

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

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2007

**Special purpose financial report
for the financial year ended 31 December 2007**

	Page
Committee's Report	1
Independent Audit Report to the Members	2
Statement by Members of the Committee	4
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9

Committee's Report

The committee members of The Melbourne Press Club submit herewith the annual financial report of the association for the financial year ended 31 December 2007. The committee members report as follows:

The names of the committee members during or since the end of the financial year are:

Name

John Trevorrow (Herald Sun): President
Peter Bartlett (Minter Ellison): Vice President
Bob Kearsley: Vice President
David Poulton (Minter Ellison): Treasurer
Sue Henderson: Secretary

Bill Birnbauer (The Age)
Sylvia Bradshaw (Leader Community Newspapers)
Genevieve Brammall (Herald Sun)
Rob Curtain (3AW)
Sushi Das (The Age)
Michele Fonseca (ABC TV)
Ian Henderson (ABC TV)
David Jones (RACV)
Richard Leder (Corrs Chambers Westgarth)
Andrew Lund (Seven Network)
Kevin McQuillan (ABC)
Keith Moor (Herald Sun)
Justin Quill (Corrs Chambers Westgarth)
John Rees (Connex)
Michael Smith (Inside PR)

Principal Activities

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

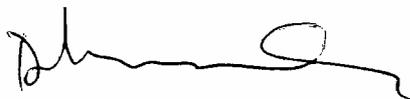
- Annual Quill Awards for Excellence in Victorian journalism;
- Social functions for members;
- Journalism conferences;
- Regular club lunches with high-profile speakers; and
- Forums for debate on professional issues.

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 \$60,346 (2006: \$6,832). The figure for 2007 reflects continuing improvement in the association's financial position. In a challenging environment, where the market for functions is becoming increasingly competitive, the association continued to contain expenses, was able to grow revenue and achieved a significant increase in its surplus. The association needs to maintain a careful approach to financial management as economic conditions remain uncertain.

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



Treasurer:

Mr David Poulton

Melbourne, 23 June 2008

Independent Auditor's Report to the members of The Melbourne Press Club Incorporated

We have audited the accompanying financial report, being a special purpose financial report, of The Melbourne Press Club Incorporated, which comprises the balance sheet as at 31 December 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 Committee's declaration as set out on pages 4 to 14.

The Responsibility of the Committee for the Financial Report

The Committee of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Associations Incorporation Act (Victoria) and are appropriate to meet the needs of the members. The responsibility of the Committee also 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Committee financial reporting requirements under the Associations Incorporation 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.

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



Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Melbourne Press Club Incorporated as at 31 December 2007 and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

A handwritten signature in black ink that reads "M. J. Schofield".

M J Schofield

Partner

Chartered Accountants

Melbourne, 23 June 2008

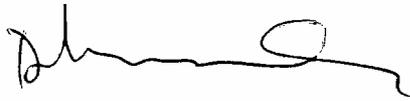
Statement by Committee of Management

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 2007 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

Melbourne, 23 June 2008

Income statement for the financial year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
Continuing operations			
Revenue	2	379,067	305,634
Employee benefit expense		(130,491)	(107,460)
Sponsorship, conference and function expenses		(173,228)	(177,184)
Administration and office expenses		(5,982)	(4,265)
Depreciation		(505)	(1,378)
Other expenses		(8,515)	(8,515)
Surplus for the year		60,346	6,832
Total changes in members' funds		60,346	6,832

Notes to the financial statements are included on pages 9 to 14.

Balance sheet as at 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
Current assets			
Cash	8(a)	60,270	36,428
Trade and other receivables	3	25,770	-
Prepayments		7,165	1,474
Total current assets		<u>93,205</u>	<u>37,902</u>
Non-current assets			
Plant & Equipment	4	3,144	-
Total non-current assets		<u>3,144</u>	<u>-</u>
Total assets		<u>96,349</u>	<u>37,902</u>
 Current liabilities			
Trade and other payables	5	7,022	14,380
Short-term provisions	6	16,964	11,505
Total current liabilities		<u>23,986</u>	<u>25,885</u>
Total liabilities		<u>23,986</u>	<u>25,885</u>
Net assets		<u>72,363</u>	<u>12,017</u>
 Members' funds			
Accumulated surplus	7	72,363	12,017
Total members' funds		<u>72,363</u>	<u>12,017</u>

Notes to the financial statements are included on pages 9 to 14.

**Statement of changes in equity
for the financial year ended 31 December 2007**

	Accumulated Funds \$	Total \$
Balance at 1 January 2006	5,185	5,185
Surplus for the period	6,832	6,832
Balance at 31 December 2006	12,017	12,017
Surplus for the period	60,346	60,346
Balance at 31 December 2007	72,363	72,363

Notes to the financial statements are included on pages 9 to 14.

Cash flow statement for the financial year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
Cash flows from operating activities			
Receipts from grants, membership fees and other income		352,283	330,431
Payment to suppliers and employees		(325,806)	(321,088)
Interest received		1,014	667
Net cash provided by operating activities	8(b)	<u>27,491</u>	<u>10,010</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(3,649)	-
Net cash used in investing activities		<u>(3,649)</u>	-
Net increase in cash and cash equivalents		23,842	10,010
Cash and cash equivalents at the beginning of the year		<u>36,428</u>	<u>26,418</u>
Cash and cash equivalents at the end of the year	8(a)	<u>60,270</u>	<u>36,428</u>

Notes to the financial statements are included on pages 9 to 14.

Note 1: Statement of Significant Accounting Policies

Financial reporting framework

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

Statement of compliance

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

AASB 1031	Materiality
AASB 110	Events after the Balance Sheet Date
AASB 136	Impairment of Assets
AASB 117	Leases
AASB 107	Cash Flow Statements
AASB 119	Employee Benefits
AASB 101	Presentation of Financial Statements
AASB 116	Property, Plant and Equipment
AASB 1004	Contribution

Australian Accounting Standard AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, has not been applied but certain provisions of this standard have been adopted.

No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Boards have been applied.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has applied. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following significant accounting policies have been adopted by the association in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income tax

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

Note 1: Statement of Significant Accounting Policies (cont'd)

(b) Plant and Equipment

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives 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.

(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 by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated 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 for 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 Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Revenue

Revenue from membership fees and sponsorships are recognised upon receipt.

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

All revenue is stated net of the amount of goods and services tax (GST).

Note 1: Statement of Significant Accounting Policies (cont'd)

(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.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(j) Adoption of new and revised Accounting Standards

In the current year, the economic entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

At the date of authorisation of the financial report, the directors anticipate that the adoption of Standards and Interpretations that were issued but not yet effective will have no material financial impact on the financial statements of the economic entity.

	2007 \$	2006 \$
Note 2: Profit from Ordinary Activities		
Operating Activities		
Subscriptions/Membership fees	17,378	13,753
Functions	77,247	57,135
Sponsorships and grants	230,000	172,727
Quill awards	48,960	50,286
Conference	4,310	5,975
Rebanking credit card errors	25	-
Bank interest	1,014	667
Other Income	133	5,091
Total Revenue from operating activities	<u>379,067</u>	<u>305,634</u>
Note 3: Trade and other receivables		
Trade receivables	<u>25,770</u>	-
Note 4: Plant & Equipment		
Plant & equipment at cost	3,649	4,132
Less accumulated depreciation	(505)	(4,132)
	<u>3,144</u>	-
Note 5: Payables		
Current		
Sundry payables and accrued expenses	386	9,375
GST Payable	874	13
PAYG payable	5,762	4,992
	<u>7,022</u>	<u>14,380</u>
Note 6: Provisions		
Employee Benefits	<u>16,964</u>	<u>11,505</u>
Note 7: Accumulated Surplus		
Accumulated surplus at the beginning of the year	12,017	5,185
Surplus from ordinary activities	<u>60,346</u>	<u>6,832</u>
Accumulated surplus at the end of the year	<u>72,363</u>	<u>12,017</u>

2007	2006
\$	\$

Note 8: Notes to the cash flow statement (cont'd)

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on hand	250	250
Cash at bank	60,020	36,178
	<u>60,270</u>	<u>36,428</u>

(b) Reconciliation of profit for the period to net cash flows from operating activities

Surplus for the year	60,346	6,832
<i>Non-cash flows in profit from ordinary activities</i>		
Depreciation	505	1,378

Changes in net assets and liabilities:

(Increase)/decrease in assets:

Trade and other receivables	(25,770)	-
Prepayments	(5,691)	(1,474)

Increase/(decrease) in liabilities

Trade and other payables	(7,358)	4,081
Provisions	5,459	(807)
Net cash from operating activities	<u>27,491</u>	<u>10,010</u>

Note 9: Economic Dependence

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

Note 10: Related Party Transactions

Committee Members

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

John Trevorrow (Herald Sun): President
Peter Bartlett (Minter Ellison): Vice President
Bob Kearsley: Vice President
David Poulton (Minter Ellison): Treasurer
Sue Henderson: Secretary

Bill Birnbauer (The Age)
Sylvia Bradshaw (Leader Community Newspapers)
Genevieve Brammall (Herald Sun)
Rob Curtain (3AW)
Sushi Das (The Age)
Michele Fonseca (ABC TV)
David Jones (RACV)
Richard Leder (Corrs Chambers Westgarth)
Kevin McQuillan (ABC)
Keith Moor (Herald Sun)
Justin Quill (Corrs Chambers Westgarth)
John Rees (Connex)
Michael Smith (Inside PR)
Andrew Lund (Seven Network)
Ian Henderson (ABC TV)

Committee Member's Remuneration

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

Note 11: Segment Reporting

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

Note 12: Association Details

The principal place of business of the association is:

Level 19
North Tower
525 Collins Street
Melbourne VIC 3000