

THE MELBOURNE PRESS CLUB INCORPORATED
Registered No. HA0033857 J
A.B.N. 27 713 079 515

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2003

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THE MELBOURNE PRESS CLUB INCORPORATED
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Your committee members submit the financial statements of The Melbourne Press Club for the financial year ended 31 December 2003.

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

Ian Henderson (ABC TV): President
Peter Bartlett (Minter Ellison): Vice President
Bob Kearsley (Nine Network): Vice President
David Poulton (Minter Ellison): Treasurer
Sue Henderson: Secretary

Bill Birnbauer (The Age)
Sylvia Bradshaw (Leader Community Newspapers)
Genevieve Brammall (Herald Sun)
Eileen Berry (The Age)
Rob Curtain (3AW)
Michele Fonseca (ABC TV)
Melissa Fyfe (The Age)
Richard Leder (Corrs Chambers Westgarth)
Justin Quill (Corrs Chambers Westgarth) (Appointed January 2004)
Adrian Anderson (Corrs Chambers Westgarth) (Resigned January 2004)
Keith Moor (Herald Sun)
John Rees (RACV)
Andrew Rule (Good Weekend)
Mike Smith (Inside PR)
Karalee Tilvern (Channel 7)
John Trevorrow (Herald Sun)

Principal Activities

The principal activities of the organisation during the financial year were:

- Annual Quill Awards for Excellence in Victorian journalism;
- Social functions for members;
- Journalism conferences;
- Regular club lunches with high-profile speakers; and
- Forums for debate on professional issues.

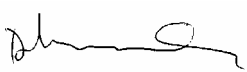
Significant Changes

No significant change in the nature of these activities occurred during the financial year.

Operating Results

The surplus from ordinary activities for the year amounted to \$13,132 (2002: Surplus of \$33,341). This figure reflects the fact that during the year, The Melbourne Press Club received strong support in sponsorship and membership from the public, with expenses well maintained.

Signed in accordance with a resolution of the members of the committee.

Member 

Mr David Poulton

Dated this 24 day of May 2004.

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
THE MELBOURNE PRESS CLUB INCORPORATED**

Scope

We have audited the financial report, being a special purpose financial report, of The Melbourne Press Club Inc. for the year ended 31 December 2003. The committee is responsible for the financial report and has determined that the accounting policies used and described in the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Act (Victoria) and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of The Melbourne Press Club Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Association Incorporated Act (Victoria). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents a true and fair view in accordance with the accounting policies described in the financial statements, the financial position of The Melbourne Press Club Inc. as at 31 December 2003 and the results of its operations for the year then ended.

BDO

BDO
Chartered Accountants



JEFFREY F KNOTT
Partner

Melbourne
Date: 24 May 2004

THE MELBOURNE PRESS CLUB INCORPORATED
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STATEMENT BY COMMITTEE OF MANAGEMENT

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the financial statements.

In the opinion of the committee the financial report:

1. Presents fairly the financial position of The Melbourne Press Club Inc. as at 31 December 2003 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Melbourne Press Club Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on the behalf of the committee by:

Treasurer: 
.....
Mr David Poulton

Dated this 24 day of May 2004

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	382,597	356,509
Employee benefits expense		(90,708)	(74,687)
Sponsorship, conference and function expenses		(189,578)	(186,171)
Administration and office expenses		(3,782)	(1,092)
Other expenses from ordinary activities		(85,397)	(61,218)
(Deficit)/Surplus from ordinary activities	4 (b)	13,132	33,341
Total changes in members' funds		<u>13,132</u>	<u>33,341</u>

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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash	4 (a)	88,966	97,802
Investment		<u>-</u>	<u>1,000</u>
TOTAL CURRENT ASSETS		<u>88,966</u>	<u>98,802</u>
TOTAL ASSETS		<u>88,966</u>	<u>98,802</u>
 CURRENT LIABILITIES			
Accrued liabilities	5	7,394	6,972
Provision for Annual Leave	5	6,610	-
Deferred income	6	<u>-</u>	<u>30,000</u>
TOTAL CURRENT LIABILITIES		<u>14,004</u>	<u>36,972</u>
TOTAL LIABILITIES		<u>14,004</u>	<u>36,972</u>
NET ASSETS		<u>74,962</u>	<u>61,830</u>
 MEMBERS' FUNDS			
Accumulated surplus	7	74,962	61,830
TOTAL MEMBERS' FUNDS		<u>74,962</u>	<u>61,830</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
Cash Flows from Operating Activities:			
Receipts from grants, membership fees and other income		352,597	372,509
Payment to suppliers and employees		361,433	(303,933)
Net Cash (Used in) Provided by Operating Activities	4 (b)	(8,836)	68,576
Cash at Beginning of Financial Year		97,802	29,226
CASH AT END OF FINANCIAL YEAR	4 (a)	88,966	97,802

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Victoria). The committee has determined that the association is not a reporting entity

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Victoria) and the following Australian Accounting Standards:

AASB 1018	Statement of Financial Performance
AAS 4	Depreciation
AAS 5	Materiality
AAS 8	Events Occurring After Reporting Date
AAS 10	Recoverable Amount of Non-Current Assets
AAS 14	Equity Method of Accounting
AAS 15	Revenue
AAS 17	Leases
AAS 28	Statement of Cash Flows
AAS 30	Accounting for Employee Entitlements
AAS 36	Statement of Financial Position
AAS 37	Financial Report Presentation and Disclosures
AAS 38	Revaluation of Non-Current Assets

Australian Accounting Standard AAS6: Accounting Policies, has not been applied but certain provisions of this standard have been adopted.

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Boards have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Income tax

The Association is exempt from income tax pursuant to Section 50-5 of Income Tax Assessment Act (1997).

(b) Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (cont'd)

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(d) Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable for later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are by the Association to employee superannuation funds and are charged as expenses when incurred.

(e) Revenue Recognition

Revenue from membership fees are recognised upon receipt.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(f) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at bank and on deposit, net of bank overdrafts.

(g) Investments

Non-current investments are measured on the cost basis.

The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (cont'd)

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included, where applicable.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

(i) Comparatives

Where required by accounting pronouncements, comparative figures have been represented or reclassified to conform with changes in presentation for the current financial year.

	2003	2002
	\$	\$
NOTE 2: REVENUE		
Operating Activities		
Subscriptions/Membership fees	18,035	16,774
Functions	49,486	53,163
Sponsorships and grants	257,500	223,818
Quill awards	38,228	36,679
Conference	17,050	21,189
Rebanking credit card errors	634	1,768
Bank interest	990	1,015
Donations	-	-
Other Income	674	2,103
	382,597	356,509
Total Revenue from operating activities	382,597	356,509

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	\$	\$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after charging as an expense:		
Remuneration of auditor for:		
- audit services	1,000	1,000
	1,000	1,000
NOTE 4: CASH		
(a) Reconciliation of Cash		
Cash on deposit		
Petty cash	250	250
Cash at bank	88,716	97,552
	88,966	97,802
(b) Reconciliation of net cash (used in) provided by operating activities to operating (deficit) surplus after income tax		
Operating (deficit) surplus	13,132	33,341
Changes in assets and liabilities		
Net increase (decrease) in liabilities	(22,968)	27,235
Net (increase) decrease in assets	1,000	8,000
	(8,836)	68,576
NOTE 5: PAYABLES		
CURRENT		
Other creditors and accrued liabilities		
Provision for Annual Leave	6,610	-
GST Payable	1,987	1,620
PAYG payable	4,407	4,352
Audit fee	1,000	1,000
	14,004	6,972
	2003	2003
	\$	\$
NOTE 6: DEFFERED INCOME		
CURRENT		
Income received in advance	-	30,000
	-	30,000

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	\$	\$
NOTE 7: ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the year	61,830	28,489
Surplus from ordinary activities	13,132	33,341
Accumulated surplus at the end of the year	74,962	61,830

NOTE 8: ECONOMIC DEPENDENCY

A significant portion of income is received by way of membership revenue and sponsorship.

NOTE 9: RELATED PARTY TRANSACTIONS

Committee Members:

The names of the members of the committee who have held office during the financial year are:

Ian Henderson (ABC TV): President
 Peter Bartlett (Minter Ellison): Vice President
 Bob Kearsley (Nine Network): Vice President
 David Poulton (Minter Ellison): Treasurer
 Sue Henderson: Secretary

Bill Birnbauer (The Age)
 Sylvia Bradshaw (Leader Community Newspapers)
 Genevieve Brammall (Herald Sun)
 Eileen Berry (The Age)
 Rob Curtain (3AW)
 Michele Fonseca (ABC TV)
 Melissa Fyfe (The Age)
 Richard Leder (Corrs Chambers Westgarth)
 Justin Quill (Corrs Chambers Westgarth) (Appointed January 2004)
 Adrian Anderson (Corrs Chambers Westgarth) (Resigned January 2004)
 Keith Moor (Herald Sun)
 John Rees (RACV)
 Andrew Rule (Good Weekend)
 Mike Smith (Inside PR)
 Karalee Tilvern (Channel 7)
 John Trevorrow (Herald Sun)

Committee Member's Remuneration:

No income is paid or payable to members of the committee by the association and any related entity.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 10: SEGMENT REPORTING

The organisation operates predominantly in one sector (media/journalism) and on geographic location (Australia)

NOTE 11: PRINCIPAL PLACE OF BUSINESS

The principal place of business of the association is:

Level 3, 525 Collins Street
Melbourne, Vic 3000

AUDITOR'S REPORT ON ADDITIONAL INFORMATION

THE MELBOURNE PRESS CLUB INCORPORATED

Registered No. HA0033857 J

A.B.N. 27 713 079 515

To the Members

The additional information presented in the following page has not been subject to audit. Accordingly, we do not express an opinion on the additional information.

BDO

BDO
Chartered Accountants



JEFFREY F KNOTT
Partner

Melbourne
Date: 24 May 2004

THE MELBOURNE PRESS CLUB INCORPORATED
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
INCOME			
Subscriptions/Membership		18,035	16,774
Functions		49,486	53,163
Sponsorships and Grants		257,500	223,818
Quill Awards		38,228	36,679
Conference		17,050	21,189
Rebanking Credit Card Errors		634	1,768
Bank Interest		990	1,015
Other Income		674	2,103
		<u>382,597</u>	<u>356,509</u>
EXPENDITURE			
Function Costs		56,990	82,461
Quill Award Costs		90,074	104,113
Conference Costs		42,514	38,087
Secretarial Fees and Expenses		90,708	74,687
Administrative Cost		3,782	1,092
Merchant Credit Card Fees		-	2,726
Audit Fee		1,000	1,000
Sundries		663	2,998
Stationery		11,538	-
Death Note		-	429
Insurance		6,915	1,665
Sponsor Expenses		9,724	-
Speakers & Representatives		4,824	-
Other Expenses		4,912	4,091
Travel		12,139	-
Investment Write-Off		1,000	-
ATO PAYG Tax		32,682	9,819
		<u>369,465</u>	<u>323,168</u>
NET OPERATING GAIN/LOSS		13,132	33,341
Accumulated surplus/deficit at the beginning of the financial year		<u>8,821</u>	<u>(24,520)</u>
Accumulated surplus/deficit at the end of the financial year		<u>21,953</u>	<u>8,821</u>