase debt side of our business we will have a strong revenue flow from existing agreements, some of which were at fine margins, others at attractive margins. The extent to which we can meet our collections expectations will have a major bearing on profit growth. While it is very early days and therefore too soon to accurately predict, I am pleased to say that our expectations are so far being met.

However, there is an area where revenue is under pressure and that is our contingent or commission side. An increasing number of clients are favouring debt sales over contingent collections and we will need to find new sources to offset the loss of other business.

The next challenges are all ones of resourcing: people, space and funding.

The labour market in Australia and New Zealand is very tight and it is difficult to attract the quality of staff that we require. We have the advantage of a national spread of offices which has enabled us to recruit additional quality staff in particular areas. However, this is not always easy and unless well managed can be a constraint on our growth.

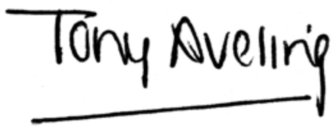
With increasing staff numbers, space is at a premium. We will need additional premises at a time of escalating rents.

Finally our growth, particularly in debt purchases, requires additional funding. We will need to ensure that this is available on terms and conditions that are in shareholders' interests.

In conclusion, let me say that our strategy of concentrating on our core business of collections is both simple and clear. As is so often the case, it is now down to superior execution.

During the second half of 2006/07 we made a solid start on turning around our financial performance. We still have some way to go but early indications from 2007/08 point to further growth in pre tax profits and EBIT.

We have a first class team of people at Collection House and I would like to both thank them and acknowledge their hard work in getting us to this point in the growth cycle.



Tony Aveling

Managing Director & Chief Executive Officer

Group Structure

Collection House is a Group of Companies headquartered in Brisbane, operating globally and delivering a broad range of financial services including: debt purchasing, debt collection, receivables management, insurance recovery and credit reporting.

Collection House first opened in Brisbane in 1992. It was listed on the Australian Stock Exchange in 2000 and now employs 590 staff in 10 locations in Australia and 1 office in New Zealand.

CONTINGENT COLLECTION SERVICES

Consumer Division	Commercial Division	Insurance Recovery Division	Workers' Compensation Division	Receivables Management Division	International Division

National Revenue Corporation Pty Ltd	Midstate Credit Management Services Pty Ltd	Countrywide Mercantile Services Pty Ltd

ACCOUNT ASSET MANAGEMENT

Lion Finance Pty Ltd

OTHER OPERATIONS

under contract	Australian Business Research Pty Ltd	**under contract**	National Tenancy Database Pty Ltd	**sold**	Insurance Claims Solutions Pty Ltd	**sold**	Rapid Ratings Pty Ltd

Divisional Performance

Collections

2006/07 was a year of ongoing review and continuous improvement of fundamental work practices. During the period, overall management of all collection business units was consolidated under the new position of Chief Process Officer (CPO), a role focused on applied business process analysis and improvement. The CPO is supported within the organisation by three business analysts and the new business intelligence platform known internally as 'Revelation'. This platform has lived up to its project name by delivering powerful insights into the effectiveness of collection strategies and trends in portfolio actioning and recovery patterns.

As is often the case, complex analysis has often brought our attention back to basic principles.

In the Contingent Collection Division we have refocused on the primary objectives of our clients, and realigned key performance indicators to ensure we are achieving client expectations. While internal KPIs also remain important, congruence of company and client goals proved highly successful in the second half.

Difficulty in obtaining sufficient quality collection staff in the first half of the year, together with a low level of debt purchasing over an extended period combined to constrain revenue growth for the Account Asset Management Division. However, quality debt purchasing opportunities were identified in the second half and significant volumes of new purchased debt were secured at the end of the year, with two major forward flow contracts set to support the supply of new debt until April 2008.

The operational improvements commenced during 2005/06 have continued and results have become apparent. Although the face value of the purchased debt portfolio declined throughout most of the second half, average recoveries per day have increased month on month throughout the period. This was achieved whilst maintaining the policy of low rates of discounted settlements and continual building of the performing arrangement bank which provides a predictable ongoing revenue stream.

The lower inflows for part of the reporting period also provided an opportunity to work older portfolios more intensively and rehabilitate old ledgers, which resulted in estimated future recoveries on the portfolio rising by over 15% during the second half.

While these selected examples of continuous improvement in no way fully reflect the extent of the achievements made during 2006/07, they do demonstrate how we are leveraging our strengths to continually optimise our collection services. Increased referrals and recoveries from key clients in the second half reinforce that this work is now translating into results and better positions us going into 2007/08.

Business Development

After a period of declining revenues, in recent months Collection House has energised and enhanced its sales focus. This has been achieved by creating and filling a new General Manager position, by restructuring the sales force, and by providing greater organisational support to our business development activities. The emphasis has been, and will continue to be, on obtaining more business from the many existing key clients with whom we have cemented long term relationships. We are also continuing to develop similar relationships with potential new clients. By year end, this new approach had yielded strong growth in the level of debts purchased. We aim to add to this by developing a diversity of business clients and products through Contingency, Small and Medium Enterprise and Insurance opportunities.

Credit Reporting

A strong management focus and a return to the fundamentals of the Australian Business Research (ABR) business drove a much improved second half result in 2006/07.

During the second half, ABR focused on the release of high quality products such as QPack, Litigation Browse and Data Verification. Our Risk Management Reports and Custom Data products continued to be well supported by the market and are recognised as providing a decided competitive advantage to users. National Tenancy Database (NTD) remained a profitable business unit generating $0.9m in revenue during the financial year under review. A tightening rental market, coupled with industry concerns regarding interest rate changes affected the number of properties being offered for rental during the year, and reduced the volume of enquiries from what had been projected.

Several projects are currently underway that are designed to provide a much wider range of services to the Company's clients. As a result increased revenue from existing and future lines is expected in the current financial year.

With the completion of the agreement in June 2007 by Veda Advantage Ltd to purchase both NTD and ABR for an enterprise value of $32m, these businesses are expected to change hands provided the conditions of sale are completed.

Divisional Performance

Information Technology

During 2006/07, Collection House Technologies played an important role in improving procedures and the facilities which underlay Collection House's core businesses. The business intelligence project 'Revelation' continues with the pilot phase of concurrent reporting alongside Controller (our proprietary collections application). Collection staff receive daily statistical reports generated from the Business Objects system; reporting that has evolved from the original daily statistics provided from Controller, focussing on the new queue benchmark. The new report is easier to understand and provides Collection staff a more transparent picture of how they are progressing on a monthly basis.

Our Business Improvement Team and Programming Team members have been working together to create other improved reports in the Business Objects system. Technologies expects the live system to be in place before the end of 2007. Technologies have almost full Voice-over Internet Protocol (VoIP) deployment throughout the Company, saving considerable money and increasing the abilities of the Genesys OCS (Predictive Dialler). The Dialler system has improved collection rates for many departments throughout the Company.

We have further improved processes within the Company by implementing E-faxing (saving time, money and paper) and through the extensive application of ODIN (OnLine Document Information Node), which is the centre of all Collection House communications. A wide range of forms and workflows have been implemented in ODIN for Finance, Sales and Technologies. These improvements have increased productivity and reduced the number of issues arising when work is transferred between departments.

Improvements to Controller were made enabling the Company to work more intelligently and effectively. These included changes to the queue system, enhanced skip tracing through datawashing and enhanced search tools for Electronic White Pages. Several divisions take advantage of the triggering system, resulting in a more streamlined collections process, and an enhanced ability to meet client expectations and increased collection ratios.

Compliance

Collection House enjoys a deserved reputation within the industry for setting benchmark standards of compliance. Strict compliance not only ensures we meet our regulatory and ethical requirements, it also provides a fundamental platform for sound business growth. Our clients know the importance of protecting the value of their brands and quality compliance is increasingly being sought by clients.

We are entering our fourth year of accreditation under the Professional Practices Management System (PPMS), a collection industry specific quality assurance program, developed by the American Collector's Association. PPMS overlays ISO 9000. We continue to provide our customers with independent external complaint and dispute resolution as a non-bank member of the Australian Banking and Financial Services Ombudsman Scheme. We also subscribe fully to the ACCC and ASIC Debt collection guideline: for collectors and creditors through its inclusion in the Collection House Code of Conduct. Adherence to this code and the Company's policies and procedures forms part of each staff member's employment contract.

Our independent Internal Auditor continues to critically evaluate the effectiveness and application of the Company's policies and procedures within operational, administrative and financial spheres. As part of our comprehensive and ongoing program of review and reform, in 2006/07 we:

- re-documented procedures manuals for our primary collection business units,
- continued to review our Call Quality Monitoring process, and
- worked with operational collection business units to develop and implement processes to enhance both customer information integrity and compliance to statutory and regulatory obligations.

During 2006/07 we recorded 158 complaints about our conduct. It should be highlighted that during this period our collectors worked on over 300,000 accounts. This represents a complaint rate of 0.05% and, averaged across the working days of the year, is less than one complaint per day. We continue to work closely with consumer organisations, community based welfare groups and regulators in the resolution of both individual customer concerns and shared problems. We continue to promote ongoing dialogue among stakeholders to achieve uniform laws and legislation, relating to the collection of debt across all Australian jurisdictions, and an industry wide Code of Conduct and Standards, to provide effective and enforceable self regulation.

Human Resources

In a tightening labour market, a key goal of Collection House continues to be workforce retention. While our staff numbers have remained fairly consistent in previous reporting periods, our strategy to focus on the growth of our business in 2006/07 generated a need for additional staff numbers across the country.

During 2006/07 we announced a number of new initiatives we were intent on commencing. As a result we have:

- Submitted our application to become a Registered Training Organisation.
- Increased training resources, allowing for greater consistency in training delivery within each of our sites. Additionally, work has been done on our on-line programs to ensure resources are available to all of our staff.
- Conducted a climate survey and, as a result of feedback received, established a Committee represented in each location as selected by peers. Matters raised from the survey have been considered as action items, with a number of new initiatives already implemented.
- Rolled out a new Performance Development Review System. Work has been carried out to update our existing processes resulting in a new system branded "Together we achieve Success". All managers have undertaken training in order to effectively conduct reviews with their staff.

A number of new initiatives were also introduced:

- Addressing the heightened labour shortages. Succession planning strategies are now in place.
- Implementation of a new bonus structure (Steps to Success) which links completion of key competencies and targets to a structured grading system, reinforcing our remuneration philosophy - reward for performance.
- Continuing to look at flexible workplace arrangements in place for staff including access to technologies which enable them to work from home when required.

Collection House recognises the value of transparency and accountability in its administrative management practices and supports disclosures which may reveal improper conduct, fraudulent activity or mismanagement of Company resources.

Our Whistleblower Policy applies to all Collection House employees, directors, officers and related and external parties, encompassing all subsidiaries of the Group.

Board of Directors

1

Dennis Punches Bsc

Chairman. Age 71.

Experience and expertise

Appointed to the Board in July 1998, and in 2000 was appointed as Chairman of Collection House Limited. Resides Florida, USA.

Other current directorships (other than personal corporate entities)

Current director of Intrum Justitia AB, Call Solutions Inc, Co-Chairman of the International Collectors Group and a Trustee for Wisconsin's Carroll College.

Former directorships in last 3 years (other than personal corporate entities)

Former director of Attention LLC Inc, Analysis and Technology Inc, and co-founder and former Chairman of Payco American Corporation.

Special responsibilities

Chairman of the Board.

Chairman - Nomination Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

14,098,835 ordinary shares in Collection House Limited.

2

John Pearce FAICM

Deputy Chairman. Age 62.

Experience and expertise

Co-founder of Collection House Limited and appointed to the Board in April 1993. In April 2003 returned to former position of Managing Director & Chief Executive Officer which had been held from mid 1998 until December 2002. Stepped down as Chief Executive Officer effective 30 June 2005 and was appointed Managing Director and Deputy Chairman effective 1 July 2005. Resigned as Managing Director on 26 October 2006. Remains Deputy Chairman of the Board. Member of the International Fellowship of Certified Collectors. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Director - Financial Basics Foundation.

Chairman - Brisbane Lions Foundation.

Former directorships in last 3 years (other than personal corporate entities)

Director of Collection House subsidiaries for a period of at least 3 years, resigning from all Boards effective October 2006.

Special responsibilities

Deputy Chairman.

Managing Director to 26 October 2006.

Interests in shares and options (direct and indirect holdings)

11,689,900 ordinary shares in Collection House Limited.

3

Tony Aveling SFFin, FAIM, FAICD

Managing Director & Chief Executive Officer. Age 63.

Experience and expertise

Thirty seven years in the financial services industry including thirty four years at Westpac Banking Corporation. Senior positions included Chief Executive Business and Private Banking, Managing Director & Chief Executive Officer Australian Guarantee Corporation, and General Manager Europe. Three years as Chief Executive Officer Australian Bankers' Association. Is a Senior Fellow of the Financial Services Institute of Australasia (SFFin), a Fellow of the Australian Institute of Management (FAIM), a Fellow of the Australian Institute of Company Directors (FAICD), and a graduate of the Advanced Management Program of the Harvard Business School. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Honorary Governor Science Foundation for Physics within the University of Sydney.

Chairman - Global MoneyLine Limited.

Former directorships in last 3 years (other than personal corporate entities)

Deputy Chairman - Collection House Limited (resigned 30 June 2005).

Special responsibilities

Managing Director & Chief Executive Officer.

Interest in shares and options (direct and indirect holdings)

100,000 ordinary shares in Collection House Limited.

2,000,000 options granted in accordance with the Managing Director & Chief Executive Officer's employment agreement and approved by the shareholders on 28 February 2007 – for details see pages 34 to 35 and Note 41 of the Financial Statements.

4

Barrie Adams PSM, FCPA.

Lead Independent Director. Age 62.

Experience and expertise

Appointed to the Board in November 2002 and Chairman of the Audit & Risk Management Committee in January 2003. Member of the Nominations and the Remuneration Committees. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Chairman of NuCashew Limited and Financial Basics Foundation. Director of Ingeus Limited, NuPlant Limited and Steel Foundations Limited. Chairman of the Risk and Audit Committee of Ingeus Limited and Steel Foundations Limited.

Former directorships in last 3 years (other than personal corporate entities)

Chairman - CITEC Business Enterprise Board.

Chairman - Pro Super Holdings Limited.

Special responsibilities

Lead Independent Director.

Chairman - Audit & Risk Management Committee.

Member - Nominations Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

None.

5

Tony Coutts

Non-Executive Director. Age 48.

Experience and expertise

General Manager of Collection House Limited from 1995 to 1998. Appointed an Executive Director in September 1998 with executive responsibilities as Director of Sales. Non-Executive Director from 1 July 2006. Twenty years experience in the finance and insurance industry including 18 years with Australian Guarantee Corporation Ltd. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

Director of Collection House subsidiaries for a period of at least three years resigning from all Boards effective March 2007.

Special responsibilities

None.

Interest in shares and options (direct and indirect holdings)

4,164,600 ordinary shares in Collection House Limited.

6

Barry Connelly BJ.

Independent Director. Age 67.

Experience and expertise

Appointed to the Board in June 2003. Charter member of the Board of NASDAQ listed company, First Advantage and in August 2007 was elected to the Board of privately held Microbilt Corp. of Kenesaw, GA. Retired President of the International Consumer Data Industry Association and former member of the Texas House of Representatives. Past board member of the Merchants Research Council, Charter Bank Willowbrook. Resides Texas, USA.

Other current directorships (other than personal corporate entities)

Director of Australian Business Research Pty Ltd.

Former directorships in last 3 years (other than personal corporate entities)

None.

Special responsibilities

Member - Audit & Risk Management Committee (re-appointed effective 22 December 2006).

Interests in shares and options (direct and indirect holdings)

20,000 ordinary shares in Collection House Limited.

Board of Directors

7

Bill Hiller

Independent Director. Age 68.

Experience and expertise

Appointed to the Board June 2003. Forty years experience in the automotive finance industry including as General Manager - Automotive Finance for St George Bank Limited. Resides New South Wales, Australia.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

None.

Special responsibilities

Member - Audit & Risk Management Committee.

Member - Nominations Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

20,000 ordinary shares in Collection House Limited.

8

Bill Kagel

Independent Director. Age 70.

Experience and expertise

Appointed to the Board in February 2000. Appointed Chairman of the Remuneration Committee in June 2003. Over forty years debt collection industry experience. Co-founder and Senior Vice President of Payco American Corporation, USA. Resides Wisconsin, USA.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

Former director of Payco American Corporation and Outsourcing Solutions Inc.

Special responsibilities

Chairman – Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

500,000 ordinary shares in Collection House Limited.

Executive Management

Adrian Ralston

Chief Financial Officer

Brian Savage

General Manager Business Development

Kylie Lynam

General Manager Human Resources

Matthew Thomas

Chief Process Officer

Michael Watkins

General Counsel & Company Secretary

Corporate Social Responsibility

Financial Basics Foundation

In 2002 Collection House identified the need for greater financial literacy amongst young Australians and in doing so, embraced this community issue and founded the Financial Basics Foundation.

The Foundation Dream is to ensure that all Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs. Far from being an ad hoc philanthropic practice, support of the Financial Basics Foundation marries the altruistic and business goals of the Company with the goals of the Foundation for greater community education and social innovation in the area of financial literacy.

Operation Financial Literacy's first initiative was its 10 module program being distributed free of charge to over 1000 Secondary schools across Australia.

2007 saw the release of the Foundation's much anticipated online e-learning game ESSI Money. ESSI which stands for Earning, Saving, Spending and Investing, is a truly innovative resource requiring each player to make real life choices in a simulated environment so as to avoid financial ruin. It speaks to students in a language they understand and uses an interface rich with interactive technologies such as mobile phones, email and tools for online buying and selling.

ESSI Money provides students with opportunities to experience concepts such as credit, shares, interest payments and even scams. The Foundation has been working for 12 months toward the development of this resource and will once again be providing the game free of charge to Secondary schools around Australia.

Financial literacy is becoming a critical life skill and the Financial Basics Foundation is at the forefront of initiatives to better educate young Australians in this area. The Financial Basics Foundation does not provide financial advice, rather, information that empowers young people to make their own informed financial decisions, or to know when to seek professional advice in order to make the right decision.

Learning for Life

The Company has joined the growing trend of sending e-cards to clients and service providers for Christmas. In the spirit of giving, the funds we would normally allocate to cards were directed to the Smith Family's Learning for Life education support program. This program helps to provide education and support to children from financially disadvantaged homes. We have sponsored one Primary and two Secondary students along with an Education Support Worker. Having satisfied the fundamental education needs of the students such as books, materials and uniforms, we saw it as equally significant to fund the personal support component of the program. The decision to offer continuing support for the program reflects both our consideration for the environment and our commitment to social responsibility.

Corporate Governance

Collection House and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

The Board continues to review the framework and practices to ensure that it meets the interests of shareholders.

The relationship between the Board and executive management is critical to the Company's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director & Chief Executive Officer and senior executives as set out in the Company's delegations policy.

The Company considers that its governance practices comply with all the Australian Stock Exchange (ASX) Corporate Governance Council's best practice recommendations, other than recommendations 2.1. and 2.2. An explanation for departure from these recommendations is provided on page 15.

A description of the Company's main corporate governance practices is set out in this Corporate Governance Statement. All practices were in place for the entire year, unless otherwise stated. The Company has posted copies of its practices to the Company's website at www.collectionhouse.com.au in accordance with the ASX Corporate Governance Council's recommendations.

Board Of Directors

The Board of directors operates in accordance with the principles set out in the directors' charter which is available from the corporate governance information section of the Company website at www.collectionhouse.com.au. The charter details the Board's composition and responsibilities.

Board Structure

The Company's Constitution provides that:

- the minimum number of directors shall be three and the maximum number of directors shall be ten, unless amended by a resolution passed at a general meeting;
- at each AGM, at least two directors must retire from office. Re-appointment is not automatic. If retiring directors wish to continue to hold office they must submit themselves for re-election by shareholders; and
- no director may be in office for longer than three years without facing re-election.

Board Composition

The Board composition during 2006/07 is set out below with details of the backgrounds of each director set out on pages 10 to 12.

DIRECTOR	BOARD MEMBERSHIP	DATE OF APPOINTMENT
Dennis Punches	Non-Executive Chairman	1 July 1998
John Pearce	Non-Executive Deputy Chairman	5 April 1993
Tony Aveling	Managing Director & Chief Executive Officer	27 November 2006
Barrie Adams	Lead Independent Director	27 November 2002
Tony Coutts	Non-Executive Director	17 September 1998
Barry Connelly	Independent Director	5 June 2003
Bill Kagel	Independent Director	16 February 2000
Bill Hiller	Independent Director	5 June 2003
Stephen Walker	Non-Executive Director	31 August 1990 (Resigned 26 October 2006)
Rhonda King	Non-Executive Director	24 August 2005 (Resigned 5 December 2006)
Colin Day	Executive Director	1 July 2005 (Resigned 27 November 2006)

Membership and Expertise of the Board

The Board considers that its membership should comprise directors with an appropriate mix of skills, knowledge, experience and personal attributes that allow the directors individually, and the Board collectively, to:

- discharge their duties and responsibilities under the law efficiently and effectively;
- understand the business of the Company and the environment in which the Company operates so as to be able to provide sound stewardship for management and the Company's objectives, goals and strategic direction to maximise shareholder value; and
- assess the performance of management in meeting those objectives.

Board Independence

While the concept of director independence is variously defined, the Board has considered each of the directors in office as at the date of this report and determined that four of the current directors are independent.

The four directors who are not considered independent as at the date of this report are Dennis Punches (Chairman), John Pearce (Deputy Chairman), Tony Aveling (Managing Director & Chief Executive Officer) and Tony Coutts (Non-Executive Director).

Due only to their respective substantial shareholdings in the Company, Dennis Punches, John Pearce and Tony Coutts are not classed as independent directors. The Board maintains however, that their combined industry experience and knowledge of international and domestic trends in the collection industry are invaluable to the Company. Directors' experience and shareholdings as at 29 August 2007 are provided in greater detail on pages 10 to 12.

The appointment of Barrie Adams, in June 2003 as Lead Independent Director coupled with the remaining non-executive directors, ensures that the Board can operate independently of executive management and provides for special professional expertise.

As noted, Tony Aveling is not deemed to be independent by virtue of his role as Managing Director & Chief Executive Officer of the Company.

Notwithstanding, the Board does not consider there are any matters that may materially interfere with the exercise by Tony Aveling of unfettered and independent judgment.

ASX Corporate Governance Council Recommendations

2.1: A majority of the Board should be Independent Directors:

The Board considers that a majority of the Board is not independent in accordance with Recommendation 2.1. However, the Board considers that the individuals on the Board can, and do make quality, unfettered and independent judgments in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must and do absent themselves from the Board meeting before commencement of discussion on the topic.

2.2: The Chairperson should be an Independent Director:

The Company's Chairman, Dennis Punches is considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of Independent Director. However, the Board considers that for the reasons set out previously, the Chairman is able to and does bring quality, unfettered and independent judgment to all relevant issues falling within the scope of the role of Chairman.

The Board does not consider that a majority of directors being independent is, on its own, a sufficiently compelling factor to justify additional appointments to the Board at this time.

In addition to ensuring that the Board has a broad range of necessary skills, knowledge, and experience to govern the Company and understand the challenges that the Company faces, the Board considers that its membership should represent an appropriate balance between directors with experience and knowledge of the Company and directors with an external perspective.

The Board also considers that its size should be conducive to effective discussion and efficient decision-making. The Board believes that its current composition meets these requirements.

Board Responsibilities

The Board is responsible for the corporate governance of the Company and its controlled entities and operates in accordance with the principles set out in the Board Committees Overview, a summary of which is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

The principal role of the Board is to ensure the long term prosperity of the Company by setting broad corporate governance policies and ensuring that they are effectively implemented by management. The Board carries out this role principally by:

- setting the strategic direction of the Company and providing strategic guidance to management;

Corporate Governance

- providing input into and approval of management's development of corporate strategy and performance objectives;
- reviewing and approving business plans for the Company and its controlled entities;
- approval of annual budget and financial plans including available resources and major capital expenditure and initiatives;
- overseeing and monitoring progress against budget via the establishment and reporting of both financial and non financial key performance indicators;
- overseeing and monitoring:
  - organisational performance and the achievement of strategic goals and objectives;
  - compliance with the Company's Code of Conduct;
- monitoring financial performance including approval of the half year and annual financial reports and liaison with the Company's auditors;
- overseeing, reviewing and ratifying systems of governance, management processes, risk management, internal compliance and controls, codes of conduct and legal and regulatory compliance to ensure appropriate compliance frameworks and controls are in place; and
- enhancing and protecting the brand and reputation of the Company.

The Board has delegated to executive management responsibility for a number of matters including:

- managing the Company's day to day operations in accordance with the Board approved authorisations, policies and procedures;
- developing the Company's annual budget and recommending it to the Board for approval and managing the day to day operations within the budget; and
- implementing corporate strategy and making recommendations on significant corporate strategic initiatives.

While executive management reports directly to the Managing Director & Chief Executive Officer, executive management is required to submit monthly management reports to the Audit & Risk Management Committee (ARMC) and the Board so that directors are apprised of operational issues on an ongoing basis.

A formal charter of delegated functions and authorities to management has been approved by the Board and a summary is included on the Company's website at www.collectionhouse.com.au.

Board Meetings

The Board meets at least six times a year, both as a Board and in conjunction with executive management, to discuss the short and long term strategy of the Company.

The Board receives a monthly report, which provides current information concerning the Company and each of its controlled entities. The monthly Board report includes salient financial details together with information on the performance of operations, major initiatives as well as legal, governance, risk management and compliance issues that may arise.

The Board convenes by email and by telephone conference call to discuss matters of urgency and importance with management, makes recommendations to management, discusses strategy and make resolutions as required by a circulating minute program, ratified at its next Board meeting for expediency and efficiency.

Chairman and Managing Director/Chief Executive Officer

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's executive management.

The Managing Director & Chief Executive Officer is responsible for implementing the Company's strategies and policies.

The roles of the Chairman and the Managing Director & Chief Executive Officer are separate roles which are undertaken by separate people.

Board Committees

Three Board Committees have been established to assist the Board in discharging its responsibilities.

Each Committee is comprised mainly of non-executive directors. The Committee structure and membership is reviewed on an annual basis.

Each Committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All of these charters are reviewed on an annual basis and are available on the Company website. All matters determined by Committees are submitted to the full Board as recommendations for Board decisions.

Minutes of Committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the Committees to the Board are addressed in the charter of the individual Committees.

Audit & Risk Management Committee

The Audit & Risk Management Committee (ARMC) operates in accordance with its Board approved charter, a copy of which is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

The ARMC consists of the following non-executive directors:

- Barrie Adams – Chairman and Independent Lead
- Bill Hiller – Independent
- Barry Connelly – Independent (Appointed 22 December 2006)
- Rhonda King (Resigned 5 December 2006)

The principal functions of the ARMC include reviewing and making recommendations to the Board and assisting the Board in the discharge of its responsibilities relating to accounting policy, continuous disclosure and risk management. The Committee's responsibilities also include:

- to review, assess and recommend to the Board approval of the annual full year and half year financial reports and all other financial information to be published by the Company or released to the market;
- assist the Board in reviewing the effectiveness of the Company's internal management control environment covering:
  - effectiveness and efficiency of operations;
  - reliability of financial reporting; and
  - compliance with applicable laws and regulations;
- to determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, assess its performance, including to independently ratify the appointment and/or removal and contribute to the performance assessment of the Internal Auditor;
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- review and monitor related party transactions and assess their propriety;
- oversee the Company's application of the Australian equivalents to International Financial Reporting Standards (AIFRS);
- oversee the effective operation of the Whistleblower Protection Policy; and
- report to the Board on matters relevant to the Committee's role and responsibilities.

In fulfilling its responsibilities, the ARMC:

- receives regular reports from management, the internal and external auditors;
- meets with the internal and external auditors at least twice a year, or more frequently, if necessary including separate meetings without the presence of management;
- reviews the processes the Managing Director & Chief Executive Officer and Chief Financial Officer have in place to support their certifications to the Board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- provides the internal and external auditors with a clear line of direct communication at any time to either the Chairman of the ARMC or the Chairman of the Board.

The ARMC has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

During 2007, the ARMC reviewed and amended its charter with Board approval.

The ARMC is chaired by Barrie Adams, Lead Independent Director, and during 2006/07 had three other permanent members being Rhonda King (Resigned 5 December 2006), Barry Connelly (Appointed 22 December 2006) and Bill Hiller. The Board considers that these members have appropriate financial and legal expertise and understanding of the industry in which the Company operates. The Managing Director & Chief Executive Officer, Chief Financial Officer, General Counsel, Internal Auditor, executive management and the Company's external auditors are invited to ARMC meetings, at the discretion of the Committee. The Committee meets at least six times each year and more often, as required.

Corporate Governance

Nominations Committee

The Nominations Committee operates in accordance with its Board approved charter, a summary of which is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

The Nominations Committee consists of the following non-executive directors:

- Dennis Punches – Chairman and Non-independent
- Barrie Adams – Independent Lead
- Bill Hiller – Independent

The principal functions of the Committee are to assess the desirable competencies of the Board members, review Board succession plans, provide a framework for the evaluation process of the performance of the Board, individual directors, and to make recommendations for the appointment and removal of directors.

The Committee's responsibilities also include:

- conduct an annual review of the membership of the Board having regard to present and future needs of the Company and to make recommendations on Board composition and appointments;
- conduct an annual review of and conclude on the independence of each director;
- propose candidates for Board vacancies;
- oversee the annual performance assessment program;
- oversee Board succession including the succession of the Chairman; and
- assess the effectiveness of the induction process.

The members of the Committee during 2006/07 were Dennis Punches, Barrie Adams and Bill Hiller. It is chaired by the Chairman of the Board. While the Nominations Committee would normally meet at least once per year, in 2006/07, the Nominations Committee did not meet. Instead, the task of evaluating the important appointment of Tony Aveling as Managing Director & Chief Executive Officer was considered and approved by the full Board of the Company in November 2006. No other Board appointments were made during the year.

The Committee's policy for the appointment of directors is to select candidates whose skills, expertise, qualifications, networks, and knowledge of the industry in which the Company operates and other potential markets into which it may expand, complement those of existing Board members.

When selecting new directors for recommendation to the Board, the Committee reviews prospective directors' CVs, meets with them and speaks with their referees and others who have previously worked with them to assess their suitability.

The Board has also adopted a director's Letter of Appointment covering the matters referred to in Principle 1 of the ASX Corporate Governance Guidelines ensuring directors clearly understand their corporate duties and responsibilities.

In addition to the director's Letter of Appointment and the Board charter, an induction process has been introduced for all new board members designed to inform directors of their fiduciary and non-fiduciary responsibilities, terms and conditions of the directorship including expectations of performance, policy relating to the availability of independent advice and counsel, and corporate governance.

Remuneration Committee

The Remuneration Committee operates in accordance with its Board approved charter, a copy of which is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

The Remuneration Committee consists of the following non-executive directors:

- Bill Kagel – Chairman and Independent
- Dennis Punches – Non-independent
- Barrie Adams – Independent Lead
- Bill Hiller - Independent

The principal function of the Committee is to assist the Board in ensuring that the Company's remuneration levels are appropriate and sufficient to attract and retain the directors and key executives needed to run the Company.

The role of the Committee is to:

- make recommendations to the Board on director's fees, remuneration and policies;
- approve and monitor salary packages and incentive policies and practices for executives and other senior personnel;
- monitor organizational structure and succession planning strategies; and
- evaluate and review current industry standards and practices.

During 2006/07 the Committee was chaired by Bill Kagel and comprised Dennis Punches, Barrie Adams and Bill Hiller.

The Committee meets at least annually with additional meetings being convened as required. The Committee has access to executive management of the Company and may consult independent experts where it considers this necessary in order to effectively discharge its responsibilities.

For details of directors attendances at Committee meetings refer to the Directors' Report.

Equity Participation By Non-Executive Directors

The Board encourages non-executive directors to own shares in the Company.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive management team by remunerating directors and key executives fairly and appropriately in accordance with market conditions and reflective of their contribution.

The expected outcomes of this remuneration philosophy are:

- retention and motivation of key executives;
- attraction of quality management to the Company; and
- performance incentives which allow executives to share the rewards of the success of the Company.

The Board is keen to encourage equity holdings by employees to align staff interests with those of shareholders. Many employees have participated in the Company's various share and option plans from time to time.

In February 2007, the shareholders approved certain share options in favour of the Managing Director & Chief Executive Officer as part of his employment agreement. Details of the share options are set out in Note 41 of the Financial Statements.

In June 2007 certain share options were issued to eligible senior employees under an Executive Share Option Plan. Details of the Executive Share Option Plan will be presented to the shareholders for approval at the Annual General Meeting of the Company in October 2007. The Board considers that the composition of executive remuneration and equity related staff incentive plans are the domain of the Board, subject to meeting the Company's statutory and ASX Listing Rule disclosure obligations.

No directors participate in share plans. Non-executive directors receive only cash compensation and reimbursement of expenses for their services.

For additional information relating to the Company's remuneration practices and details relating to directors' and executives' remuneration during the year, refer to the Directors' Report and Note 41 of the Financial Statements.

Review of Board and Executive Performance

In order to ensure that the Board continues to discharge its duties effectively, the performance of all directors was reviewed during the reporting period by the Chairman.

The performance of the Chairman was reviewed during the reporting period by his fellow directors. The Board undertakes an annual assessment of its collective performance and the performance Board committees in accordance with the Company's performance evaluation process for directors and executives. This assessment was undertaken during October 2006.

The Board also annually reviews the performance of the executive management team.

Identifying and Managing Business Risks

There are a variety of risks that exist in the collection industry in which the Company operates and there are a range of factors, some of which are beyond the control of the Company and which may impact on the Company's performance.

The Board, in conjunction with the ARMC, reviews and approves the parameters under which such risks are managed including the responsibility for internal control systems, compliance and the procedure for identifying business risks and the methods to control their financial impact on the Company.

The Board has approved a Risk Management Policy, a summary of which is available on the corporate governance section of the Company's website at www.collectionhouse.com.au.

The policy is designed to ensure that strategic, operational, legal, brand reputation and financial risks are identified, evaluated, effectively and efficiently managed and monitored to enable the achievement of the Company's business objectives.

The Managing Director & Chief Executive Officer and the executive management team are instructed and empowered by the Board to implement risk management strategies in cooperation with it and, report to the Board and to the ARMC on developments related to risk, and suggest to the Board new and revised strategies for mitigating and resolving risk.

A risk register has been established and risks allocated to primary and secondary owners. A process for regular review and updating of risks is being developed to report to the Managing Director & Chief Executive Officer and to the ARMC and ultimately to the Board.

Corporate Governance

The role of Internal Auditor was created to oversee and support risk management efforts from a Company perspective, ensuring that these efforts were in accordance with the direction provided by the Board and executive management, and to ensure the adequacy of the risk management information framework throughout the Company.

Internal audit carries out regular systematic monitoring of control activities and reports to both relevant business unit management and the ARMC. Typically, the audit methodology includes performing risk assessments of the areas under review; performing audit tests, including selecting and testing audit samples; reviewing progress made on previously reported audit findings and discussing internal control or compliance issues with line management and agreeing on actions to be taken.

An information technology strategy and development committee was established to support management on technology risk matters across all operational areas in Australia and New Zealand with the focus including technology risk reviews and policy development.

As at the half-year ended 31 December 2006 and full year ended 30 June 2007 the Managing Director & Chief Executive Officer and Chief Financial Officer certified to the Board that the Company's financial reports were complete and presented a true and fair view, in all material respects, of the financial conditions and operational results of the Company and the controlled entities at that date and were in accordance with relevant accounting standards.

Also, the Board received half-year and full-year declarations from executive management that the Company's risk management and internal compliance and control systems were at that date, operating efficiently and effectively in all material respects.

Although no system of risk management can provide total assurance that the risks the Company faces will be fully diminished, the Company's approach to risk management seeks to meet the Company's specific needs and minimise the risks to which it is exposed.

Corporate Reporting

The Managing Director & Chief Executive Officer and Chief Financial Officer have made the following certifications to the Board:

- that the Company's financial reports are complete and present, a true and fair view, in all material respects, of the financial conditions and operational results of the Company and the controlled entities and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system are operating efficiently and effectively in all material respects.

As in previous years, the Board adopted this certification structure for the year ended 30 June 2007.

Conflict of Interest

If a director has a potential conflict of interest in a matter under consideration by the Board or a Board Committee, that director must abstain from deliberations on those matters. In that instance, the director is not permitted to exercise any influence over other Board members or Board Committee members on that issue nor receive relevant Board or Board Committee papers or reports.

Independent Advice

The Company permits any director or Board Committees to obtain advice about transactions or matters of concern, at the Company's cost. Approval for directors seeking independent advice is subject to the approval of the Chairman acting reasonably. Where appropriate, directors share such independent advice with other directors.

Code of Conduct and Ethical Standards

The Company recognises the need for our directors, senior executives and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity.

The Board has adopted a Code of Conduct that sets out the principles and standards with which all directors, senior executives and employees are expected to comply in the performance of their respective functions. A key element of that code is the requirement that directors, senior executives and employees act in accordance with the law and with the highest standards of propriety. The code and the methods of its implementation are reviewed annually.

A summary of the Company's Code of Conduct for directors and senior executives is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

Company Policy and Practice for Dealing in Securities

The freedom of directors and senior executives to deal in the Company's securities is restricted in a number of ways: by statute; by common law; and by the requirements of the ASX Listing Rules.

In addition to these restrictions, the Company has adopted an Insider Trading Policy for dealing in company securities.

The Insider Trading Policy provides that directors and senior executives may only deal in company securities (provided that at all times, they are not in possession of confidential material non-public information) in the 30 day period commencing 2 days after the Company's half-year and full-year financial results announcements and, if relevant, after the AGM.

Directors and senior executives may only deal in the Company securities outside of these times with the express prior approval of the Chairman or Managing Director.

A summary of the Insider Trading Policy is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

Shareholder Communications

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- the Annual Report which is distributed to all shareholders via the Company's website or a printed version upon request (other than those who elect not to receive it);
- the AGM and other shareholder meetings called to obtain approval for Board action, as appropriate;
- making available all information released to the Australian Stock Exchange on the Company's website immediately following confirmation of receipt by the ASX;
- ensuring all press releases issued by the Company are posted on the Company's website as soon as they are disclosed to the ASX;
- encouraging active participation by shareholders at shareholder meetings;
- actively encouraging shareholders to provide their email address to facilitate more timely and effective communication with shareholders at all times;
- contacting shareholders who have provided their email addresses directly to provide details of upcoming events of interest; and
- encouraging all shareholders who are unable to attend general meetings to communicate issues or ask questions by writing to the Company.

A copy of the Board approved Shareholder Communications Guidelines is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

Company Commitment to Continuous Disclosure

The Board has approved a Continuous Disclosure Policy to ensure the fair and timely disclosure of price sensitive information to the investment community as required by applicable law.

The Company Secretary has been appointed the Disclosure Officer of the Company and is required to keep abreast of all material information and where appropriate, ensure disclosure of share price sensitive information.

A copy of the Continuous Disclosure Policy is available from the corporate governance section of the Company's website at www.collectionhouse.com.au.

External Audit Independence

The Company's policy is to appoint external auditors who demonstrate quality and independence. The performance of the auditor is reviewed annually, taking into account an assessment of performance, existing value and tender costs. Hacketts, Chartered Accountants were appointed as the External Auditors in 2000.

It is the policy of Hacketts to provide an annual Declaration of Independence to the ARMC.

In addition, the Company has put in place a policy which lists the types of services that Hacketts will not be able to undertake in order to maintain the independence and integrity of its services to the Company.

The ARMC meets with the External Auditor of the Company, independently of executive management, at least twice a year. It met eleven times during the reporting period with senior executives and external consultants and auditors, as required. The ARMC reports to the Board at least at each Board meeting.

The External Auditor is requested to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation of the content of the audit report.

An analysis of fees paid to external auditors, including a breakdown of fees for non-audit services, is provided in the Directors' Report and in Note 41 of the Financial Statements.

Whistleblower Protection

In 2005, the Board introduced a Whistleblower Protection Policy that specifically outlines procedures for dealing with allegations of improper conduct. Concerns can be raised in a number of ways, including in writing, anonymously through the Company's online whistleblower reporting system, or by telephone.

Any concerns that are reported are assessed and handled by the Disclosure Coordinator, in conjunction with the Company's General Counsel and Company Secretary.

Corporate Governance

The ARMC oversee the effective operation of the Whistleblower Protection Policy.

The Company does not tolerate known or suspected incidents of fraud, corrupt conduct, adverse behaviour, illegal activities or regulatory non-compliance, or questionable accounting and auditing matters by its employees.

Nor does the Company tolerate taking reprisals against those who come forward to disclose such conduct. The Company will take all reasonable steps to protect employees who make such disclosures from any reprisal or detrimental action following the disclosure.

Health and Safety

The Company aims to provide and maintain a safe and healthy work environment within all operations.

The Company acts to meet this commitment by implementing work practices and procedures throughout the Company that comply with the relevant regulations governing workplace health and safety.

Employees are expected to take all practical measures to ensure a safe and healthy working environment in keeping with their defined responsibilities and the relevant regulations.

International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) has adopted International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS.

The Company adopted the Australian equivalents to IFRS in its Consolidated Entity's Financial Statements for the half-year ending 31 December 2006 and the full year ending 30 June 2007.

Company Secretary

The Company Secretary to 21 December 2006 was Kylie Lynam. Ms Lynam was appointed Company Secretary on 30 June 2006, with effect from 1 July 2006.

Ms Lynam has a Bachelor of Business qualification – majoring in Human Resources and Marketing. Ms Lynam has been the Human Resources Manager for the Company since 5 July 2004 and continued in that role, in addition to her duties as Company Secretary.

Under the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board.

Among other things, the Company Secretary advises the Board on governance procedures and seeks to support the effectiveness of the Board by monitoring Board policy and procedures and coordinating the completion and dispatch of the Board meeting agendas and papers. The Company Secretary must also ensure that each director receives any requested information in a timely manner.

The Board confirmed the appointment of Michael Watkins as Company Secretary on 21 December 2006. Kylie Lynam resigned as Company Secretary with effect on 21 December 2006. Ms Lynam was appointed General Manager Human Resources for the Collection House Group on 21 December 2006.

Michael Watkins was in practice as a commercial lawyer from 1978 and as a partner in his own Brisbane CBD law firm from 1980, until accepting the appointment as General Counsel of the Company in 2000. Mr Watkins undertakes the combined roles of General Counsel and Company Secretary for the Collection House Group.

All directors have access to the advice and services of the Company Secretary.

Your directors present their report on the Consolidated Entity (referred to hereafter as the Group) consisting of Collection House Limited and the entities it controlled at the end of, or during, the year ended 30 June 2007.

Directors

The following persons were directors of Collection House Limited during the whole of the financial period and up to the date of this report, unless stated otherwise:

Dennis Punches

John Pearce

Tony Aveling (reappointed 27 November 2006)

Barrie Adams

Tony Coutts

Barry Connelly

Bill Hiller

Bill Kagel

Stephen Walker (resigned 26 October 2006)

Colin Day (resigned 27 November 2006)

Rhonda King (resigned 5 December 2006)

Principal activities

During the year the principal continuing activities of the Group were the provision of debt collection services throughout Australasia.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends - Collection House Limited

Dividends paid to members during the financial year were as follows:

	30 June 2007 $'000	**30 June 2006 $'000**
Final unfranked ordinary dividend for the year ended 30 June 2006 of 2 cents (2005 - 4 cents) per fully paid share paid on 24 November 2006.	**1,946**	3,894
Interim ordinary dividend for the year ended 30 June 2007 of nil (2006 - nil) per fully paid share	**-**	-
	1,946	3,894

In addition to the above dividends, since the end of the financial year the directors have recommended the payment of a final ordinary dividend of $1.9 million (2.0 cents per fully paid share) to be paid on 26th November 2007 out of retained profits at 30 June 2007.

The directors did not recommended the payment of an interim dividend during the year ending 30 June 2007.

Review of operations

A summary of consolidated revenues and results by significant industry segments is set out below:

	Revenue		Results	
	30 June 2007 $'000	**30 June 2006 $'000**	**30 June 2007 $'000**	**30 June 2006 $'000**
Collection Services	**36,931**	42,444	**2,354**	5,043
Account Asset Management	**47,861**	51,599	**10,474**	12,158
Credit Reporting	**22,721**	23,250	**1,035**	3,398
Intersegment eliminations	**(2,656)**	(732)	**892**	300
Discontinued operations	**30,688**	18,442	**57**	(2,234)
	135,545	135,003	**14,812**	18,665
Unallocated revenue less unallocated expenses			**(10,468)**	(8,752)
Profit before income tax expense			**4,344**	9,913
Income tax expense			**(568)**	(4,088)
Profit for the year			**3,776**	5,825
Less: (Profit) / loss attributable to minority interest			**34**	252
Profit / (loss) attributable to members of Collection House Limited			**3,810**	6,077

Comments on the operations and the results of those operations are set out below:

(a) Basis of Accounting

The financial report for the year ended 30 June 2007, and the results set out in this report, are prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS").

(b) Results

For the year ended 30 June 2007, the Group achieved a consolidated profit attributable to ordinary equity holders of $3.8 million. The result was down 37% on the prior corresponding period.

Total income from ordinary activities including discontinued operations was up by 0.6% to $135.5 million (2006: $134.7 million).

Total employment and administration expenses from ordinary activities were $37.7 million, which was 3.6% up on the prior corresponding period.

EBITDA for the year (including fair value adjustments and impairment) was down by 19.0% to $34.1 million (2006: $42.1 million).

Basic earnings per share ("EPS") were 3.9 cents (2006: 6.2 cents).

The consolidated cash flow from operating activities was $30 million for the year compared to $40 million for the previous year.

The decreased pre-tax profit attributable to members resulted primarily from the effect of an increased amortisation rate of purchased debt ledgers with a financial impact of $1.7 million and the sale of the assets of Rapid Ratings, $2.1million.

During the reporting period, A$26.1 million and NZ$2.67 million was paid for new debt portfolios in the Australian and New Zealand markets respectively, all of which was funded from operating cash flow.

During the year we sold substantially all of the assets of Rapid Ratings to Rapid Ratings International Inc., a member of prominent United States merchant bankers Howland Partners LLC. In doing so, Collection House has divested itself of a significant operating expense.

In May 2007, the business of Insurance Claims Solutions was sold to Claims Services Australia Pty Ltd. The net proceeds did not have a material impact on the Group's result.

On 30 June 2007, the Company entered into conditional agreements for the sale of the businesses of Australian Business Research Pty Ltd and National Tenancy Database Pty Ltd. The agreements, subject to certain conditions precedent, also required regulatory clearance from the Australian Competition and Consumer Commission. This clearance was given in August 2007. Subject to satisfactory compliance with the conditions precedent under each business sale agreement, completion of these transactions is likely to occur in September 2007. The proceeds of the sale of these businesses will not be accounted for in this financial year but will be included in the 2007/08 financial year.

The Board has confirmed its confidence in the Company's current and future trading position and has declared an unfranked dividend as noted overleaf.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

(a) in Australia, the Group purchased debt with a face value of A$248.8 million for A$26.1 million;

(b) in New Zealand, the Group purchased debt with a face value of NZ$33.4 million for NZ$2.67 million;

(c) the contingency made in the 2006 accounts for a total of $660,000 over the 2006/07 financial years to cover ex-gratia payments to former customers in New South Wales under the terms of a voluntary undertaking given to the Australian Competition and Consumer Commission announced on 3 February 2006 has been reduced to nil, to be reassessed on an annual basis. A total amount of $401,761 in ex-gratia payments has been made to former customers to 30 June 2007. It is unlikely that any significant further ex-gratia payments are to be made in the 2007/08 financial period;

(d) in December 2006 substantially all of the assets of Rapid Ratings were sold; and

(e) in May, 2007 the business of Insurance Claims Solutions was sold.

Matters subsequent to the end of the financial year

An unfranked final dividend has been declared of 2.0 cents for a total of $1.9 million, payable on 26th November 2007. No provision has been raised in these accounts.

Other than the matters discussed above, no matter or circumstance has arisen since 30 June 2007 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

There were no likely developments in the operations of the Group constituted by Collection House Limited and the entities it controls from time to time that were not finalised at the date of this report.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on directors as at 30 June 2007

Dennis Punches Bsc *Chairman. Age 71.*

Experience and expertise

Appointed to the Board in July 1998, and in 2000 was appointed as Chairman of Collection House Limited. Resides Florida, USA.

Other current directorships (other than personal corporate entities)

Current director of Intrum Justitia AB, Call Solutions Inc; Co-Chairman of the International Collectors Group and a Trustee for Wisconsin's Carroll College.

Former directorships in last 3 years (other than personal corporate entities)

Former director of Attention LLC Inc, Analysis and Technology Inc, and co-founder and former Chairman of Payco American Corporation.

Special responsibilities

Chairman of the Board.

Chairman - Nomination Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

14,098,835 ordinary shares in Collection House Limited.

Information on directors as at 30 June 2007 (cont)

John Pearce FAICM *Deputy Chairman. Age 62.*

Experience and expertise

Co-founder of Collection House Limited and appointed to the Board in April 1993. In April 2003 returned to former position of Managing Director & Chief Executive Officer which had been held from mid 1998 until December 2002. Stepped down as Chief Executive Officer effective 30 June 2005 and was appointed Managing Director and Deputy Chairman effective 1 July 2005. Resigned as Managing Director on 26 October 2006. Remains Deputy Chairman of the Board. Member of the International Fellowship of Certified Collectors. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Director - Financial Basics Foundation.

Chairman - the Brisbane Lions Foundation.

Former directorships in last 3 years (other than personal corporate entities)

Director of Collection House subsidiaries for a period of at least 3 years, resigning from all Boards effective October 2006.

Special responsibilities

Deputy Chairman.

Managing Director to 26 October 2006.

Interests in shares and options (direct and indirect holdings)

11,689,900 ordinary shares in Collection House Limited.

Tony Aveling *Managing Director & Chief Executive Officer. Age 63.*

Experience and expertise

Thirty seven years in the financial services industry including thirty four years at Westpac Banking Corporation. Senior positions included Chief Executive Business and Private Banking, Managing Director & CEO Australian Guarantee Corporation, and General Manager Europe. Three years as Chief Executive Officer, Australian Bankers' Association. Is a Senior Fellow of the Financial Services Institute of Australasia (SFFin), a Fellow of the Australian Institute of Management (FAIM), a Fellow of the Australian Institute of Company Directors (FAICD), and a graduate of the Advanced Management Program of the Harvard Business School. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Honorary Governor Science Foundation for Physics within the University of Sydney.

Chairman - Global MoneyLine Limited.

Former directorships in last 3 years (other than personal corporate entities)

Deputy Chairman Collection House Limited (resigned 30 June 2005).

Special responsibilities

Managing Director & Chief Executive Officer.

Interests in shares and options (direct and indirect holdings)

100,000 ordinary shares in Collection House Limited.

2,000,000 options granted in accordance with the Managing Director & Chief Executive Officer's employment agreement and approved by the shareholders on 28 February 2007 - for details see pages 34 to 35 and note 41 of the financial statements.

Barrie Adams PSM, FCPA. *Lead Independent Director. Age 62.*

Experience and expertise

Appointed to the Board in November 2002 and Chairman of the Audit & Risk Management Committee in January 2003. Member of the Nominations and the Remuneration Committees. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

Chairman of NuCashew Limited and Financial Basics Foundation. Director of Ingeus Limited, NuPlant Limited and Steel Foundations Limited. Chairman of the Risk and Audit Committee of Ingeus Limited and Steel Foundations Limited.

Former directorships in last 3 years (other than personal corporate entities)

Chairman - CITEC Business Enterprise Board.

Chairman - Pro Super Holdings Limited.

Special responsibilities

Lead Independent Director.

Chairman - Audit & Risk Management Committee.

Member - Nominations Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

None.

Tony Coutts *Non-Executive Director. Age 48.*

Experience and expertise

General Manager of Collection House Limited from 1995 to 1998. Appointed an Executive Director in September 1998 with executive responsibilities as Director of Sales. Non-Executive Director from 1 July 2006. Twenty years experience in the finance and insurance industry including 18 years with Australian Guarantee Corporation Ltd. Resides Queensland, Australia.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

Director of Collection House subsidiaries for a period of at least three years resigning from all Boards effective March 2007.

Special responsibilities

None.

Interests in shares and options (direct and indirect holdings)

4,164,600 ordinary shares in Collection House Limited.

Barry Connelly BJ. *Independent Director. Age 67.*

Experience and expertise

Appointed to the Board in June 2003. Charter member of the Board of NASDAQ listed company, First Advantage and in August 2007 was elected to the Board of privately held Microbilt Corp. of Kenesaw, GA. Retired President of the International Consumer Data Industry Association and former member of the Texas House of Representatives. Past board member of the Merchants Research Council, Charter Bank Willowbrook. Resides Texas, USA.

Other current directorships (other than personal corporate entities)

Director - Australian Business Research Pty Ltd.

Former directorships in last 3 years (other than personal corporate entities)

None.

Special responsibilities

Member - Audit & Risk Management Committee (re-appointed effective 22 December 2006).

Interests in shares and options (direct and indirect holdings)

20,000 ordinary shares in Collection House Limited.

Bill Hiller *Independent Director. Age 68.*

Experience and expertise

Appointed to the Board June 2003. Forty years experience in the automotive finance industry including as General Manager - Automotive Finance for St George Bank Limited. Resides New South Wales, Australia.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

None.

Special responsibilities

Member - Audit & Risk Management Committee.

Member - Nominations Committee.

Member - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

20,000 ordinary shares in Collection House Limited.

Bill Kagel *Independent Director. Age 70.*

Experience and expertise

Appointed to the Board in February 2000. Appointed Chairman of the Remuneration Committee in June 2003. Over forty years debt collection industry experience. Co-founder and Senior Vice President of Payco American Corporation, USA. Resides Wisconsin, USA.

Other current directorships (other than personal corporate entities)

None.

Former directorships in last 3 years (other than personal corporate entities)

Former director of Payco American Corporation and Outsourcing Solutions Inc.

Special responsibilities

Chairman - Remuneration Committee.

Interests in shares and options (direct and indirect holdings)

500,000 ordinary shares in Collection House Limited.

Company Secretary

The Company Secretary to 30 June 2007 was Michael Watkins. Mr Watkins was appointed to the position of Company Secretary on 21 December 2006. Before joining Collection House Limited, Michael Watkins was in practice as a commercial lawyer from 1978 and as a partner in his own Brisbane CBD law firm from 1980, until accepting the appointment as General Counsel of the Company in 2000. Mr Watkins undertakes the combined roles of General Counsel and Company Secretary for the Collection House Group.

The Company Secretary from 1 July 2006 to 21 December 2006 was Kylie Lynam. Ms Lynam has a Bachelor of Business qualification majoring in Human Resources and Marketing. Ms Lynam has been the Human Resources Manager for the Group since 5 July 2004. Ms Lynam was appointed General Manager, Human Resources for the Collection House Group on 21 December 2006.

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2007, and the numbers of meetings attended by each director were:

			Meetings of committees					
	Full meetings of directors		ARMC		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Dennis Punches	7	7	**	**	***	***	3	3
John Pearce	6	7	**	**	***	***	**	**
Barrie Adams	7	7	10	10	***	***	3	3
Tony Coutts	7	7	**	**	***	***	**	**
Stephen Walker (resigned 26 October 2006)	2	3	**	**	***	***	**	**
Colin Day (resigned 27 November 2006)	3	3	**	**	***	***	**	**
Bill Hiller	6	7	9	10	***	***	3	3
Barry Connelly	6	7	6	6	***	***	**	**
Bill Kagel	6	7	**	**	***	***	3	3
Rhonda King (resigned 5 December 2006)	3	3	4	4	***	***	**	**
Tony Aveling (reappointed 27 November 2006)	4	4	**	**	***	***	**	**

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

** Not a member of the relevant committee

*** While the members of the Nomination Committee would normally meet at least once per year in accordance with the Company's corporate governance practices, in 2006/07, the Nominations Committee did not meet. Instead the task of evaluating the important appointment of Tony Aveling as Managing Director & Chief Executive Officer was considered and approved by the full Board of the Company in November 2006. No other board appointments were made during 2006/07.

Remuneration report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information.

The information provided under headings A - D includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the *Corporations Act 2001* and the Corporations Regulations 2001 which have not been audited.

A Principles used to determine the nature and amount of remuneration (audited)

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

In consultation with key members of the Board who have many years industry operational experience and the General Manager Human Resources, the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives. As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of ''at risk'' rewards.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors.

Payments are allowed for additional responsibilities for Board Chairmanship, Deputy Chairmanship, the Lead Independent Director role and for membership of Board Committees and subsidiary Boards. It should be noted that the Chairman has voluntarily reduced his fee to $50,000 per annum as from 1 April 2003 and the Deputy Chairman has requested that no fee be paid to him. Bill Kagel, as Chair of the Remuneration Committee, has waived the fee normally due to him for this role. Directors' fees and payments are reviewed annually by the Remuneration Committee. The Committee's recommendations are forwarded for approval by the Board. Non-executive Directors do not receive share options.

Stephen Walker resigned as a Director on the 26 October 2006.

Rhonda King resigned as a Director on the 5 December 2006.

A Principles used to determine the nature and amount of remuneration (audited) (continued)

Executive Directors

John Pearce retired from his role as Managing Director effective 26 October 2006. He waived any fee payable during 2006/07.

Colin Day resigned as a Director and as Chief Executive Officer on 27 November 2006. He was paid in accordance with the terms and conditions of his employment contract for the 2006/07 financial year, receiving $399,883 in base salary inclusive of superannuation until 31 March 2007.

Tony Aveling, was appointed as Managing Director & Chief Executive Officer on 27 November 2006. Tony was paid in accordance with the terms of his contract for the 2006/07 financial year, receiving $749,126 in base salary inclusive of superannuation and benefits.

The Managing Director & Chief Executive Officer obtained shareholder approval for 2 million shares as part of his employment agreement. Details of the share options are set out in the Remuneration Report on pages 34 to 35 and at note 41 of the financial statements.

Directors' fees

The current base remuneration was last reviewed with effect 1 January 2007. The Chairman's remuneration is inclusive of committee fees while other non-executive directors who chair, or are a member of, a committee receive additional yearly fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

Retirement allowances for directors

There are no retirement allowances paid to non-executive directors, in line with recent guidance on non-executive directors' remuneration.

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits;
- long term incentives through participation in the Executive Option Plan, and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

Benefits

The major benefit provided to executives is the ability to participate in the Executive Option Plan.

Retirement Benefits

There are no retirement benefits made available to executives, other than as are required by statute.

Short term incentives

Short term incentives, such as bonuses, are allocated to executives on a case by case basis following consultation between the Managing Director & Chief Executive Officer and the General Manager Human Resources.

Collection House Executive Option Plan

Long term incentives are provided to certain employees via the Executive Option Plan, see pages 34 to 35 for further information.

B Details of remuneration (audited)

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of Collection House are set out in the following tables.

The key management personnel of the Group includes Tony Aveling as Managing Director & Chief Executive Officer and the following executive officers who have authority and responsibility for planning, directing and controlling the activities of the entity:

- A. Ralston - Chief Financial Officer
- M. Thomas - Chief Infomation Officer (Chief Process Officer from 29 January 2007)
- M.Watkins - General Counsel (and Company Secretary from 21 December 2006)
- K.Lynam - General Manager Human Resources (and Company Secretary to 21 December 2006)
- B.Savage - Consultant (and General Manager Business Development from 9 March 2007)

The executive officers who received the highest remuneration for the year ended 30 June 2007 are:

- T. Aveling - Managing Director & Chief Executive Officer (appointed 27 November 2006)
- C.Day - Chief Executive Officer (resigned on 27 November 2006 though continuing to manage the Company's subsidiaries to 31 March 2007)
- P.Carroll - Managing Director, Subsidiary (resigned on 30 April 2007)
- M.Watkins - General Counsel (and Company Secretary from 21 December 2006)
- A. Ralston - Chief Financial Officer

Key management and highest paid personnel of the Group for the year ended 30 June 2007.

2007	Short-term employee benefits				Post-employment benefits		Long term benefits	Share-based payments	
Name	Cash salary and fees $	Cash bonus ** $	Non monetary benefits $	Other $	Super-annuation ** $	Retirement benefits $	Long service leave $	Options $	Total $
Non-executive directors									
D.G. Punches	50,000	-	-	-	-	-	-	-	50,000
B.E. Adams	120,000	-	-	-	10,800	-	-	-	130,800
B. Connelly	75,000	-	-	-	-	-	-	-	75,000
W.L. Hiller	70,000	-	-	-	6,300	-	-	-	76,300
W.W. Kagel	50,000	-	-	-	-	-	-	-	50,000
A.F. Coutts	50,000	-	-	-	-	-	-	-	50,000
R.G. King	30,150	-	-	-	2,714	-	-	-	32,864
S. Walker	28,500	-	-	-	2,565	-	-	-	31,065
Sub-total non-executive directors	473,650	-	-	-	22,379	-	-	-	496,029
Executive directors									
J.M. Pearce	-	-	-	-	-	-	-	-	-
T. Aveling	278,846	298,000	-	55,100	56,875	-	-	60,305	749,126
C. Day	369,934	-	-	-	29,949	-	-	-	399,883
Sub-total executive directors	648,780	298,000	-	55,100	86,824	-	-	60,305	1,149,009
Other key management personnel									
A. Ralston	210,000	10,000	6,052	-	19,800	-	-	3,008	248,860
M. Thomas	200,385	12,500	6,052	-	19,160	-	-	3,760	241,857
M. Watkins	235,000	12,500	6,052	-	22,275	-	-	3,008	278,835
K. Lynam	100,000	5,000	6,052	-	9,450	-	-	1,880	122,382
B. Savage (Consultant)	280,481	-	-	-	-	-	-	-	280,481
Sub-total key management personnel compensation	1,025,866	40,000	24,208	-	70,685	-	-	11,656	1,172,415
Total directors and key management personnel compensation	2,148,296	338,000	24,208	55,100	179,888	-	-	71,961	2,817,453

B Details of remuneration (audited) (continued)

Key management and highest paid personnel of the Group for the year ended 30 June 2007 (cont).

2007	Short-term employee benefits				Post-employment benefits		Long term benefits	Share-based payments	
Name	Cash salary and fees $	Cash bonus ** $	Non monetary benefits $	Other $	Super-annuation ** $	Retirement benefits $	Long service leave $	Options $	Total $
Highest paid executives									
T. Aveling	278,846	298,000	-	55,100	56,875	-	-	60,305	749,126
C. Day	369,934	-	-	-	29,949	-	-	-	399,883
P. Carroll	272,387	-	6,052	-	23,469	-	-	-	301,908
B. Savage	280,481	-	-	-	-	-	-	-	280,481
M. Watkins	235,000	12,500	6,052	-	22,275	-	-	3,008	278,835
Total highest paid executives	1,436,648	310,500	12,104	55,100	132,568	-	-	63,313	2,010,233

** Superannuation of 9% was paid on cash bonuses. The superannuation on the bonuses has been included in the superannuation figure in the table above.

Key management personnel and other executives of the Group

2006	Short-term employee benefits				Post-employment benefits		Share-based payments	
Name	Cash salary and fees $	Cash bonus/ Car allowance $	Non monetary benefits $	Other $	Super-annuation $	Retirement benefits $	Options $	Total $
Non-executive directors								
D.G. Punches	50,000	-	-	-	-	-	-	50,000
B.E. Adams	120,000	-	-	-	10,800	-	-	130,800
B. Connelly	80,000	-	-	-	-	-	-	80,000
W.L. Hiller	70,000	-	-	-	6,300	-	-	76,300
W.W. Kagel	50,000	-	-	-	-	-	-	50,000
S. Walker	50,000	-	-	-	4,500	-	-	54,500
Sub-total non-executive directors	420,000	-	-	-	21,600	-	-	441,600
Executive directors								
J.M. Pearce	-	-	6,166	-	-	-	-	6,166
A.F. Coutts	192,433	-	6,166	-	17,319	-	-	215,918
R.G. King (payment for full financial year included)	116,150	-	6,166	-	-	-	-	122,316
C.K. Day	300,000	200,000	6,166	-	30,000	-	39,185	575,351
Sub-total executive directors	608,583	200,000	24,664	-	47,319	-	39,185	919,751
Other key management personnel								
A. Ralston	199,231	-	6,166	-	18,658	-	-	224,055
M. Thomas	175,057	-	2,338	-	16,271	-	-	193,666
K. Lynam	100,000	-	6,404	-	9,000	-	-	115,404
B. Savage (commenced March 2006)	132,570	-	24,320	-	-	-	-	156,890
*B. Doherty	259,197	-	6,166	-	6,603	-	-	271,966
Sub-total key management personnel compensation	866,055	-	45,394	-	50,532	-	-	961,981
Total directors and key management personnel compensation	1,894,638	200,000	70,058	-	119,451	-	39,185	2,323,332

B Details of remuneration (audited) (continued)

Key management personnel and other executives of the Group (cont)

2006	Short-term employee benefits				Post-employment benefits		Share-based payments	
Name	Cash salary and fees $	Cash bonus/ Car allowance $	Non monetary benefits $	Other $	Super-annuation $	Retirement benefits $	Options $	Total $
Highest paid Executives								
C.K. Day	300,000	200,000	6,166	-	30,000	-	39,185	575,351
*C. Stewart	318,938	-	6,166	-	11,220	-	-	336,324
*B. Doherty	259,197	-	6,166	-	6,603	-	-	271,966
P. Carroll	300,000	-	6,166	-	27,000	-	-	333,166
M.Watkins	235,000	-	6,166	-	21,963	-	-	263,129
Total Highest paid executives	1,413,135	200,000	30,830	-	96,786	-	39,185	1,779,936

* Includes redundancy payment

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Performance based		Fixed remuneration	
Name	**2007**	**2006**	**2007**	**2006**
Executive directors				
T. Aveling	**51.4**	-	**48.6**	-
C. Day	**-**	41.5	**100.0**	58.5
Other key management personnel of Group				
A. Ralston	**5.5**	-	**94.5**	100.0
M. Thomas	**7.1**	-	**92.9**	100.0
M. Watkins	**5.9**	-	**94.1**	100.0
K. Lynam	**5.9**	-	**94.1**	100.0
B. Savage (Consultant)	**-**	-	**100.0**	100.0

C Service agreements (audited)

Remuneration and other terms of employment for the Managing Director & Chief Executive Officer, Chief Financial Officer and the other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

Except as otherwise stated, all contracts with executives may be terminated early by either party with three months notice.

J. M. Pearce - Managing Director

- Entitlement to any salary has been waived for the 2006/07 financial year.
- Resigned as Managing Director effective 26 October 2006.

T. Aveling - Managing Director & Chief Executive Officer

- Appointed as Managing Director & Chief Executive Officer on 27 November 2006
- Term of agreement is 27 November 2006 to 28 February 2009.
- Annual base salary of $500,000 per annum plus compulsory superannuation.
- Living away from home allowance of $1,900 per week.
- Annual bonus of up to $500,000 per annum. The Bonus will be reviewed by the Board at the end of each financial year after the commencement date. Performance cash bonus of $298,000 was paid for the year ended 30 June 2007.
- Issued 2,000,000 options after shareholder approval in February 2007, with each component tranche subject to a market condition based on qualifying share prices in order for the options to be exercised.

C Service agreements (audited) (continued)

C.K. Day - Chief Executive Officer

- Resigned as Chief Executive Officer on 27 November 2006.
- Annual base salary inclusive of superannuation and benefits for the 2006/07 financial year was $465,000.
- No bonus was paid for the 2006/07 financial year.
- No formal agreement was in place between 1 July 2006 and termination on 31 March 2007.

A. Ralston - Chief Financial Officer

- Annual base salary inclusive of superannuation for the year ended 30 June 2007 of $228,900.
- Performance cash bonus of $10,000 was paid for the year ended 30 June 2007.

M. Thomas - Chief Information Officer (Chief Process Officer from 29 January 2007)

- Annual base salary inclusive of superannuation for the year ended 30 June 2007 of $245,250 (increased from $201,650 inclusive of superannuation from 29 January 2007).
- Performance cash bonus of $12,500 was paid for the year ended 30 June 2007.

M. Watkins - General Counsel and from 21 December 2006, Company Secretary

- Annual base salary inclusive of superannuation for the year ended 30 June 2007 of $256,150.
- Performance cash bonus of $12,500 was paid for the year ended 30 June 2007.

K. Lynam - General Manager Human Resources, and to 21 December 2006, Company Secretary

- Annual base salary inclusive of superannuation for the year ended 30 June 2007 of $109,000.
- Performance cash bonus of $5,000 was paid for the year ended 30 June 2007.

B. Savage - General Manager Business Development

- Consultant - appointed to the role of General Manager Business Development on 9 March 2007.
- Consultancy arrangement but no formal consultancy agreement was in place during 2006/07.

D Share-based compensation (audited)

Options

Options were granted to T. Aveling as Managing Director & Chief Executive Officer under his employment contract, subject to certain qualifying hurdles, and approved by Shareholders on 28 February 2007. Details of these options are set out at note 41 of the financial statements.

Options were granted to certain senior personnel under the Collection House Executive Option Plan to be approved by Shareholders at the Annual General Meeting in October 2007. Details of these options are set out at note 41 of the financial statements.

The terms and conditions of all options mentioned above affecting remuneration in the previous, this or future reporting periods are set out in note 41 of the financials statements.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of the options under the Executive Option Plan was determined on the weighted average price at which the Company's share traded on the Australian Stock Exchange during the five trading days before 27 November 2006. The options are based on similar qualifying hurdles and the exercise price attaching to the options granted to the Managing Director & Chief Executive Officer.

Details of options over ordinary shares in the Company provided as remuneration to each director of Collection House and each of the key management personnel of the Group are set out overleaf. When exercisable, each option is convertible into one ordinary share of Collection House. Further information on the options is set out in note 41 to the financial statements.

D Share-based compensation (audited) (continued)

	Number of options granted during the year		Number of options vested during the year	
	2007	**2006**	**2007**	**2006**
Directors of Collection House Limited				
T. Aveling	**2,000,000**	-	**-**	-
C. Day	**-**	300,000	**-**	-
Other key management personnel of the Group				
A. Ralston	**200,000**	-	**-**	-
M. Thomas	**250,000**	-	**-**	-
M. Watkins	**200,000**	-	**-**	-
K. Lynam	**125,000**	-	**-**	-

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Shares provided on exercise of remuneration options

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each director of Collection House and other key management personnel of the Group are set out below.

	Date of exercise of options	Number of ordinary shares issued on exercise of options during the year	
Name		**2007**	**2006**
Directors of Collection House Limited			
T. Coutts	1 November 2005	**-**	100,000
Other key management personnel of the Group			
Nil		**-**	-

The amounts paid per ordinary share by each director and other key management personnel on the exercise of options at the date of exercise were as follows:

	Exercise date	Amount paid per share
T. Coutts	1 November 2005	$1.00

E Additional information - unaudited

Principles used to determine the nature and amount of remuneration: relationship between remuneration and Company performance

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and prior year. Details of the relationship between the Company remuneration policy and company performance over the last 6 years is detailed below.

2001/02

No. of Employees at year end: 957

Net Profit after tax: $18,665,000

Net Assets: $80,866,000

Dividends Declared: 12.5 cents fully franked

Change in share price: Commenced: $5.13 Ended: $3.10

Basic earnings per share: 19.60 cents

E Additional information - unaudited (continued)

2002/03

No.of Employees at year end: 753

Net Profit after tax: $8,197,000

Net Assets: $82,152,000

Dividends Declared: 5.5 cents fully franked

Change in share price: Commenced: $3.02 Ended $1.19

Basic earnings per share: 8.95 cents

2003/04

No. of Employees at year end: 692

Net profit after tax: $10,641,000

Net Assets: $90,398,000

Dividends Declared: 7 cents unfranked

Change in share price: Commenced: $1.16 Ended $1.43

Basic earnings per share: 11.01 cents

2004/05

No. of Employees at year end: 632

Net profit after tax: $12,946,000

Net Assets: $93,670,000

Dividends Declared: 8.0 cents unfranked

Change in share price: Commenced: $1.54 Ended: $1.40

Basic earnings per share: 13.3 cents

2005/06

No. of Employees at year end: 634

Net profit after tax: $6,077,000

Net Assets: $75,091,000

Dividends Declared: 2.0 cents unfranked

Change in share price: Commenced: $1.41 Ended: $0.975

Basic earnings per share: 6.2 cents

2006/07

No. of Employees at year end: 638

Net profit after tax: $3,810,000

Net Assets: $77,078,000

Dividends Declared: 2.0 cents unfranked

Change in share price: Commenced: $1.03 Ended: $0.745

Basic earnings per share: 3.9 cents

Details of remuneration: cash bonuses and options

For each cash bonus and grant of options included in the tables on pages 31 to 33, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonuses is payable in future years. The options vest on 28 February 2009, provided the vesting conditions are met. No options will vest if the conditions are not satisfied, hence the minimum value of the option yet to vest is nil. The maximum value of the options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed. Details of the options are set out at note 41 of the financial statements.

E Additional information - unaudited (continued)

Details of remuneration: cash bonuses and options (continued)

	Cash bonus		Options					
Name	**Paid %**	**Forfeited %**	**Year granted**	**Vested %**	**Forfeited %**	**Financial years in which options may vest**	**Minimum total value of grant yet to vest $**	**Maximum total value of grant yet to vest $**
Directors of Collection House Limited								
C. Day	100	-	2006	-	100		-	-
T. Aveling *	100	-	2007	-	-	2009	-	394,176
Other key management of the Group								
A. Ralston	100	-	2007	-	-	2009	-	41,988
M. Thomas	100	-	2007	-	-	2009	-	52,485
M. Watkins	100	-	2007	-	-	2009	-	41,988
K. Lynam	100	-	2007	-	-	2009	-	26,243

* Pro-rated according to period of employment.

Share-based compensation: Options

Further details relating to options are set out below.

Loans to directors and executives

Information on loans to directors and executives, including amounts, interest rates and repayment terms are set out in note 33 to the financial statements.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
12 March 2007 (MD/CEO Options)	Refer to note 41	$1.0327	2,000,000
15 June 2007 (Executive Plan Options)*	28 February 2011	$1.0327	1,250,000
			3,250,000

* The Board approved 2,000,000 options subject to shareholders approval at the Company's Annual General Meeting in October 2007.

The options made available to the Managing Director & Chief Executive Officer were granted under the terms of his employment contract with the Company.

Shares issued on the exercise of options

The following ordinary shares of Collection House were issued during the year ended 30 June 2007 on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
Nil	$-	-

Insurance of officers

During the financial year, Collection House Limited paid a premium of $55,599 to insure the directors and secretaries of the Company and its Australian based controlled entities, and the general managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

E Additional information - unaudited (continued)

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Board of Directors in accordance with advice from the Audit & Risk Management Committee is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

During the year the Company's auditors have performed no other services in addition to their statutory duties. All non-audit services are subject to the corporate governance procedures adopted by the Company.

Details of the amounts paid to the auditors of the Company, Hacketts, are set out below.

	Consolidated	
	30 June 2007 $	**30 June 2006 $**
1. Audit services		
Hacketts		
Audit and review of the financial reports and other audit work under the *Corporations Act 2001*	**177,000**	190,000
Total remuneration for audit services	**177,000**	190,000
2. Other assurance services		
Hacketts		
Audit of regulatory returns	**83,000**	70,000
Total remuneration for other assurance services	**83,000**	70,000
Total remuneration for assurance services	**260,000**	260,000

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 39.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

Hacketts Chartered Accountants continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

COLLECTION HOUSE LIMITED

ACAveling

Tony Aveling
Managing Director & Chief Executive Officer

Brisbane
29 August 2007

Hacketts
CHARTERED ACCOUNTANTS

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549 QUEEN STREET
BRISBANE QLD 4000

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PARTNERS »
THOMAS G. HACKETT
MICHAEL W. HACKETT
LIAM J. MURPHY
SHAUN J. LINDEMANN

DIRECTORS »
LISA M. MORONY
RYAN R. LANGLEY

29 August 2007

The Board of Directors
Collection House Limited
488 Queen St
BRISBANE QLD 4000

Auditor's Independence Declaration

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Collection House Limited.

As lead audit partner for the audit of the financial statements of Collection House Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

Hacketts

Hacketts

S J Lindemann

Shaun Lindemann
Partner
Chartered Accountants

AUDIT & ASSURANCE
CORPORATE ADVISORY
LITIGATION SUPPORT
TAXATION & BUSINESS ADVISORY

HACKETTS CHARTERED ACCOUNTANTS
ABN » 14 071 939 497

CONTENTS – FINANCIAL STATEMENTS

for the year ended 30 June 2007

For the year ended 30 June 2007

		Consolidated		Company	
	Notes	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Revenue from continuing operations	5	**104,804**	115,283	**49,318**	55,097
Other income	6	**53**	(31)	**-**	-
Depreciation and amortisation expense	7	**(4,258)**	(4,832)	**(1,892)**	(2,546)
Impairment of goodwill	18	**-**	(348)	**(247)**	(208)
Other expenses		**(5,489)**	(6,407)	**(3,845)**	(4,208)
Employee expenses		**(35,703)**	(34,385)	**(24,118)**	(22,638)
Search fees		**(13,288)**	(12,226)	**(553)**	(440)
Direct collection costs		**(9,980)**	(14,154)	**(9,682)**	(12,081)
Bad and doubtful debts		**(412)**	(832)	**(316)**	(890)
Operating lease rental expense		**(2,986)**	(3,196)	**(1,905)**	(2,130)
Consultancy fees		**(824)**	(756)	**(771)**	(685)
Legal expenses		**(458)**	(115)	**(454)**	(110)
Impairment of other assets		**-**	(422)	**(4,596)**	(5,229)
Fair value losses on other financial assets		**(21,799)**	(21,661)	**-**	-
Net gain/(loss) on disposal of property		**(1,082)**	(36)	**(452)**	(53)
Finance costs	7	**(4,310)**	(4,154)	**(4,279)**	(3,989)
Profit / (loss) before income tax		**4,268**	11,728	**(3,792)**	(110)
Income tax benefit / (expense)	8	**2,355**	(3,878)	**4,773**	1,988
Profit from continuing operations		**6,623**	7,850	**981**	1,878
Profit / (loss) from discontinued operations	9	**(2,847)**	(2,025)	**-**	-
Profit / (loss) for the year		**3,776**	5,825	**981**	1,878
Profit / (loss) is attributable to:					
Equity holders of Collection House Limited		**3,810**	6,077	**981**	1,878
Minority Interest		**(34)**	(252)	**-**	-
		3,776	5,825	**981**	1,878
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:					
Basic earnings per share	40	**6.84**	8.33		
Diluted earnings per share	40	**6.84**	8.33		
		Cents	**Cents**		
Earnings per share for profit attributable to the ordinary equity holders of the Company:					
Basic earnings per share	40	**3.92**	6.25		
Diluted earnings per share	40	**3.92**	6.25		

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

As at 30 June 2007

		Consolidated		Company	
	Notes	**2007 $'000**	**2006 $'000**	**2007 $'000**	**2006 $'000**
ASSETS					
Current assets					
Cash and cash equivalents	10	**2,699**	3,038	**717**	641
Receivables	11	**9,529**	11,621	**9,217**	15,402
Other financial assets at fair value through profit or loss	12	**23,481**	28,615	**-**	-
Current tax receivables		**316**	2,436	**970**	2,436
Other current assets	14	**1,440**	1,032	**835**	677
Non-current assets classified as held for sale	13	**14,120**	-	**-**	-
Total current assets		**51,585**	46,742	**11,739**	19,156
Non-current assets					
Other financial assets at fair value through profit or loss	12	**79,188**	66,891	**20,432**	20,461
Receivables	15	**-**	-	**99,102**	78,290
Property, plant and equipment	16	**3,476**	5,069	**3,236**	4,537
Databases	20	**-**	11,321	**-**	-
Intangible assets	18	**24,091**	27,837	**13,703**	13,483
Deferred tax assets	17	**-**	1,214	**3,057**	1,826
Other non-current assets	19	**298**	283	**27**	27
Total non-current assets		**107,053**	112,615	**139,557**	118,624
Total assets		**158,638**	159,357	**151,296**	137,780
LIABILITIES					
Current liabilities					
Payables	21	**8,086**	7,038	**3,785**	7,519
Interest-bearing liabilities	22	**23**	2,956	**2,845**	2,918
Current tax liabilities		**-**	1,686	**-**	212
Provisions	23	**2,346**	2,450	**1,944**	1,689
Total current liabilities		**10,455**	14,130	**8,574**	12,338
Non-current liabilities					
Payables	24	**-**	-	**15,840**	-
Interest-bearing liabilities	25	**56,200**	53,793	**56,200**	53,793
Provisions	27	**138**	424	**132**	223
Deferred tax liabilities	26	**14,767**	15,919	**-**	-
Total non-current liabilities		**71,105**	70,136	**72,172**	54,016
Total liabilities		**81,560**	84,266	**80,746**	66,354
Net assets		**77,078**	75,091	**70,550**	71,426
EQUITY					
Contributed equity	29	**67,256**	67,256	**67,256**	67,256
Reserves	30	**(127)**	(523)	**128**	39
Retained profits	30	**11,274**	9,410	**3,166**	4,131
		78,403	76,143	**70,550**	71,426
Minority interest	31	**(1,325)**	(1,052)	**-**	-
Total equity		**77,078**	75,091	**70,550**	71,426

The above balance sheet should be read in conjunction with the accompanying notes.

For the year ended 30 June 2007

		Consolidated		Company	
	Notes	**2007 $'000**	**2006 $'000**	**2007 $'000**	**2006 $'000**
Total equity at the beginning of the financial year		**75,091**	93,670	**71,426**	73,303
Adjustment on adoption of AASB 132 and AASB 139, net of tax, to:					
Retained profits	1	**-**	(20,476)	**-**	-
Restated total equity at the beginning of the financial year		**75,091**	73,194	**71,426**	73,303
(Profit)/Loss attributable to Minority Interest		**34**	252	**-**	-
Net income recognised directly in equity		**34**	252	**-**	-
Profit for the year		**3,776**	5,825	**981**	1,878
Total recognised income and expense for the year		**3,810**	6,077	**981**	1,878
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	29	**-**	100	**-**	100
Dividends provided for or paid	32	**(1,946)**	(3,894)	**(1,946)**	(3,894)
Movement in Share-based payments reserve	30	**89**	39	**89**	39
Movement in Foreign Currency translation reserve	38	**307**	(418)	**-**	-
Total changes in minority interest		**(273)**	(7)	**-**	-
		(1,823)	(4,180)	**(1,857)**	(3,755)
Total equity at the end of the financial year		**77,078**	75,091	**70,550**	71,426
Total recognised income and expense for the year is attributable to:					
Members of Collection House Limited		**3,776**	5,825	**981**	1,878
Minority interest		**34**	252	**-**	-
		3,810	6,077	**981**	1,878

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

For the year ended 30 June 2007

		Consolidated		Company	
	Notes	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**144,579**	150,289	**50,743**	50,477
Payments to suppliers and employees (inclusive of goods and services tax)		**(111,493)**	(106,466)	**(45,900)**	(45,007)
		33,086	43,823	**4,843**	5,470
Interest received		**827**	483	**241**	336
Other sundry income		**472**	171	**45**	22
Interest paid		**(4,287)**	(4,154)	**(4,279)**	(3,989)
Income taxes refund / (paid)		**(191)**	(324)	**(321)**	961
Net cash (outflow) inflow from operating activities	43	**29,907**	39,999	**529**	2,800
Cash flows from investing activities					
Payment for purchase of subsidiary, net of cash acquired	38	**(218)**	(100)	**(218)**	(101)
Proceeds from sale of property, plant & equipment		**11**	31	**-**	31
Payments for property, plant and equipment		**(1,024)**	(1,429)	**(944)**	(1,140)
Payments for other financial assets		**-**	-	**(5,190)**	-
Payments for purchased debt		**(25,968)**	(32,969)	**-**	-
Payments for intangible assets		**(51)**	(2,018)	**(151)**	(826)
Payment for databases		**(1,060)**	(907)	**-**	-
Payment for Legal costs capitalised		**(536)**	-	**-**	-
Proceeds from sale of discontinued operation		**1,072**	-	**-**	-
Net cash (outflow) inflow from investing activities		**(27,774)**	(37,392)	**(6,503)**	(2,036)
Cash flows from financing activities					
Proceeds from issues of shares and other equity securities		**-**	100	**-**	100
Proceeds from borrowings		**2,407**	6,571	**10,179**	6,526
Repayment of loans from related parties		**-**	-	**-**	3,122
Repayment of borrowings		**(15)**	(7,246)	**(2,110)**	(7,123)
Dividends paid to company's shareholders	32	**(1,946)**	(3,894)	**(1,946)**	(3,894)
Net cash inflow (outflow) from financing activities		**446**	(4,469)	**6,123**	(1,269)
Net increase (decrease) in cash and cash equivalents		**2,579**	(1,862)	**149**	(505)
Cash and cash equivalents at the beginning of the financial year		**120**	2,399	**(2,277)**	(1,772)
Effects of exchange rate changes on cash and cash equivalents		**-**	(417)	-	-
Cash and cash equivalents at end of year	10	**2,699**	120	**(2,128)**	(2,277)

The above cash flow statements should be read in conjunction with the accompanying notes.

For the year ended 30 June 2007

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Collection House Limited as an individual entity and the Consolidated Entity consisting of Collection House Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRSs ensures that the consolidated financial statements and notes of Collection House Limited comply with International Financial Reporting Standards (IFRSs). The Parent Entity (Company) financial statements and notes also comply with IFRSs except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 *Financial Instruments: Disclosure and Presentation*.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of non-current assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Collection House Limited (''Company'' or ''Parent Entity'') as at 30 June 2007 and the results of all subsidiaries for the year then ended. Collection House Limited and its subsidiaries together are referred to in this financial report as "the Group" or the "Consolidated Entity".

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)).

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals of minority interests result in gains or losses for the Group that are recorded in the income statement. Purchases of minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of the identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

1 Summary of significant accounting policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Collection House Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of the amount of Goods and Services Tax (GST) payable to the Australian Taxation Office. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenue.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Rendering of services

Revenue from rendering services is recognised to the extent that it is probable that the revenue benefits will flow to the Entity and the revenue can be reliably measured.

(ii) Sale of non-current assets

The net gain or loss on disposal are included as either a revenue or an expense at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Any related balance in the asset revaluation reserve is transferred to the capital profits reserve on disposal.

(iii) Dividends

Revenue from dividends and distributions from controlled entities is recognised by the Parent Entity when they are declared by the controlled entities.

Revenue from dividends from other investments is recognised when received.

(iv) Interest

Interest received is recognised as it accrues, taking into account the effective yield on the financial asset.

For the year ended 30 June 2007

1 Summary of significant accounting policies (continued)

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Collection House Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

The Head Entity, Collection House Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Collection House Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax Consolidated Entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax Consolidated Entities.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 16). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 36). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(h) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

1 Summary of significant accounting policies (continued)

(h) Business combinations (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(p)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Trade receivables

Trade receivables are recognised initially at fair value less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(m) Financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss - Purchased debt ledgers (PDL's)

Purchased debt ledgers have been included in this category of financial assets as it is managed and its performance is evaluated on a fair value basis.

1 Summary of significant accounting policies (continued)

(m) Financial assets (continued)

Classification (continued)

(i) Financial assets at fair value through profit or loss - Purchased debt ledgers (PDL's) (continued)

Purchased debt ledgers are initially recorded at cost (including incidental costs of acquisition) and thereafter at fair value in the balance sheet. In the absence of an active market the fair value of a particular ledger is determined based on a valuation technique. The valuation is based on the present value of expected future cash flows.

When a ledger is impaired the carrying amount is reduced to its recoverable amount (fair value), being the anticipated future cash flows discounted to present value.

Realised and unrealised gains and losses arising from changes in the fair value of these ledgers are included in the income statement in the period in which they arise.

Purchased debt ledgers are included as non-current assets, except for the amount of the ledger that is expected to be realised within 12 months of the balance sheet date, which is classified as a current asset.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are initially measured at cost and included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. The nominal value less credit adjustments of trade receivables are assumed to approximate their fair values. Loans and receivables are included in trade and other receivables in the balance sheet (notes 11 and 15).

The Company assesses at each balance date whether there is objective evidence that loans and receivables are impaired.

(iii) Shares in subsidiaries

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost.

Unlisted available-for-sale financial assets exist within active markets and could be disposed of if required.

Impairment

At each reporting date, the Group assesses whether there is objective evidence whether any available-for-sale financial instruments have been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(n) Fair value estimation of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses estimated discounted cash flows to determine fair value.

(o) Property, plant and equipment

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise these costs are expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if similar borrowings were obtained from an independent financier under comparable terms and conditions.

The costs of assets constructed or internally generated by the Consolidated Entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets as set out in Note 1 (s).

Expenditure, including that on internally generated assets, is only recognised as an asset when the Entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

1 Summary of significant accounting policies (continued)

(o) Property, plant and equipment (continued)

All assets, including intangibles other than goodwill, are depreciated / amortised using the straight line method over their estimated useful lives taking into account estimated residual values with the exception of purchased debt which is depreciated on a basis that is representative of the pattern of benefits to be derived from the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

Leasehold Improvements	**Term of Lease**
- Plant and equipment	4-8 years
- Computer equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(p) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Company's investment in each primary reporting segment. (note 4).

(ii) Computer software

Costs incurred in developing products or systems and costs incurred in acquiring software and licence fees that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised. Costs capitalised include external direct costs of materals and services, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is applied on a straight line basis over period generally ranging over periods of 2 to 12 years.

(iii) Databases

The databases are considered purchased intangible assets recorded at cost or fair value. Purchased data files are used in our product and services. Fair value is supported at each reporting period by an impairment test as the database forms part of an identified CGU. Impairment testing is carried out in accordance with the accounting policy stated at 1(i). The calculation of impairment requires the use of assumptions.

Pre 30 June 2006

Pre 30 July 2006, Databases were not amortised as they were at that time considered to have an infinite useful life.

1 July to 31 December 2006

For the six month period ending 31 December 2006, the Company changed its estimate of the useful life of its database assets. These assets were amortised for the first time during this six month period, as a result of new information that came to hand which indicated that some databases had a shorter life than what was previously estimated up to 30 June 2006.

The new information found in this period, indicated that the underlying data in some databases owned by the Company had a useful life of 7 - 12 years. Other databases were determined to have an indefinite useful life. The Company chose to amortise those databases with a definite useful life over a term of 7 years. Databases with an indefinite life were not amortised, consistent with prior periods.

1 Summary of significant accounting policies (continued)

(p) Intangible assets (continued)

(iii) Databases (continued)

From 1 January 2007

During the six months ended 30 June 2007, the Group's corporate accounting team together with Australian Business Research Pty Ltd (ABR) management completed the ABR database capitalisation project. The main outcome sought from the ABR database capitalisation project was to determine the useful life for each of the different types of data that are used. The project involved detailed analysis of all data suppliers and further research to come to the conclusions that have been found. All of the databases were determined to have definite useful lives of between 7 - 15 years. These databases have been amortised according to the new determined useful lives.

(iv) Other intangible assets

Licences and intellectual property are considered to have an infinite useful life and are carried at cost less impairment losses. All costs associated with the maintenance and protection of these assets are expensed in the period consumed.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings

All borrowings are recognised at their principal amounts subject to setoff arrangements which represent the present value of future cash flows associated with servicing the debt. Where interest is payable in arrears the interest expense is accrued over the period it becomes due, is recorded at the contracted rate as part of "Other creditors and accruals".

Where interest is paid in advance, the interest expense is recorded as a part of "Prepayments" and released over the period to maturity.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of any hedged amounts on borrowings, including trade creditors and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

(t) Provisions

Provisions for legal claims and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

If the effect is material, 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. The unwinding of the discount is treated as part of the expense related to the particular provision

(u) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

1 Summary of significant accounting policies (continued)

(u) Employee benefits (continued)

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation Plans

The Company and other controlled entities make statutory contibutions to several superannuation funds in accordance with the directions of it's employees. Contributions are expensed in the period to which they relate.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Collection House Limited Executive Share Option Plan. Information relating to these schemes is set out in note 41.

Shares options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted under the Executive Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1 Summary of significant accounting policies (continued)

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(y) Rounding of amounts

The Company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(z) Revisions to accounting estimates

During the year the estimated useful lives to a subsidiary of capitalised databases used in the earning of revenue were revised. The net effect of the changes in the current year was an increase in depreciation expenses for the Group of $1,291,000. There is no impact in the Parent Company.

As these assets are classified as available-for-sale (refer note 14), it is assumed that they will be disposed of on or around 30th September 2007. There will be no effect of these changes in future years, due to the reclassification of databases to assets held for sale.

2 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors. The Finance team identifies, evaluates and manages financial risks in close co operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

(ii) Fair value interest rate risk

Refer to (d) below.

(b) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one financial institution.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group finance facilities are a combination of overdraft and short term commercial bill facilities, all of which are on a variable interest rate basis. In the current relatively stable interest rate environment, this approach maximises available cash with minimal exposure to interest rate movements. All aspects of the financing arrangements, including interest rate structuring can be reviewed as required during the life of the facility.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(p). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

(ii) Estimated impairment of non-financial assets and intangible assets other than goodwill

The Group tests annually whether the non-financial assets or intangible assets of the Group (other than goodwill) have suffered any impairment, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

(iii) Estimated fair value of other financial assets

At each reporting date the Group determines the fair value of financial assets in accordance with the accounting policy stated at 1(m). The calculation of impairment requires the use of assumptions.

4 Segment information

(a) Description of segments

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns. The business segments reported are: Contingent Collection Services, Account Asset Management and Credit Reporting. In prior years, there were two businesses allocated to Other Operations. These businesses were sold during the year ended 30 June 2007, the information with regard to these businesses is reflected in the Discontinued operations column. For further information refer to note 9.

Business segments

The Consolidated Entity comprises the following main business segments, based on the Consolidated Entity's management reporting system:

Contingent Collection Services

The earning of commissions on the collection of debts for clients;

Account Asset Management

The collection of debts from client ledgers acquired by the Company; and

Credit Reporting

The provision of consumer credit reporting information on a fee-for-service basis.

Geographical segments

Although the Consolidated Entity's divisions are managed on a global basis they operate in two main geographical areas:

Australia and New Zealand

For the year ended 30 June 2007

4 Segment information (continued)

(b) Primary reporting format - business segments

2007	Collection services $'000	Account asset management $'000	Credit reporting $'000	Intersegment eliminations/ unallocated $'000	Total continuing operations $'000	Discontinued operations (note 9) $'000	Consolidated $'000
Segment revenue							
Sales to external customers	32,939	47,860	22,365	796	103,960	29,851	133,811
Intersegment sales	3,992	-	356	(4,348)	-	-	-
Total sales revenue	36,931	47,860	22,721	(3,552)	103,960	29,851	133,811
Other revenue	-	1	-	896	897	837	1,734
Total segment revenue/income	36,931	47,861	22,721	(2,656)	104,857	30,688	135,545
Unallocated revenue					-	-	-
Consolidated revenue					104,857	30,688	135,545
Segment result							
Segment result (notes (ii))	2,354	10,474	1,035	892	14,755	57	14,812
Unallocated revenue less unallocated expenses					(10,487)	19	(10,468)
Profit before income tax					4,268	76	4,344
Income tax benefit / (expense)					2,355	(2,923)	(568)
Profit for the year					6,623	(2,847)	3,776
Segment assets and liabilities							
Segment assets	110,095	106,073	25,023	(87,200)	153,991	1,458	155,449
Unallocated assets					3,189	-	3,189
Total assets					157,180	1,458	158,638
Segment liabilities	9,904	76,906	13,837	(94,566)	6,081	2,207	8,288
Unallocated liabilities					73,272	-	73,272
Total liabilities					79,353	2,207	81,560
Other segment information							
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	1,701	34,660	107	-	36,468	21	36,489
Depreciation and amortisation expense	166	544	1,712	1,836	4,258	-	4,258
Total depreciation and amortisation					4,258	-	4,258
Other non-cash expenses	510	22,430	43	595	23,578	(11)	23,567

For the year ended 30 June 2007

4 Segment information (continued)

(b) Primary reporting format - business segments (continued)

2006	Collection services $'000	Account asset management $'000	Credit reporting $'000	Intersegment eliminations/ unallocated $'000	Total continuing operations $'000	Discontinued operation (note 9) $'000	Consolidated $'000
Segment revenue							
Sales to external customers	40,273	50,360	22,966	-	113,599	19,454	133,053
Intersegment sales	2,282	-	285	(2,567)	-	-	-
Total sales revenue	42,555	50,360	23,251	(2,567)	113,599	19,454	133,053
Other revenue/income	(111)	1,239	(1)	557	1,684	266	1,950
Total segment revenue	42,444	51,599	23,250	(2,010)	115,283	19,720	135,003
Unallocated revenue					-	-	-
Consolidated revenue					115,283	19,720	135,003
Segment result							
Segment result (notes (ii))	5,043	12,158	3,398	300	20,899	(2,234)	18,665
Unallocated revenue less unallocated expenses					(8,752)	-	(8,752)
Profit before income tax					12,147	(2,234)	9,913
Income tax benefit / (expense)					(3,879)	(209)	(4,088)
Profit for the year					8,268	(2,443)	5,825
Segment assets and liabilities							
Segment assets	120,157	97,173	18,615	(82,976)	152,969	2,021	154,990
Unallocated assets					4,367	-	4,367
Total assets					157,336	2,021	159,357
Segment liabilities	17,414	72,892	6,079	(95,015)	1,370	10,025	11,395
Unallocated liabilities					72,871	-	72,871
Total liabilities					74,241	10,025	84,266
Other segment information							
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	2,066	36,555	2,009	-	40,630	355	40,985
Depreciation and amortisation expense	1,091	2,374	629	738	4,832	11	4,843
Impairment of goodwill (note 18)	-	-	-	348	348	-	348
Impairment of other assets	26	-	2	394	422	1,217	1,639
Other non-cash expenses	965	21,726	79	239	23,009	54	23,063

For the year ended 30 June 2007

4 Segment information (continued)

(c) Secondary reporting format - geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Australia	**127,079**	126,245	**148,376**	150,786	**36,467**	37,062
New Zealand	**6,732**	6,808	**10,262**	8,571	**22**	3,923
	133,811	133,053	**158,638**	159,357	**36,489**	40,985
Total assets			**158,638**	159,357		

Segment revenues are allocated based on the country in which the customer is located. Segment assets and capital expenditure are allocated based on where the assets are located.

(i) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and Accounting Standard AASB 114 *Segment Reporting*.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, employee benefits and interest-bearing liabilities. Segment assets and liabilities do not include income taxes.

Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowing costs and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

(ii) Segment margins

	Collection Services		Account Asset Management		Credit Reporting	
	30 June 2007 %	30 June 2006 %	30 June 2007 %	30 June 2006 %	30 June 2007 %	30 June 2006 %
Margin on sales revenue	**6**	12	**22**	24	**5**	15

5 Revenue

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
From continuing operations				
Sales revenue				
Revenue from rendering of services	**103,960**	114,787	**39,558**	43,492
	103,960	114,787	**39,558**	43,492
Other revenue				
Rent received	**-**	4	**-**	4
Interest	**808**	471	**574**	557
Dividends	**-**	-	**9,145**	11,000
Other Income	**36**	21	**34**	15
Net gain / (loss) from sale of businesses and related assets (excluding discontinued operations)	**-**	-	**7**	29
	844	496	**9,760**	11,605
Total revenue from continuing operations	**104,804**	115,283	**49,318**	55,097

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5 Revenue (continued)

(a) Revenue from discontinued operations

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
From discontinued operations (note 9)				
Insurance Claims Solutions	**29,721**	19,124	**-**	-
Rapid Ratings	**234**	625	**-**	-
	29,955	19,749	**-**	-

6 Other income

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Foreign exchange gains (net)	**4**	(31)	**-**	-
Export Development Grant (note 8)	**49**	-	**-**	-
	53	(31)	**-**	-

7 Expenses

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Profit before income tax includes the following specific expenses:				
Depreciation				
Dep - Leasehold improvements, plant and equipment	**2,390**	3,268	**1,892**	2,545
Databases	**1,346**	55	**-**	-
Total depreciation	**3,736**	3,323	**1,892**	2,545
Amortisation				
Amortisation - Leasehold improvements	**-**	-	**-**	-
Amortisation - Leased plant and equipment	**1**	14	**-**	-
Amortisation - Other intangibles	**-**	1	**-**	1
Amortisation - Legal and court cost capitalised	**521**	1,494	**-**	-
Total amortisation	**522**	1,509	**-**	1
Finance costs				
Interest and finance charges paid/payable	**4,281**	4,096	**4,279**	3,989
Interest and finance charges - related parties	**29**	58	**-**	-
Total finance costs	**4,310**	4,154	**4,279**	3,989
Fair Value losses on other financial assets (note 12)	**21,799**	21,661	**-**	-

8 Income tax expense

	Consolidated		Company	
	30 June 2007 $'000	**30 June 2006 $'000**	**30 June 2007 $'000**	**30 June 2006 $'000**
(a) Income tax expense				
Current income tax provision	**1,104**	1,243	**(3,347)**	(2,866)
Deferred income tax provision	**62**	4,824	**(1,231)**	2,294
Tax on discontinued operations	**-**	-	**-**	-
Under (over) provided in prior years	**(598)**	(1,979)	**(195)**	(1,416)
	568	4,088	**(4,773)**	(1,988)
Income tax expense is attributable to:				
Income tax expense/(benefit) - Profit from continuing operations	**(2,355)**	3,878	**(4,773)**	(1,988)
Income tax expense/(benefit) - Profit from discontinued operations	**2,923**	210	**-**	-
Aggregate income tax expense	**568**	4,088	**(4,773)**	(1,988)
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease (increase) in deferred tax assets (note 17)	**(31)**	2,836	**(1,228)**	2,429
(Decrease) increase in deferred tax liabilities (note 26)	**93**	1,988	**(3)**	(135)
	62	4,824	**(1,231)**	2,294
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	**4,268**	11,728	**(3,792)**	(110)
Profit from discontinuing operations before income tax expense	**76**	(1,815)	**-**	-
	4,344	9,913	**(3,792)**	(110)
Tax at the Australian tax rate of 30% (2005 - 30%)	**1,303**	2,974	**(1,138)**	(33)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non-deductible expenses	**79**	-	**65**	-
Non-deductible depreciation	**-**	263	**-**	-
Non-deductible amortisation	**-**	104	**-**	-
Non-deductible impairment	**150**	-	**(1,145)**	922
Non-assessable inter-company dividends from members of the tax-consolidated Group	**-**	-	**(2,744)**	(3,300)
Capital gain on consolidation of new group members	**83**	-	**83**	-
Tax benefit on wind up of discontinued operations	**709**	-	**(2,159)**	-
Non-deductible writedown of investments in subsidiaries	**-**	-	**2,598**	592
Tax losses not recognised	**-**	611	**-**	-
Sundry items	**(39)**	72	**(32)**	57
	2,285	4,024	**(4,472)**	(1,762)
Difference in overseas tax rates	**51**	78	**-**	-
Adjustments for current tax of prior periods	**(445)**	-	**-**	-
Sundry items	**-**	(14)	**(301)**	(226)
Previously unrecognised tax losses now recouped to reduce current tax expense	**(1,323)**	-	**-**	-
	(1,717)	64	**(301)**	(226)
Income tax expense	**568**	4,088	**(4,773)**	(1,988)

For the year ended 30 June 2007

8 Income tax expense (continued)

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
(c) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	-	4,343	-	-
Potential tax benefit @ 30%	-	1,303	-	-

All unused tax losses were incurred by Australian entities that are not part of the tax consolidated group.

The reduction in consolidated tax expense and effective tax rates in the current year compared to the 2006 year is primarily due to a reduction in current year consolidated operating profits before tax of $1,694,000 (tax effected) and tax benefits of $1,226,000 arising on the wind up of discontinued operations.

9 Discontinued operation

(A) Sale of business - ICS

(a) Description

On 11 May 2007, (as announced to market) the non wholly owned subsidiary Insurance Claims Solutions Pty Ltd (ICS) sold its insurance claims management services business to Claims Services Australia Pty Ltd. The sale of this business and its financial performance to disposal date is reported in this financial report as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal (11 May 2007) is set out below. Further information is set out in note 4 - segment information.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 11 May 2007 (2007 column) and the year ended 30 June 2006.

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Revenue (note 5)	**29,721**	19,124	-	-
Expenses	**(29,169)**	(17,684)	-	-
Profit before income tax	**552**	1,440	-	-
Income tax expense	**(90)**	(436)	-	-
Profit after income tax of discontinued operations	**462**	1,004	-	-
Gain on sale of the division before income tax	**726**	-	-	-
Income tax expense	**(250)**	-	-	-
Gain on sale of the division after income tax	**476**	-	-	-
Profit from discontinued operations	**938**	1,004	-	-
Net cash inflow (outflow) from operating activities	**(514)**	1,259	-	-
Net cash inflow (outflow) from investing activities	**1,059**	(11)	-	-
Net cash (outflow) from financing activities	**(1,019)**	(925)	-	-
Net increase (decrease) in cash generated by the division	**(474)**	323	-	-

For the year ended 30 June 2007

9 Discontinued operation (continued)

(A) Sale of business - ICS (continued)

(c) Details of the sale of the division

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Consideration received or receivable:				
Cash	**1,065**	-	**-**	-
Total disposal consideration	**1,065**	-	**-**	-
Carrying amount of net assets sold	**(207)**	-	**-**	-
Cost of disposal	**(132)**	-	**-**	-
Gain on sale before income tax	**726**	-	**-**	-
Income tax expense	**(250)**	-	**-**	-
Gain on sale after income tax	**476**	-	**-**	-

As a result of the sale of ICS, intellectual property with the value of $500,000 in CHIP No.1 Pty Ltd was written off to nil.

(B) Sale of business - Rapid Ratings

(a) Description

On 31 December 2006, (as announced to market) Collection House Limited sold substantially all of subsidiary Rapid Ratings' assets to Rapid Ratings International Inc. The sale of this business and its financial performance to disposal date is reported in this financial report as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal (31 December 2006) is set out below. Further information is set out in note 4 - segment information.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months ended 31 December 2006 (2007 column) and the year ended 30 June 2006.

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Revenue (note 5)	**234**	625	**-**	-
Expenses	**(1,443)**	(3,880)	**-**	-
Profit / (loss) before income tax	**(1,209)**	(3,255)	**-**	-
Income tax expense	**(2,583)**	226	**-**	-
Profit / (loss) after income tax of discontinued operations	**(3,792)**	(3,029)	**-**	-
Gain on sale of the division before income tax	**7**	-	**-**	-
Income tax expense	**-**	-	**-**	-
Gain on sale of the division after income tax	**7**	-	**-**	-
Profit / (loss) from discontinued operations	**(3,785)**	(3,029)	**-**	-
Net cash inflow (outflow) from operating activities	**(1,353)**	(2,235)	**-**	-
Net cash inflow (outflow) from investing activities	**7**	(214)	**-**	-
Net cash (outflow) from financing activities	**1,283**	2,348	**-**	-
Net increase (decrease) in cash generated by the division	**(63)**	(101)	**-**	-

9 Discontinued operation (continued)

(B) Sale of business - Rapid Ratings (continued)

(c) Details of the sale of the division

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Consideration received or receivable:				
Cash	**7**	-	**-**	-
Total disposal consideration	**7**	-	**-**	-
Carrying amount of net assets sold	**-**	-	**-**	-
Gain on sale before income tax	**7**	-	**-**	-
Income tax expense	**-**	-	**-**	-
Gain on sale after income tax	**7**	-	**-**	-

As part of the sales agreement with the new owner of the business Collection House Limited will earn a share of any future revenue at no cost to itself.

(C) Reconciliation of profit / (loss) from discontinued operations

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Discontinued operations - ICS	**938**	1,004	**-**	-
Discontinued operations - Rapid Ratings	**(3,785)**	(3,029)	**-**	-
Total per consolidated income statement	**(2,847)**	(2,025)	**-**	-

10 Current assets - Cash and cash equivalents

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Cash at bank and in hand	**2,699**	3,038	**717**	641
	2,699	3,038	**717**	641

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Bank overdraft right of set-off				
Balances as above	**2,699**	3,038	**717**	641
Bank overdrafts (note 22)	**-**	(2,918)	**(2,845)**	(2,918)
Balances per statement of cash flows	**2,699**	120	**(2,128)**	(2,277)

(b) Cash at bank and on hand

Information concerning the effective interest rates is set out in the non-current receivables note 15.

(c) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

(d) Bank overdraft right of set-off

With effect from 1 July 2004, the Company holds a contractual right of set-off between the current overdraft balance and the cash-at-bank balances.

For the year ended 30 June 2007

11 Current assets - Receivables

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Net trade receivables				
Trade debtors	**10,204**	11,154	**4,405**	4,909
Provision for doubtful trade debtors	**(1,808)**	(2,206)	**(1,374)**	(1,880)
	8,396	8,948	**3,031**	3,029
Loans to controlled entities	**-**	-	**5,600**	11,000
Other debtors	**1,133**	2,673	**586**	1,152
Accrued Revenue - Intercompany Interest	**-**	-	**-**	221
	1,133	2,673	**586**	1,373
	9,529	11,621	**9,217**	15,402

(a) Impaired trade receivables

The Group has recognised a loss of $412,000 (2006: $832,000) in respect of bad and doubtful trade receivables during the year ended, 30 June 2007.

(b) Effective interest rates and credit risk

Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out in the non-current receivables note 15.

12 Other financial assets at fair value through profit or loss

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Current and Non-current				
At beginning of the period	**95,506**	112,339	**-**	-
Reclassification of capitalised costs	**-**	(665)	**-**	-
Adjustment on adoption of AASB 132 and AASB 139	**-**	(27,476)	**-**	-
Additions	**28,962**	32,969	**-**	-
Fair value gain / (loss)	**(21,799)**	(21,661)	**-**	-
At end of year	**102,669**	95,506	**-**	-

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Other Financial Assets at fair value	**102,669**	95,506	**-**	-
	102,669	95,506	**-**	-

12 Other financial assets at fair value through profit or loss (continued)

The amount of the above financial assets are classified as follows:

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Current	**23,481**	28,615	**-**	-
Non-current	**79,188**	66,891	**20,432**	20,461
	102,669	95,506	**20,432**	20,461

Gains / (losses) in fair values of other financial assets at fair value through profit or loss are recorded in the income statement.

(a) Transition to AASB 132 and AASB 139

The Group had taken the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 July 2005. For further information please refer to our annual report for the year ending 30 June 2006.

13 Current assets - Non-current assets classified as held for sale

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Plant and equipment	**82**	-	**-**	-
Intangibles	**3,118**	-	**-**	-
Databases	**10,920**	-	**-**	-
	14,120	-	**-**	-

In June 2007, the directors of Collection House Limited decided to sell the businesses of Australian Business Research & National Tenacy Database.

As announced to the market on 2nd July 2007, Collection House Limited has entered into conditional contracts to sell the Australian and New Zealand businesses, Australian Business Research (ABR) and National Tenancy Database to Veda Advantage Limited (Veda).

The agreements, subject to certain conditions precedent, also required regulatory clearance from the Australian Competition and Consumer Commission. This clearance was given in August 2007. Subject to satisfactory compliance with the conditions precedent under each business sale agreement, completion of these transactions is likely to occur in September 2007.

The assets held for sale are presented within the total assets of the Credit Reporting segment in note 4.

14 Current assets - Other current assets

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Other deposits	**437**	420	**254**	242
Prepayments	**1,003**	612	**581**	435
	1,440	1,032	**835**	677

For the year ended 30 June 2007

15 Non-current assets - Receivables

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Loans to controlled entities	**-**	-	**99,102**	78,290

Further information relating to loans to related parties and key management personnel is set out in notes 37 and 33 respectively.

(a) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables.

		Fixed interest maturing in:		
2007	**Floating interest rate $'000**	**1 year or less $'000**	**Non-interest-bearing $'000**	**Total $'000**
Trade receivables	-	-	8,396	8,396
Other deposits	-	253	184	437
Other receivables	-	-	1,133	1,133
Purchased Debt	-	-	102,669	102,669
Cash & cash equivalents	2,694	-	5	2,699
	2,694	253	112,387	115,334
Weighted average interest rate (%)	5.08%	5.73%	-%	

		Fixed interest maturing in:		
2006	**Floating interest rate $'000**	**1 year or less $'000**	**Non-interest-bearing $'000**	**Total $'000**
Trade receivables	-	-	8,948	8,948
Other deposits	-	237	183	420
Other receivables	-	-	2,673	2,673
Purchased debt	-	-	95,506	95,506
Cash & cash equivalents	3,032	-	6	3,038
	3,032	237	107,316	110,585
Weighted average interest rate	4.93%	5.75%	-%	

(b) Credit risk

There is no concentration of credit risk with respect to current and non-current receivables, as the Group has a large number of customers, internationally dispersed. Refer to note 2 for more information on the risk management policy of the Group.

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16 Non-current assets - Property, plant and equipment

Consolidated	Plant and equipment $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Work in progress $'000	Total $'000
At 1 July 2005					
Cost or fair value	17,469	453	375	758	19,055
Accumulated depreciation	(12,051)	(117)	(321)	-	(12,489)
Net book amount	5,418	336	54	758	6,566
Year ended 30 June 2006					
Opening net book amount	5,418	336	54	758	6,566
Additions	1,081	344	-	-	1,425
Disposals	(981)	-	(36)	-	(1,017)
Impairment charge recognised in profit and loss	(196)	-	-	(92)	(288)
Depreciation charge	(1,726)	(58)	(14)	-	(1,798)
Transfers	-	-	-	181	181
Closing net book amount	3,596	622	4	847	5,069
At 30 June 2006					
Cost or fair value	17,569	797	20	847	19,233
Accumulated depreciation	(13,973)	(175)	(16)	-	(14,164)
Net book amount	3,596	622	4	847	5,069

Consolidated	Plant and equipment $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Work in progress $'000	Total $'000
Year ended 30 June 2007					
Opening net book amount	3,596	622	4	847	5,069
Additions	365	156	-	504	1,025
Disposals	(552)	(42)	-	-	(594)
Reversal of Impairment charge in profit and loss	284	-	-	-	284
Transfers to assets held for sale	(82)	-	-	-	(82)
Depreciation charge	(1,296)	(90)	(1)	-	(1,387)
Transfers	18	22	-	(879)	(839)
Closing net book amount	2,333	668	3	472	3,476
At 30 June 2007					
Cost or fair value	11,584	909	8	472	12,973
Accumulated depreciation	(9,251)	(241)	(5)	-	(9,497)
Net book amount	2,333	668	3	472	3,476

For the year ended 30 June 2007

16 Non-current assets - Property, plant and equipment (continued)

Company	Plant and equipment $'000	Leasehold improvements $'000	Work in progress $'000	Total $'000
At 1 July 2005				
Cost or fair value	14,898	364	625	15,887
Accumulated depreciation	(10,235)	(94)	-	(10,329)
Net book amount	4,663	270	625	5,558
Year ended 30 June 2006				
Opening net book amount	4,663	270	625	5,558
Additions	524	344	280	1,148
Disposals	(553)	-	-	(553)
Impairment charge recognised in profit and loss	(598)	-	-	(598)
Depreciation charge	(971)	(47)	-	(1,018)
Closing net book amount	3,065	567	905	4,537
At 30 June 2006				
Cost or fair value	14,867	708	905	16,480
Accumulated depreciation	(11,802)	(141)	-	(11,943)
Net book amount	3,065	567	905	4,537

Company	Plant and equipment $'000	Leasehold improvements $'000	Work in progress $'000	Total $'000
Year ended 30 June 2007				
Opening net book amount	3,065	567	905	4,537
Additions	295	178	277	750
Disposals	(365)	(31)	-	(396)
Reversal of Impairment charge in profit and loss	192	-	-	192
Depreciation charge	(1,127)	(85)	-	(1,212)
Transfers	(11)	-	(624)	(635)
Closing net book amount	2,049	629	558	3,236
At 30 June 2007				
Cost or fair value	10,556	849	558	11,963
Accumulated depreciation	(8,507)	(220)	-	(8,727)
Net book amount	2,049	629	558	3,236

(a) Non-current assets pledged as security

Refer to note 25 for information on non-current assets pledged as security by the parent entity and its controlled entities.

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17 Non-current assets - Deferred tax assets

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
The balance comprises temporary differences attributable to:				
Tax losses	**135**	1,063	121	135
Accruals	**238**	-	236	62
Future deductible windup costs	**1,246**	-	1,246	-
Doubtful debts	**542**	664	412	564
Provisions and employee benefits	**820**	952	688	846
Receivables impairment	**68**	116	-	-
Fixed assets	**395**	661	377	245
Sundry	**138**	95	-	-
	3,582	3,551	3,080	1,852
Total deferred tax assets	**3,582**	3,551	3,080	1,852
Set-off of deferred tax liabilities pursuant to set-off provisions (note 26)	**(3,582)**	(2,337)	(23)	(26)
Net deferred tax assets	**-**	1,214	3,057	1,826
Movements:				
Opening balance at 1 July	**3,551**	6,273	1,852	4,281
Change on adoption of AASB 132 and AASB 139 (note 1)	**-**	114	-	-
Credited/(charged) to the income statement (note 8)	**31**	(2,836)	1,228	(2,429)
Closing balance at 30 June	**3,582**	3,551	3,080	1,852

Movements - Consolidated	**Tax losses $'000**	**Employee benefits $'000**	**Doubtful Debts $'000**	**Fixed Assets $'000**	**Receivables impairment & accruals $'000**	**Future deductible windup costs $'000**	**Sundry $'000**	**Total $'000**
At 1 July 2005	4,553	710	445	461	-	-	104	6,273
Change on adoption of AASB 132 and AASB 139 (Note 30)	-	-	-	-	114	-	-	114
Charged/(credited) to the income statement	(3,490)	242	219	200	2	-	(9)	(2,836)
At 30 June 2006	1,063	952	664	661	116	-	95	3,551

Movements - Consolidated	**Tax losses $'000**	**Employee benefits $'000**	**Doubtful Debts $'000**	**Fixed Assets $'000**	**Receivables impairment & accruals $'000**	**Future deductible windup costs $'000**	**Sundry $'000**	**Total $'000**
At 30 June 2006	1,063	952	664	661	116	-	95	3,551
Charged/(credited) to the income statement	(928)	(132)	(122)	(266)	190	1,246	43	31
At 30 June 2007	135	820	542	395	306	1,246	138	3,582

Movements - Company	**Tax losses $'000**	**Employee benefits $'000**	**Doubtful Debts $'000**	**Fixed Assets $'000**	**Receivables impairment & accruals $'000**	**Future deductible windup costs $'000**	**Sundry $'000**	**Total $'000**
At 1 July 2005	3,168	1,013	-	-	-	-	100	4,281
Charged/(credited) to the income statement	(3,033)	(167)	564	245	62	-	(100)	(2,429)
At 30 June 2006	135	846	564	245	62	-	-	1,852

For the year ended 30 June 2007

17 Non-current assets - Deferred tax assets (continued)

Movements - Company	Tax losses $'000	Employee benefits $'000	Doubtful Debts $'000	Fixed Assets $'000	Receivables impairment & accruals $'000	Future deductible windup costs $'000	Sundry $'000	Total $'000
At 30 June 2006	135	846	564	245	62	-	-	1,852
Charged/(credited) to the income statement	(14)	(158)	(152)	132	174	1,246	-	1,228
At 30 June 2007	121	688	412	377	236	1,246	-	3,080

18 Non-current assets - Intangible assets

Consolidated	Goodwill $'000	Computer software $'000	Other intangible assets $'000	Total $'000
At 1 July 2005				
Cost	31,275	7,732	2,076	41,083
Accumulated amortisation and impairment	(6,722)	(4,816)	(853)	(12,391)
Net book amount	24,553	2,916	1,223	28,692
Year ended 30 June 2006				
Opening net book amount	24,553	2,916	1,223	28,692
Additions	276	1,760	33	2,069
Depreciation and impairment charges	(297)	(2,290)	(315)	(2,902)
Disposals	-	-	(22)	(22)
Closing net book amount	24,532	2,386	919	27,837
At 30 June 2006				
Cost	31,551	9,492	2,087	43,130
Accumulated amortisation and impairment	(7,019)	(7,106)	(1,168)	(15,293)
Net book amount	24,532	2,386	919	27,837

Consolidated	Goodwill $'000	Computer software $'000	Other intangible assets $'000	Total $'000
Year ended 30 June 2007				
Opening net book amount	24,532	2,386	919	27,837
Additions	-	50	-	50
Transfers to assets held for sale	(2,618)	(506)	-	(3,124)
Foreign Exchange effect	(4)	12	6	14
Amortisation charge	-	(1,007)	-	(1,007)
Disposals	(207)	(69)	(500)	(776)
Transfers	-	1,097	-	1,097
Closing net book amount	21,703	1,963	425	24,091
At 30 June 2007				
Cost	28,696	7,587	1,587	37,870
Accumulated amortisation and impairment	(6,993)	(5,624)	(1,162)	(13,779)
Net book amount	21,703	1,963	425	24,091

18 Non-current assets - Intangible assets (continued)

Company	Goodwill $'000	Computer software $'000	Other intangible assets $'000	Total $'000
At 1 July 2005				
Cost	14,911	4,232	439	19,582
Accumulated amortisation and impairment	(3,388)	(2,642)	-	(6,030)
Net book amount	11,523	1,590	439	13,552
Year ended 30 June 2006				
Opening net book amount	11,523	1,590	439	13,552
Additions	-	814	11	825
Impairment charge	55	-	-	55
Amortisation charge	-	(725)	-	(725)
Disposals	(224)	-	-	(224)
Closing net book amount	11,354	1,679	450	13,483
At 30 June 2006				
Cost	14,687	5,046	450	20,183
Accumulated amortisation and impairment	(3,333)	(3,367)	-	(6,700)
Net book amount	11,354	1,679	450	13,483

Company	Goodwill $'000	Computer software $'000	Other intangible assets $'000	Total $'000
Year ended 30 June 2007				
Opening net book amount	11,354	1,679	450	13,483
Additions	-	968	-	968
Impairment charge	(247)	-	-	(247)
Depreciation charge	-	(705)	-	(705)
Disposals	-	(43)	-	(43)
Closing net book amount	11,107	1,899	450	13,456
At 30 June 2007				
Cost	14,687	5,306	450	20,443
Accumulated amortisation and impairment	(3,333)	(3,407)	-	(6,740)
Net book amount	11,354	1,899	450	13,703

19 Non-current assets - Other non-current assets

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Deferred expenditure -at cost	**343**	343	**291**	291
Deferred expenditure - accumulated amortisation	**(266)**	(266)	**(264)**	(264)
Legal and court costs capitalised	**221**	206	**-**	-
	298	283	**27**	27

For the year ended 30 June 2007

20 Non-current assets - Databases

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Databases	**-**	11,321	**-**	-
	-	11,321	**-**	-

Valuation of Databases

The databases are considered purchased intangible assets and are recorded at cost or fair value. Fair value is supported at each reporting period by an impairment test as the database forms part of an identified CGU. Impairment testing is carried out in accordance with the accounting policy stated at 1(p). The calculation of impairment requires the use of assumptions.

For information with regard to the amortisation of databases, see note 1(p)(iii) .

At 30 June 2007, the databases were classified as held for sale - refer note 13.

21 Current liabilities - Payables

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Trade creditors	**1,591**	2,808	**842**	1,374
Other creditors and accruals	**6,495**	4,230	**2,109**	1,628
Intercompany Loans	**-**	-	**834**	4,517
	8,086	7,038	**3,785**	7,519

22 Current liabilities - Borrowings

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Secured				
Bank overdraft	**-**	2,918	**2,845**	2,918
Total secured current borrowings	**-**	2,918	**2,845**	2,918
Unsecured				
Unsecured - Other loans	**23**	38	**-**	-
Total unsecured current borrowings	**23**	38	**-**	-
Total current borrowings	**23**	2,956	**2,845**	2,918

(a) Interest rate risk exposures

Details of the Group's exposure to interest rate changes on borrowings are set out in note 25.

23 Current liabilities - Provisions

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Provisions - Employee benefits	**2,303**	1,908	**1,944**	1,121
Provisions - Other	**43**	542	**-**	568
	2,346	2,450	**1,944**	1,689

For the year ended 30 June 2007

23 Current liabilities - Provisions (cont)

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Provisions - Employee benefits $'000	Provisions - Other $'000	Total $'000
Consolidated - 2007			
Current			
Carrying amount at start of year	1,908	542	2,450
- additional provisions recognised	2,640	625	3,265
- amounts incurred and charged	(2,245)	(362)	(2,607)
- write off of assets	-	(491)	(491)
- reductions from remeasurement or settlement without cost	-	(271)	(271)
Carrying amount at end of year	2,303	43	2,346

	Provisions - Employee benefits $'000	Provisions - Other $'000	Total $'000
Company - 2007			
Current			
Carrying amount at start of year	1,121	568	1,689
- additional provisions recognised	2,392	564	2,956
- amounts incurred and charged	(1,557)	(342)	(1,899)
- write off of assets	-	(531)	(531)
- reductions from remeasurement or settlement without cost	(12)	(259)	(271)
Carrying amount at end of year	1,944	-	1,944

24 Non-current liabilities - Payables

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Loans from controlled entities	**-**	-	**15,840**	-
	-	-	**15,840**	-

25 Non-current liabilities - Borrowings

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Secured				
Secured - Bank loans	**56,200**	53,793	**56,200**	53,793
Total non-current borrowings	**56,200**	53,793	**56,200**	53,793

(a) Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Bank overdrafts and bank loans	**56,200**	56,711	**59,045**	56,711
Total secured liabilities	**56,200**	56,711	**59,045**	56,711

(b) Assets pledged as security

All bank loans and overdraft are denominated in Australian dollars and are secured by a fixed and floating charge over all of the assets and uncalled capital of the Company and certain of its controlled entities.

Other loans are secured by a fixed and floating charge over the assets of a controlled entity.

25 Non-current liabilities - Borrowings (continued)

(c) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Credit standby arrangements				
Total facilities				
Bank offset facility (secured)	**5,000**	5,000	**5,000**	5,000
Bank Loan (secured)	**60,000**	60,000	**60,000**	60,000
Bank guarantee facilities (secured)	**845**	1,009	**337**	500
	65,845	66,009	**65,337**	65,500
Used at balance date				
Bank offset facility (secured)	**-**	2,918	**2,845**	-
Bank Loan (secured)	**56,200**	53,793	**56,200**	53,793
Bank guarantee facilities (secured)	**845**	989	**337**	480
	57,045	57,700	**59,382**	54,273
Unused at balance date				
Bank offset facility (secured)	**5,000**	2,182	**2,155**	5,000
Bank Loan (secured)	**3,800**	6,207	**3,800**	6,207
Bank guarantee facilities (secured)	**-**	-	**-**	-
Bank leasing and hire purchase facilities	**-**	265	**-**	150
	8,800	8,654	**5,955**	11,357

The current interest rates are 6.87% on the bank loan, 6.87% on the overdraft (2006: 6.24% and 6.24% respectively).

(d) Interest rate risk exposures

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods.

		Fixed interest rate						
2007	**Floating interest rate $'000**	**1 year or less $'000**	**Over 1 to 2 years $'000**	**Over 2 to 3 years $'000**	**Over 3 to 4 years $'000**	**Over 4 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**
Bank overdrafts and loans (notes 22 and 25)	56,200	-	-	-	-	-	-	56,200
Other loans (notes 22 and 25)	-	-	-	-	-	-	-	-
Lease liabilities (notes 22, 25 and 36)	-	-	-	-	-	-	-	-
	56,200	-	-	-	-	-	-	56,200
Weighted average interest rate	6.83%	-%	-%	-%	-%	-%	-%	

		Fixed interest rate						
2006	**Floating interest rate $'000**	**1 year or less $'000**	**Over 1 to 2 years $'000**	**Over 2 to 3 years $'000**	**Over 3 to 4 years $'000**	**Over 4 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**
Bank overdrafts and loans (notes 22 and 25)	56,711	-	-	-	-	-	-	56,711
Other loans (notes 22 and 25)	-	-	-	-	-	-	-	-
Lease liabilities (notes 22, 25 and 36)	-	-	-	-	-	-	-	-
	56,711	-	-	-	-	-	-	56,711
Weighted average interest rate	6.24%	-%	-%	-%	-%	-%	-%	

For the year ended 30 June 2007

25 Non-current liabilities - Borrowings (continued)

(e) Fair value

The carrying amounts and fair values of borrowings at balance date are:

	2007		2006	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
On balance sheet				
Non traded financial liabilities				
Bank overdrafts	**-**	**-**	2,918	-
Bank loans	**56,200**	**-**	53,793	-
	56,200	**-**	56,711	-

Other than those classes of borrowings denoted as "traded", none of the classes are readily traded on organised markets in standardised form.

26 Non-current liabilities - Deferred tax liabilities

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
The balance comprises temporary differences attributable to:				
Prepayments	**77**	4	**2**	2
Purchased debt	**18,102**	17,660	**-**	-
Intangibles	**45**	413	**-**	-
Fixed Assets	**63**	92	**-**	-
Sundry	**62**	87	**21**	24
	18,349	18,256	**23**	26
Set-off of deferred tax liabilities pursuant to set-off provisions (note 17)	**(3,582)**	(2,337)	**(23)**	(26)
Net deferred tax liabilities	**14,767**	15,919	**-**	-
Movements:				
Opening balance at 1 July	**18,256**	24,511	**26**	161
Change on adoption of AASB 132 and AASB 139 (note 1)	**-**	(8,243)	**-**	-
Charged/(credited) to the income statement (note 8)	**93**	1,988	**(3)**	(135)
Closing balance at 30 June	**18,349**	18,256	**23**	26

Movements - Consolidated	Property, plant and equipment $'000	Prepayments $'000	Purchased debt $'000	Intangibles $'000	Other $'000	Total $'000
At 1 July 2005	53	37	23,879	459	83	24,511
Change on adoption of AASB 132 and AASB 139 (Note 30)	-	-	(8,243)	-	-	(8,243)
Charged/(credited) to the income statement	39	(33)	2,024	(46)	4	1,988
At 30 June 2006	92	4	17,660	413	87	18,256

Movements - Consolidated	Property, plant and equipment $'000	Prepayments $'000	Purchased debt $'000	Intangibles $'000	Other $'000	Total $'000
At 30 June 2006	92	4	17,660	413	87	18,256
Charged/(credited) to the income statement	(29)	73	442	(368)	(25)	93
At 30 June 2007	63	77	18,102	45	62	18,349

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26 Non-current liabilities - Deferred tax liabilities (continued)

Movements - Company	Property, plant and equipment $'000	Prepayments $'000	Purchased debt $'000	Intangibles $'000	Other $'000	Total $'000
At 1 July 2005	159	2	-	-	-	161
Charged/(credited) to the income statement	(159)	-	-	-	24	(135)
At 30 June 2006	-	2	-	-	24	26

Movements - Company	Property, plant and equipment $'000	Prepayments $'000	Purchased Debt $'000	Intangibles $'000	Other $'000	Total $'000
At 30 June 2006	-	2	-	-	24	26
Charged/(credited) to the income statement	-	-	-	-	(3)	(3)
At 30 June 2007	-	2	-	-	21	23

27 Non-current liabilities - Provisions

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Provisions - Employee benefits	**138**	424	**132**	223
	138	424	**132**	223

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Provisions - Employee benefits $'000	Total $'000
Consolidated - 2007		
Non-current		
Carrying amount at start of year	424	424
- additional provisions recognised	150	150
- decrease/reclassification to current provision	(436)	(436)
Carrying amount at end of year	138	138

	Provisions - Employee benefits $'000	Total $'000
Company - 2007		
Non-current		
Carrying amount at start of year	223	223
- additional provisions recognised	277	277
- decrease/reclassification to current provision	(368)	(368)
Carrying amount at end of year	132	132

For the year ended 30 June 2007

28 Employee benefits

(a) Superannuation plans

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. Where there is a legal requirement the Company contributes the appropriate statutory percentage of employees salaries and wages.

29 Contributed equity

	Company entity		Company entity	
	2007 Shares	**2006 Shares**	**2007 $'000**	**2006 $'000**
(a) Share capital				
Ordinary shares				
Fully paid	**97,321,881**	97,321,881	**67,256**	67,256
	97,321,881	97,321,881	**67,256**	67,256
Total contributed equity - parent entity			**67,256**	67,256

(b) Movements in ordinary share capital:

Issues of ordinary shares during the year

Date	Details	Number of shares	Issue price $	$'000
1 July 2005	Opening balance	97,221,881		67,156
2 November 2005	Exercise of options pursuant to the executive director share option plan	100,000	$1.00	100
30 June 2006	Balance	97,321,881		67,256
1 July 2006	Opening balance	97,321,881		67,256
30 June 2007	Balance	97,321,881		67,256

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held (refer to note 32).

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Employee share scheme

Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 41.

(e) Options

Information relating to the Collection House Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 41.

For the year ended 30 June 2007

30 Reserves and retained profits

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
(a) Reserves				
Share-based payments reserve	**128**	39	**128**	39
Foreign currency translation reserve	**(255)**	(562)	**-**	-
	(127)	(523)	**128**	39

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Movements:				
Share-based payments reserve				
Balance at beginning of period	**39**	-	**39**	-
Option expense	**89**	39	**89**	39
Balance 30 June	**128**	39	**128**	39
Movements:				
Foreign currency translation reserve				
Balance at beginning of period	**(562)**	(144)	**-**	-
Currency translation differences arising during the year :				
Group	**307**	(418)	**-**	-
Balance 30 June	**(255)**	(562)	**-**	-

(b) Retained profits

Movements in retained profits were as follows:

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Balance 1 July	**9,410**	27,703	**4,131**	6,147
Profit for the year	**3,810**	6,077	**981**	1,878
Dividends	**(1,946)**	(3,894)	**(1,946)**	(3,894)
Adjustment on adoption of accounting standard (net of tax) (note 12)	**-**	(20,476)	**-**	-
Balance 30 June	**11,274**	9,410	**3,166**	4,131

(c) Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued to employees but not exercised.

(ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

For the year ended 30 June 2007

31 Minority interest

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Interest in:				
Minority interest - Share capital	**227**	289	**-**	-
Minority interest - Retained profits	**(1,552)**	(1,341)	**-**	-
	(1,325)	(1,052)	**-**	-

32 Dividends

	Company	
	30 June 2007 $'000	30 June 2006 $'000
(a) Ordinary shares		
Unfranked final dividend for the year ended 30 June 2006 - 2.0 cents per share (2005 - 4.0 cents)	**1,946**	3,894
Unfranked interim dividend for the year ended 30 June 2007 - 0.0 cents per share (2006: 0.0 cents)	**-**	-
	1,946	3,894
Paid in cash	**1,946**	3,894
	1,946	3,894
(b) Dividends not recognised at year end		
In addition to the above dividends, since year end the directors have recommended the payment of a final unfranked dividend of 2.0 cents per fully paid ordinary share (2006 - 2.0 cents). The aggregate amount of the proposed dividend expected to be paid on 26 November 2007 out of retained profits at 30 June 2007, but not recognised as a liability at year end, is	**1,946**	1,946

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2007 and will be recognised in subsequent financial reports.

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2006 - 30%)	**-**	-	**-**	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax,

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date,

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and

(d) franking credits that may be prevented from being distributed in subsequent financial years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

For the year ended 30 June 2007

33 Key management personnel disclosures

(a) Directors

The following persons were directors of Collection House Limited during the financial year:

(i) Chairman - non-executive

D. G. Punches

(ii) Executive directors

A.R. Aveling – Managing Director & Chief Executive Officer (appointed 27 November 2006)

J. M. Pearce - Deputy Chairman and Managing Director (resigned as Managing Director 26 October 2006)

C. K. Day - Chief Executive Officer (resigned 27 November 2006 as a Director and Chief Executive Officer of the Company though continuing as a Director of the subsidiaries to 31 March 2007)

R. G. King (resigned 5 December 2006)

(iii) Non-executive directors

J.M. Pearce - Deputy Chairman (from 26 October 2006 having resigned as Managing Director)

B. E. Adams (Lead independent director)

A.F. Coutts

D. B. Connelly

W. L. Hiller

W. W. Kagel

S. Walker (resigned 26 October 2006)

(b) Other key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Adrian Ralston	Chief Financial Officer	Collection House Limited
Matthew Thomas	Chief Process Officer	Collection House Limited
Michael Watkins	General Counsel and Company Secretary	Collection House Limited
Brian Savage	General Manager Business Development (Consultant)	Collection House Limited
Kylie Lynam	General Manager Human Resources	Collection House Limited
Colin Day	Chief Executive Officer (to 27 November 2006)	Collection House Limited

All of the above persons were also key management persons during the year ended 30 June 2006, except for Michael Watkins who was appointed Company Secretary on 21 December 2006.

(c) Key management personnel compensation

The Company has taken advantage of the relief provided by *Corporations Regulation* 2M.6.04 and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in sections A - C of the remuneration report on pages 29 to 34.

33 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration

Details of options over ordinary shares in the Company provided as remuneration to each director of Collection House Limited and each of the five specified executives of the Group are set out below. When exercisable, each option is convertible into one ordinary share of Collection House Limited. Further information on the options is set out in note 41.

(ii) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section D of the remuneration report on pages 34 to 35.

(iii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Collection House Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2007 Name	Balance at start of the year	Granted as compen-sation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Collection House Limited							
A.R. Aveling	-	2,000,000	-	-	2,000,000	-	2,000,000
C. K. Day	300,000	-	-	(300,000)	-	-	-
Other key management personnel of the Group							
A. Ralston	-	200,000	-	-	200,000	-	200,000
M. Thomas	-	250,000	-	-	250,000	-	250,000
M. Watkins	-	200,000	-	-	200,000	-	200,000
B. Savage	-	-	-	-		-	-
K. Lynam	-	125,000	-	-	125,000	-	125,000

2006 Name	Balance at start of the year	Granted as compen-sation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Collection House Limited							
A. Coutts	100,000	-	(100,000)	-	-	-	-
C. K. Day	-	300,000	-	-	300,000	-	300,000
Other key management personnel of the Group							
B. Doherty	-	-	-	-	-	-	-
A. Ralston	-	-	-	-	-	-	-
C. Stewart	-	-	-	-	-	-	-
M. Thomas	-	-	-	-	-	-	-

(iv) Share holdings

The numbers of shares in the Company held during the financial year by each director of Collection House Limited and other key management personnel of the Group, including their personally related parties, are set out overleaf. There were no shares issued under the terms of the Employee Share Plan during the reporting period as compensation.

For the year ended 30 June 2007

33 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

2007 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Collection House Limited				
Ordinary shares				
Dennis Punches	14,054,835	-	44,000	14,098,835
John Pearce	14,189,900	-	(2,500,000)	11,689,900
Tony Aveling	-	-	100,000	100,000
Barrie Adams	-	-	-	-
Tony Coutts	4,134,000	-	30,600	4,164,600
Barry Connelly	20,000	-	-	20,000
Bill Hiller	5,200	-	14,800	20,000
Bill Kagel	500,000	-	-	500,000
Stephen Walker (resigned 26 October 2006)	6,750,000	-	(6,750,000)	-
Colin Day (resigned 27 November 2006)	325,000	-	70,000	395,000
Rhonda King (resigned 5 December 2006)	35,000	-	-	35,000
Other key management personnel of the Group				
Ordinary shares				
A. Ralston	-	-	-	-
M. Thomas	2,000	-	-	2,000
M. Watkins	10,000	-	15,000	25,000
B. Savage	24,797	-	37,203	62,000
K. Lynam	11,000	-	-	11,000

2006 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Collection House Limited				
Ordinary shares				
Dennis Punches	14,054,835	-	-	14,054,835
Barrie Adams	-	-	-	-
Barry Connelly	20,000	-	-	20,000
Tony Coutts	4,034,000	100,000	-	4,134,000
Bill Hiller	5,200	-	-	5,200
Bill Kagel	500,000	-	-	500,000
Stephen Walker	6,750,000	-	-	6,750,000
Rhonda King	35,000	-	-	35,000
Colin Day	325,000	-	-	325,000
John Pearce	14,189,900	-	-	14,189,900
Other key management personnel of the Group				
Ordinary shares				
K. Lynam	11,000	-	-	11,000
A. Ralston	-	-	-	-
B. Savage	-	-	24,797	24,797
M. Thomas	2,000	-	-	2,000
B. Doherty (departed November 2005)	-	-	1,000	1,000

33 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

Details of loans made to directors of Collection House Limited and other key management personnel of the Group, including their personally related parties, are set out below.

(i) Aggregates for key management personnel

Group	Balance at the start of the year $	Interest paid and payable for the year $	Interest not charged $	Balance at the end of the year $	Number in Group at the end of the year
2007	**-**	**-**	**-**	**-**	**-**
2006	-	-	-	-	-

(ii) Individuals with loans above $100,000 during the financial year

No individual's aggregate loan balance exceeded $100,000 at any time during the financial year.

(e) Other transactions with key management personnel

No payments were made to directors or other key management personnel other than as appropriate payments for performance of their duties as directors.

34 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Company	
	30 June 2007 $	30 June 2006 $	30 June 2007 $	30 June 2006 $
Audit services				
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**177,000**	190,000	**177,000**	190,000
Total remuneration for audit services	**177,000**	190,000	**177,000**	190,000
Audit related services				
Audit of regulatory returns	**83,000**	70,000	**83,000**	70,000
Total remuneration for audit related services	**83,000**	70,000	**83,000**	70,000
	260,000	260,000	**260,000**	260,000

35 Contingencies

(a) Contingent liabilities

The Parent Entity and Group had contingent liabilities at 30 June 2007 in respect of:

Claims

The contingent liability of $250,000 in relation to an injury claim resulting from a Downie & Associates administration has now been brought to account as a provision on the basis of probability of a future claim.

Guarantees

(a) Bank guarantees (secured) exist in respect of satisfactory contract performance in the normal course of business for a subsidiary amounting to $845,000 (2006: $889,000);

(b) On 29 October 2002 the Company and certain of its subsidiaries entered into an Interlocking Debt and Interest Guarantee which is supported by a Fixed and Floating charge over all of the assets and uncalled capital of those entities.

These guarantees may give rise to liabilities in the Company if the associates do not meet their obligations under the terms of the contracts subject to the guarantees.

No material losses are anticipated in respect of any of the above contingent liabilities.

For the year ended 30 June 2007

36 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Company	
	2007 $'000	**2006 $'000**	**2007 $'000**	**2006 $'000**
Property, plant and equipment				
Payable:				
Within one year	**-**	33	**-**	-
Later than one year but not later than five years	**-**	-	**-**	-
Later than five years	**-**	-	**-**	-
	-	33	**-**	-
Purchased Debt				
Payable:				
Within one year	**54,000**	-	**-**	-
Later than one year but not later than five years	**-**	-	**-**	-
Later than five years	**-**	-	**-**	-
	54,000	-	**-**	-
Operating Leases				
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:				
Within one year	**3,295**	2,654	**2,292**	2,040
Later than one year but not later than five years	**3,309**	7,695	**2,594**	4,006
Later than five years	**-**	-	**-**	-
	6,604	10,349	**4,886**	6,046
Commitments not recognised in the financial statements	**6,604**	10,349	**4,886**	6,046

37 Related party transactions

(a) Parent entity

The parent entity within the Group is Collection House Limited. The ultimate parent entity is Collection House Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 39.

(c) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2007 and 2006 is set out in the Remuneration report on page 31 to 33.

(d) Other transactions with key management personnel or entities related to them

No other transactions were made to key management personnel or entities related to them other than as appropriate payments for performance of their duties.

(e) Key management personnel

Disclosures relating to key management personnel are set out in note 33.

(f) Transactions with related parties

The classes of non director related parties are:

> wholly owned controlled entities;

> partly owned controlled entities; and

> directors of related parties and their director related entities.

37 Related party transactions (continued)

(f) Transactions with related parties (continued)

Transactions

Transaction between non director related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company provided collection services to and received collection services from Collection House (NZ) Limited, Lion Finance Pty Ltd and Lion Finance Limited.

The Company provided administrative services to all operating subsidiaries.

A wholly owned controlled entity Jones King Lawyers Pty Ltd (formerly Collection House Legal Services Pty Ltd), provided legal services to the Company and other wholly owned controlled entities.

A wholly owned entity, Australian Business Research Pty Ltd provided credit reporting services to the Company.

Loans were advanced by Collection House Limited to and were received from wholly owned controlled entities.

Loans were advanced by Collection House Limited to partly controlled entities.

	Company	
	30 June 2007 $	**30 June 2006 $**
Other transactions		
Revenue from sale of services to:		
Wholly owned controlled entities	**17,033,425**	17,825,535
Provision of legal services to:		
Controlling Entity	**-**	-
Wholly owned controlled entities	**3,991,857**	2,248,681
Provision of credit reporting services to:		
Wholly owned controlled entities	**343,529**	284,191
Loan advances to:		
Wholly owned controlled entities	**7,007,745**	16,892,000
Partly owned controlled entities	**-**	1,252,901
Loan advances from:		
Wholly owned controlled entities	**7,279,334**	28,969,000
Partly owned controlled entities	**6,240,079**	839,698
Dividends receivable from:		
Wholly owned controlled entities	**9,145,000**	11,000,000
Current receivables from non director related entities		
Wholly owned controlled entities (loans)	**5,599,577**	-
Non-current receivables from non director related entities		
Wholly owned controlled entities (loans)	**90,583,159**	77,941,457
Provision for impairment (loans)	**(1,018,434)**	-
Wholly owned controlled entities (dividends)	**9,145,000**	11,000,000
Partly owned controlled entities	**391,884**	550,000
Current payables from non director related entities		
Wholly owned controlled entities	**834,326**	4,517,000
Non-current payables from non director related entities		
Wholly owned controlled entities (loans)	**14,150,069**	-
Partly owned controlled entities (loans)	**1,689,806**	-

Percentage of equity interest

Details of equity interest held in classes of related parties are set out in Note 39.

38 Business combination

Current period

(a) On 10 May 2007, the Parent Entity acquired the remaining 29% of the issued share capital of Insurance Claims Solutions Pty Ltd.

Insurance Claims Solutions Pty Ltd contributed gross profit of $3.7 million which included sales revenue of $1.06 million and a net profit of $1.05 million to the Group for the period from 1 July 2006 to 10 May 2007.

Details of net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	218
Direct costs relating to the acquisition	-
Total purchase consideration	218
Fair value of net identifiable assets acquired (refer to (b) below)	242
Discount on acquisition (refer to (b) below and note 18)	(24)

(b) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Current assets	866	866
Current liabilities	(341)	(341)
Non-current assets	312	312
Non-current liabilities	(1)	(1)
Net assets	836	836
Less interest already owned		(594)
Net identifiable assets acquired		242

Prior period

(a) On 1 July 2005 the parent entity acquired a further 5.9% of the issued share capital of Collection House Business Diagnostics Pty Ltd.

Collection House Business Diagnostics Pty Ltd and its subsidiaries contributed revenues of $0.516 million and net loss of $3.181million to the Company for the period from 1 July 2005 to 30 June 2006.

	$'000
Purchase consideration	
Cash paid	100
Amount payable	-
Direct costs relating to the acquisition	1
Total purchase consideration	101
Fair value of net identifiable assets acquired (refer to (b) below)	(246)
Goodwill (refer to (b) below and note 18)	347

(b) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Current assets	430	430
Current liabilities	(485)	(485)
Non-current assets	1,770	1,770
Non-current liabilities	(5,904)	(5,904)
Deferred tax liability	-	-
Net assets	(4,189)	(4,189)
Minority interests		3,943
Net identifiable assets acquired		(246)

For the year ended 30 June 2007

39 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2007	Equity holding 2006
Collection House Limited	Australia	Ordinary	**-**	-
Controlled entities - incorporated in Australia				
Australian Business Research Pty Ltd	Australia	Ordinary	**100**	100
Australian Corporate Reporting Pty Ltd	Australia	Ordinary	**100**	100
Australian Creditors Association Pty Ltd (1)	Australia	Ordinary	**100**	100
ABR Publications Pty Ltd	Australia	Ordinary	**100**	100
Australian Legal Recoveries Pty Ltd (1)	Australia	Ordinary	**100**	100
Australian Stockdata Pty Ltd (1)	Australia	Ordinary	**100**	100
CHIP No.1 Pty Ltd	Australia	Ordinary	**71**	71
Collection House ALR Pty Ltd (1)	Australia	Ordinary	**100**	100
Collection House Business Diagnostics Pty Ltd (1)	Australia	Ordinary	**84**	84
Collection House Technologies Pty Ltd	Australia	Ordinary	**100**	100
Colpro Pty Ltd	Australia	Ordinary	**100**	100
Countrywide Mercantile Services Pty Ltd	Australia	Ordinary	**100**	100
Collective Learning and Development Pty Ltd (formerly Creditnet Pty Ltd) (1)	Australia	Ordinary	**100**	100
Downie Insolvency Unit Trust	Australia	Ordinary	**100**	100
Insurance Claims Solutions Pty Ltd	Australia	Ordinary	**100**	71
Jones King Lawyers Pty Ltd	Australia	Ordinary	**100**	100
Lion Finance Pty Ltd	Australia	Ordinary	**100**	100
Midstate Credit Management Services Pty Ltd	Australia	Ordinary	**100**	100
National Revenue Corporation Pty Ltd	Australia	Ordinary	**100**	100
National Tenancy Database Pty Ltd	Australia	Ordinary	**100**	100
R W Receivables Pty Ltd	Australia	Ordinary	**100**	100
ACN 096 967 485 Pty Ltd (formerly known as Rapid Ratings Pty Ltd)	Australia	Ordinary	**84**	84
Rent Check Australia Pty Ltd (1)	Australia	Ordinary	**100**	100
The Creditfax (Aust) Pty Ltd (1)	Australia	Ordinary	**100**	100
Controlled entities - incorporated in New Zealand				
abr.nz Limited	New Zealand	Ordinary	**100**	100
Collection House (NZ) Limited	New Zealand	Ordinary	**100**	100
Insurance Claims Solutions Limited (formerly New Zealand Creditors Association Limited) (1)	New Zealand	Ordinary	**100**	100
Lion Finance Limited	New Zealand	Ordinary	**100**	100
National Tenancy Database Limited (formerly National Revenue Corporation Limited) (1)	New Zealand	Ordinary	**100**	100
Rapid Ratings (NZ) Limited	New Zealand	Ordinary	**84**	84

(1) These controlled entities have not traded during the financial year

For the year ended 30 June 2007

40 Earnings per share

	Consolidated	
	30 June 2007 Cents	**30 June 2006 Cents**
(a) Basic and diliuted earnings per share		
Profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company	**6.84**	8.33
Profit / (loss) from discontinued operation	**(2.92)**	(2.08)
Profit / (loss) attributable to the ordinary equity holders of the Company	**3.92**	6.25
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit from continuing operations	**6,623**	7,850
(Profit) / Loss from continuing operations attributable to minority interests	**34**	252
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**6,657**	8,102
Profit / (loss) from discontinued operation	**(2,847)**	(2,025)
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**3,810**	6,077

(c) Weighted average number of shares used as the denominator

	Consolidated	
	30 June 2007 Number	**30 June 2006 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**97,321,881**	97,297,626
Adjustments for calculation of diluted earnings per share:		
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**97,321,881**	97,297,626

41 Share-based payments

(a) Share Options for MD & CEO

In February 2007, the Shareholders approved the issue of 2,000,000 share options in favour of the Managing Director & Chief Executive Officer as part of his employment agreement.

The full terms of the options are contained in the Notice of General Meeting announced to shareholders on 12 January 2007.

A summary of the MD & CEO options is as follows:

(i) the options are exercisable at $1.0327 per option;

(ii) the 2,000,000 options will not vest prior to 28 February 2009;

(iii) in addition, 1,600,000 options may only be exercised in the event of the Company's share price reaching certain qualifying prices of between $1.25 to $2.00 during the life of the options, as follows:

Tranche	# of Options	Hurdle Price
1	400,000	$0.00
2	400,000	$1.25
3	400,000	$1.50
4	400,000	$1.75
5	400,000	$2.00

For the year ended 30 June 2007

41 Share-based payments (continued)

(a) Share Options for MD & CEO (continued)

(iv) the options will, except to the extent earlier exercised, expire on the earlier of:

- the business day after the expiration of three (3) months, or any longer period determined by the Company after the MD & CEO ceases to be employed by the Company or a subsidiary of the Company;
- the MD & CEO ceasing to be employed by the Company or a subsidiary of the Company due to fraud or dishonesty; or
- 28 February 2011.

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2007 is set out below. The fair value at grant date is independently determined using a Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs and resulting valuations for options granted during the year ended 30 June 2007 included:

(i) options granted are exercisable only in the event of the Company's share price reaching certain qualifying prices of between $1.25 and $2.00 during the life of the options

(ii) exercise price: $1.0327

(iii) expiry date of Options

- the business day after the expiration of three (3) months, or any longer period determined by the Company after the eligible employee ceases to be employed by the Company or a subsidiary of the Company;
- the eligible employee ceasing to be employed by the Company or a subsidiary of the Company due to fraud or dishonesty; or
- 28 February 2011.

(iv) share price at grant date: $0.91

(v) expected price volatility of the Company's shares: 43.8%

(vi) expected dividend yield: 3.29%

(vii) risk free interest rate: 5.99%

The expected price volatility is usually based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The resulting valuation per option is as follows:

Tranche	$ per Option
1	$0.26881
2	$0.23054
3	$0.19578
4	$0.16085
5	$0.12945

(b) Executive Option Plan

Participation in the executive share option plan is determined by the Managing Director & Chief Executive Officer, through Board approval. The Managing Director & Chief Executive Officer prepares a list of executives and their proposed level of participation in the plan. The executive share option plan has been approved by the Board and 1,250,000 options of the 2,000,000 options approved were issued to eligible senior employees on 15 June 2007. The options will be submitted for shareholder approval at the Company's annual general meeting in October 2007. Future options will be issued with not only individual performance being considered but also company performance hurdles to be achieved before options may be exercised.

41 Share-based payments (continued)

(b) Executive Option Plan (continued)

A summary of the options is as follows:

(i) the options are exercisable at $1.0327 per option

(ii) the options will not vest prior to 28 February 2009

(iii) the performance hurdle is an increase in the Company's share price of between $1.25 and $2.00 during the life of the options as follows:

Tranche	Hurdle Price
1	$1.25
2	$1.50
3	$1.75
4	$2.00

(iv) the options will expire on:

- the business day after the expiration of three (3) months, or any longer period determined by the Company after the eligible employees ceases to be employed by the Company or a subsidiary of the Company;
- the eligible employee ceasing to be employed by the Company or a subsidiary of the Company due to fraud or dishonesty; or
- 28 February 2011.

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2007 is set out below. The fair value at grant date is independently determined using a Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

The model inputs and resulting valuations for options granted during the year ended 30 June 2007 included:

(i) options granted are exercisable only in the event of the Company's share price reaching certain qualifying prices of between $1.25 and $2.00 during the life of the options

(ii) exercise price: $1.0327

(iii) grant date: 15 June 2007

(iv) expiry date:

- the business day after the expiration of three (3) months, or any longer period determined by the Company after the eligible employee ceases to be employed by the Company or a subsidiary of the Company; or
- the eligible employee ceasing to be employed by the Company or a subsidiary of the Company due to fraud or dishonesty; or
- 28 February 2011.

(v) share price at grant date: $0.89

(vi) expected price volatility of the Company's shares: 48.5%

(vii) expected dividend yield: 2.92%

(viii) risk free interest rate: 6.14%

The expected price volatility is usually based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The resulting valuation per option is as follows:

Tranche	$ Per option
1	$0.26447
2	$0.20739
3	$0.17240
4	$0.14097

For the year ended 30 June 2007

41 Share-based payments (continued)

(b) Executive Option Plan (continued)

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2007 - Consolidated and Company								
12 March 2007	As stated in note 40(a) above	$1.0327	-	2,000,000	-	-	2,000,000	-
15 June 2007	As stated in note 40(b) above	$1.0327	-	1,250,000	-	-	1,250,000	-
1 July 2005	30 June 2007	$-	100,000	-	-	(100,000)	-	-
1 July 2005	30 June 2008	$-	100,000	-	-	(100,000)	-	-
1 July 2005	30 June 2009	$-	100,000	-	-	(100,000)	-	-
Total			300,000	3,250,000	-	(300,000)	3,250,000	-
Weighted average exercise price			$1.42	$1.03	$-	$1.42	$1.03	$-

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2006 - Consolidated and Company								
4 July 2000	3 Nov 2005	$1.00	100,000	-	(100,000)	-	-	-
1 July 2005	30 June 2007	$1.42	-	100,000	-	-	100,000	-
1 July 2005	30 June 2008	$1.42	-	100,000	-	-	100,000	-
1 July 2005	30 June 2009	$1.42	-	100,000	-	-	100,000	-
Total			100,000	300,000	(100,000)	-	300,000	-
Weighted average exercise price			$1.00	$1.42	$1.00	$-	$1.42	$-

(c) Employee share scheme

An employee of the Company or its subsidiaries with at least three months' service is eligible to participate in the employee share plan in accordance with terms and conditions disclosed in the Company's Prospectus issued in 2000.

The plan provides for eligible employees to acquire ordinary shares in the Company at a price determined by the directors.

Historically, the market price was determined by reference to the average volume weighted share price of the Company's shares for the five business days prior to and including 30 June.

On application, employees must pay application monies of at least 10% of the value of the share offer. The Company may, at its discretion, lend the employee such monies as is required to complete the share purchase. Interest is charged monthly on outstanding loan balances at a rate determined by the directors, which is currently 6% per annum. Repayment of the loan balance is required within two years or the employee's right to the shares will be forfeited with the current net market price less the outstanding loan balance refunded to the employee.

The shares vest immediately upon acquisition but are not able to be traded until the later of ninety days from the acquisition date or the date on which the outstanding loan balance has been fully repaid.

No shares issued under this plan in the year ended 30 June 2007 (2006: nil shares issued).

The amount recognised in the financial statements of the Consolidated Entity and the Company in relation to employee shares issued in prior years were:

	Consolidated		Company	
	30 June 2007 $'000	30 June 2006 $'000	30 June 2007 $'000	30 June 2006 $'000
Employee loans	**10**	23	**-**	23
	10	23	**-**	23

For the year ended 30 June 2007

42 Events occurring after the balance sheet date

An unfranked final dividend has been declared of 2.0 cents for a total of $1.9 million, payable on 26th November 2007. No provision has been raised in these accounts.

Other than the matters discussed above, no matter or circumstance has arisen since 30 June 2007 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

43 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated		Company	
	30 June 2007 $'000	**30 June 2006 $'000**	**30 June 2007 $'000**	**30 June 2006 $'000**
Profit for the year	**3,776**	5,825	**981**	1,878
Depreciation and amortisation	**4,259**	4,843	**1,892**	2,546
Impairment of other assets	**-**	1,639	**4,843**	5,229
Fair value losses on other financial assets	**21,799**	21,661	**-**	-
Write off of assets	**1,170**	(52)	**29**	-
Impairment of goodwill	**-**	348	**-**	208
Management service fee	**-**	-	**(1,431)**	-
Dividend and interest income	**-**	-	**(9,145)**	-
Net (gain) loss on sale of non-current assets	**(733)**	36	**-**	24
Share-based Payments	**88**	39	**88**	39
Net exchange differences	**(4)**	17	**-**	2
Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale of discontinued operation				
(Increase) in trade debtors and bills of exchange	**552**	3,390	**(10)**	2,636
(Increase) decrease in sundry debtors	**1,566**	(1,197)	**8,273**	(677)
(Increase) decrease in current tax receivables	**2,120**	(1,673)	**1,466**	-
(Increase) decrease in deferred tax assets	**1,215**	3,791	**(1,232)**	2,296
(Increase) decrease in other assets	**(409)**	1,183	**(12)**	334
(Decrease) increase in trade creditors	**(1,234)**	(261)	**(533)**	(317)
(Decrease) increase in other liabilities	**-**	(65)	**-**	-
Increase/(Decrease) in sundry creditors and accruals	**(729)**	908	**481**	(90)
Increase (decrease) in provision for income taxes payable	**(1,686)**	377	**(1,452)**	-
Increase (decrease) in deferred tax liabilities	**(1,152)**	(1,137)	**(3,525)**	(135)
Increase (decrease) in other financial assets	**-**	-	**-**	(11,173)
Increase (decrease) in other provisions	**(691)**	327	**(184)**	-
Net cash (outflow) inflow from operating activities	**29,907**	39,999	**529**	2,800

to the members of Collection House Limited

In the directors' opinion:

(a) the financial statements and notes set out on pages 42 to 92 are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

 (ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2007 and of their performance for the financial year ended on that date; 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; and

(c) the audited remuneration disclosures set out on pages 29 to 35 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*; and

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Tony Aveling
Managing Director & Chief Executive Officer

Brisbane
29 August 2007

to the members of Collection House Limited

Hacketts

Independent Auditors Report to the members of Collection House Limited

Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of Collection House Limited (the company) for the financial year ended 30 June 2007 included on Collection House Limited's web site. The Board is responsible for the integrity of the Collection House Limited's web site. We have not been engaged to report on the integrity of the Collection House Limited web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Collection House Limited, to confirm the information included in the audited financial report presented on this web site.

Report on the Financial Report and AASB 124 Compensation Disclosures in the Directors' Report

We have audited the accompanying financial report of the company, which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 23 to 84.

We have also audited the compensation disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the compensation of key management personnel ("compensation disclosures") as required by paragraphs Aus 25.4 to Aus 25.6 of Accounting Standard AASB 124 *Related Party Disclosures* ("AASB 124"), under the heading "remuneration report" on pages 11 to 17 of the directors' report, and not in the financial report. These compensation disclosures are identified in the directors' report as being subject to audit. The remuneration report also contains information not subject to audit.

Directors' Responsibility for the Financial Report and the AASB 124 Compensation Disclosures contained in the Directors' 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. The directors are also responsible for the compensation disclosures contained in the directors' report. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the consolidated financial statements and notes complies with International Financial Reporting Standards.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report and compensation disclosures contained in the directors' 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

to the members of Collection House Limited

Hacketts

assurance whether the financial report is free from material misstatement and the compensation disclosures comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the compensation disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report and the compensation disclosures contained in the directors' 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 and the compensation disclosures in the directors' 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 and the compensation disclosures contained in the directors' report.

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

Auditor's Independence Declaration

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

Auditor's Opinion on the Financial Report

In our opinion:

(a) the financial report of Collection House Limited is in accordance with the Corporations Act 2001, including:
  (i) giving a true and fair view of the company's and consolidated entity's financial position at 30 June 2007 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; and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Auditor's Opinion on the AASB 124 Compensation Disclosures Contained in the Directors' Report

In our opinion, the compensation disclosures that are contained on pages 11 to 17 under the heading "remuneration report" of the directors' report and identified as being subject to audit, comply with paragraphs Aus 25.4 to Aus 25.6 of Accounting Standard AASB 124 *Related Party Disclosures*.

Hacketts

HACKETTS

SG Lindemann

Shaun Lindemann
Partner
Chartered Accountants
Brisbane, 29 August 2007

The shareholder information set out below was applicable as at 10 August 2007.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security	
	Ordinary shares	
Class	**Holders**	**Shares**
1 - 1000	643	429,084
1,001 - 5,000	1,383	3,847,022
5,001 - 10,000	414	3,269,445
10,001 - 100,000	413	12,278,889
100,001 and over	44	77,497,441
	2,897	97,321,881

There were 305 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary shares	
Name	**Number held**	**Percentage of issued shares**
Mr Dennis George Punches	14,098,835	14.49
HSBC Custody Nominees (Australia) Limited	13,286,199	13.65
Trans Tasman Collections Investments Pty Limited	9,997,798	10.27
George Laurens (QLD) Pty Ltd	9,300,000	9.56
R P Prospects Pty Ltd	5,795,136	5.95
City Plaza Inc	4,772,427	4.90
Citicorp Nominees Pty Limited	4,665,504	4.79
Mr Anthony Coutts & Mrs Jennifer Coutts	2,825,000	2.90
Odalreach Pty Ltd	2,584,793	2.66
Mr John Marshall Pearce & Mrs Sandra Anne Pearce	2,365,900	2.43
Mr Anthony Francis Coutts & Mrs Jennifer Elise Coutts ATF Coutts Super Fund	1,309,000	1.35
Mr William Kagel	500,000	0.51
Custodial Services Limited	431,000	0.44
Mr Raymond Larkin	400,000	0.41
J P Morgan Nominees Australia Limited	273,675	0.28
Mr Krisno David Mumby	250,000	0.26
The Pilates Centre Pty Ltd ATF Colin Day Super Fund	250,000	0.26
Sccasp Holdings Pty Ltd ATF Super Cheap Auto Super Fund	250,000	0.26
ANZ Nominees Limited	244,178	0.25
Mr Frederick Benjamin Warmbrand	239,503	0.25
	73,838,948	75.87

The shareholder information set out below was applicable as at 10 August 2007.

B. Equity security holders (continued)

Unquoted equity securities

	Number on issue	Number of holders
Options issued to Managing Director & Chief Executive Officer under his employment contract *	2,000,000	1
Options issued under the Collection House Executive Option Plan *	1,250,000	18

* Details of these options are set out at note 41 of the financial statements

Restricted securities

All issued shares in Collection House Limited are quoted on the ASX and there are no shares subject to escrow or other regulated restrictions other than as follows:

Voluntary restrictions on securities

Employees who particpate in the Collection House Employee Share Plan are required to enter into voluntary escrow arrangements with the Company, undertaking not to dispose of any of these shares for 12 months from the date of issue of the relevant shares.

There are no such restricted shares at the date of this Report.

Under the Collection House Employee Share Plan and Collection House Executive Option Plan, employees may be entitled to acquire shares under an employee loan facility. Employee shares that are subject to an employee loan at the time that the voluntary escrow period expires remain restricted until the relevant employee loan is discharged. As at 10 August 2007 there are 10,000 shares (0.01% of issued capital) that are restricted on this basis. The date that these shares cease to be restricted will depend upon the date that the employee loans are repaid in full. Shares restricted under voluntary arrangements rank pari passu with all fully paid ordinary shares in all other respects.

C. Substantial holders

Substantial holders in the Company are set out below:

	Number held	Percentage
Ordinary shares		
Mr Dennis George Punches	14,098,835	14.49%
Mr John Pearce / George Laurens (Qld) Pty Ltd (combined)	11,689,900	12.01%
Trans Tasman Collections Investments Pty Limited	9,997,798	10.27%
HSBC Custody Nominees (Australia) Limited (on behalf of RBC Dexia Investor Services Trust)	7,975,051	8.19%
R P Prospects Pty Ltd	5,795,136	5.95%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

Corporate Office

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ABN 74 010 230 716

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GPO Box 2584, Brisbane Qld 4001

Telephone: +61 7 3292 1000
Facsimile: +61 7 3831 6655

Email: shares@collectionhouse.com.au
Website: www.collectionhouse.com.au

Company Secretary
Michael Watkins

Locations

Australia

Newcastle	Brisbane
Adelaide	Ballarat
Shepparton	Sydney
Perth	Bendigo
Albury	Melbourne

New Zealand
Auckland

Share Registry

Computershare Investor Services Pty Ltd

Level 19, 307 Queen Street, Brisbane Qld 4000

Telephone: 1300 552 270
Facsimile: +61 7 3237 2152

Website: www.computershare.com

Auditors

Hacketts Chartered Accountants

Level 3, 549 Queen Street, Brisbane Qld 4000

Stock Exchange Listings

Collection House Limited shares are listed on the Australian Stock Exchange. The home exchange is Brisbane.
ASX Code: CLH