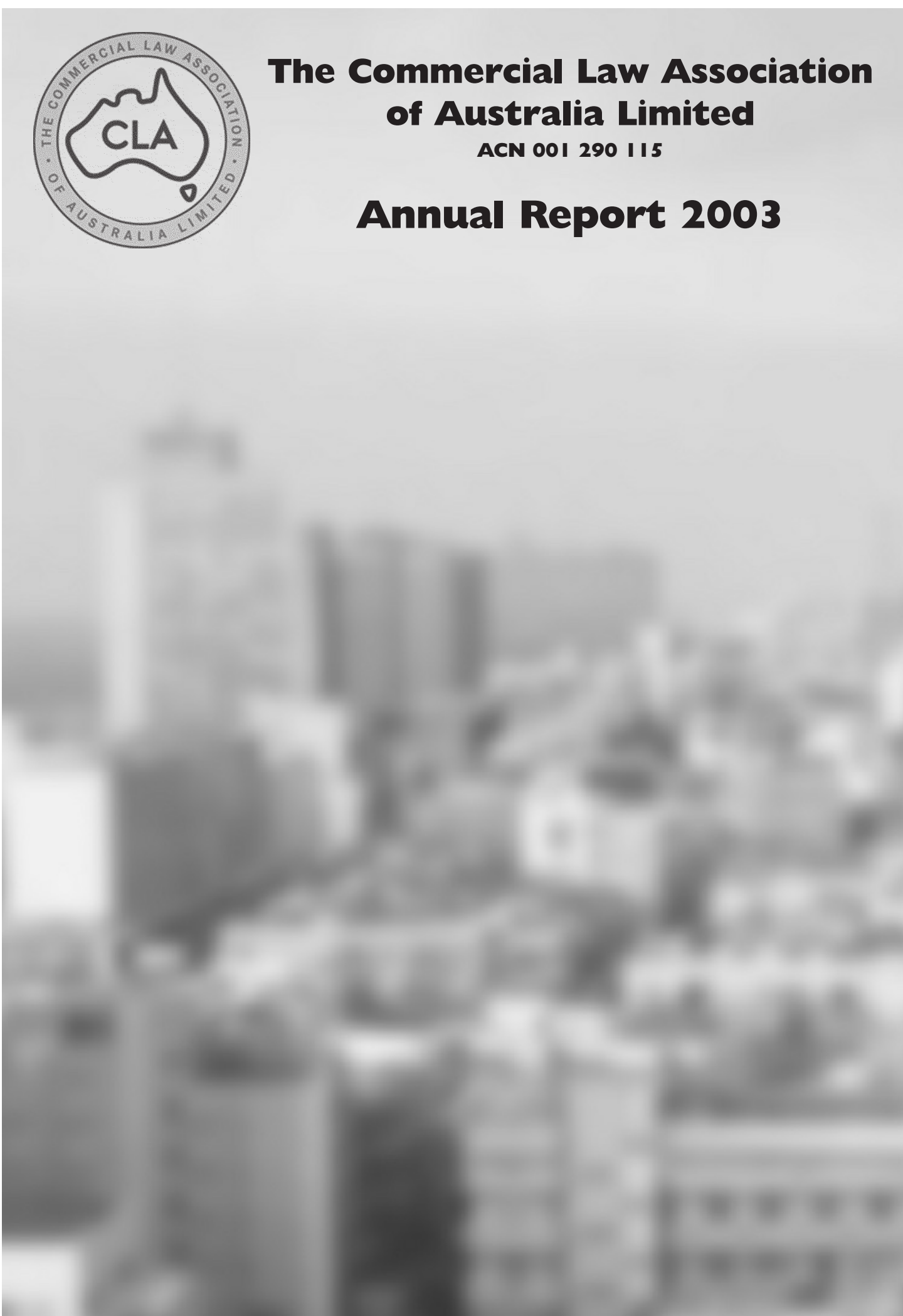




The Commercial Law Association of Australia Limited

ACN 001 290 115

Annual Report 2003



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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Commercial Law Association of Australia Ltd will be held at 5.30pm on Wednesday, May 19, 2004 at the offices of Deacons, Gold Fields House, 1 Alfred Street, Circular Quay in the Supply Room on Level 8.

Business:

1. To receive and consider the Statement of Financial Position and the Statement of Financial Performance and Statement of Cash flows together with the Reports of the Council and of the Auditors for the year ended December 31, 2003.
2. To Elect Directors
 - John Keogh, Jenny Wily and Anthony Dreise retire in conformity with the Company's Constitution. All are eligible and offer themselves for re-election.
 - Rick Porter was appointed during the year. Rick Porter is eligible and offers himself for election.
 - Christopher C Hodgekiss SC was appointed during the year. Christopher C Hodgekiss SC is eligible, but does not offer himself for election.
3. To transact any other business which under the Company's Constitution ought to be transacted.

By Order of the Board of Directors

Max Wilson
Chief Executive Officer
April 21, 2004

Proxies:

A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the member. A proxy need not be a member of the Association. Such proxy must be lodged at the registered office of the Association not later than forty-eight (48) hours before the time of holding the meeting.

Chief Executive Officer:

Max Wilson BA, Grad Cert Management Communication, AFAIM

Commercial Law Quarterly Editor:

Dr Elisabeth Peden BA Hons, LLB Hons (Syd), PHD (Cantab)
Gregory Tolhurst LLM (Syd)

Registered Office:

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Website: www.cla.org.au

Review of Activities



President's Message

This year's Annual Report result is a positive vindication of the policies and plans that the board has implemented since 2000. I am pleased to report that in 2003 we achieved a positive financial result with a surplus of \$13,936 and a further expansion of the Association's activities. We welcomed over 60 new individual and corporate members. The board of directors also approved a major initiative to encourage new practitioners. Importantly we also saw a positive financial result for the years operations, which is largely attributable to growth in seminar income and strong financial management.

Our New Graduates Gift pilot program was launched in June 2003 and during the year we welcomed over 35 Associate members. Under this program new graduates who join the CLA as Associate members receive a number of special benefits. The board believe it is most important to provide support and encouragement to new graduates. Being available to law, commerce and business graduates the program is in keeping with our philosophy of bridging the gap between commerce and law. In 2004 we will expand this program to encompass most NSW universities with an eventual roll-out to other States. Nicola Arvidson has taken on the task of acting as the Manager of the New Graduate program and the CIA Board is grateful for her assistance.

Our Leading Edge Seminar Series, including our half-day seminars demonstrated the importance of providing a solid educational program for members. I would like to acknowledge the work undertaken by Education Chair Stephen Lamy and his committee for developing a most successful seminar series.

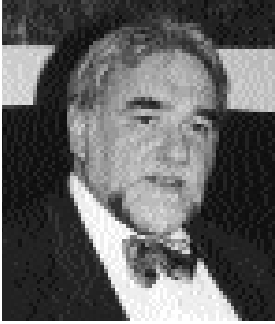
The associations Legislative Review Task Force also achieved significant results in legislative review, promoting public comment and discussion through debates and workshops and in establishing alliances with other bodies. Thank you to Brian Gillard who edited our Legislative Review Digest and Eddie Finnane who co-ordinated our written submissions to the Senate Committee on Insolvency and Administration. In particular my thanks also to Tony Dreise, Research Co-ordinator, and Daren Armstrong, Secretary, for their support.

Dominique Hogan-Doran and Kalinda Cobby also deserve special mention for the work they undertook in the organisation of our Sunset Debates. The debates were held at the offices of Baker & McKenzie during October and November and proved very popular with members and their guests. Thanks to all members of the LRTF who have all contributed greatly to our legislative review program this year.

Through alliances we are developing we will be continuing to offer members the opportunity to participate in a broader range of activities. Thank you to all directors for their commitment to the work of the Association. In acknowledging our solid result for 2003 it would be remiss not to mention our CEO Max Wilson. Max has been a strong support to myself as President and the board in general.

There are a great many people who have given their time to the Association and have all contributed to what has been an outstanding year for the Association. To our 2003 speakers, our sincere thanks. I'd also like to thank our members, individuals and firms, who have supported the Association through regular attendance at the seminars, workshops and other events. A special thank you also to our sponsors. 2003 marks the 38th year of operation for the Association. With your support we can continue to play an important role in bridging the gap between commerce and law.

Dr John Keogh



Chief Executive Officer's Report

An increase in revenue from our seminar program coupled with internal cost cutting measures resulted in an improvement in our financial situation for 2003. Our surplus for 2003 was \$13,936.

During the past year we improved infrastructure to service our membership. We continued our strategy of investing in marketing and promotional campaigns to maintain our presence within the general continuing legal educational market place.

The Association also received support through a number of sponsorships during the year. Thank you to sponsors this year who have included Westlaw, Thomson Legal and Regulatory, Lexis Nexis, CCH Australia, ALB, Sydney Jaguar Dealers, Tower Lodge, Tower Estate Wines. Also thanks to Henry Davis York and Baker & McKenzie for providing their venues for special events this year.

The *Commercial Law Quarterly* edited by Dr Elisabeth Peden and Greg Tolhurst continued to provide high quality academic papers on a broad range of commercial law issues. During the year members also began receiving copies of *ALB* magazine (*Australian Legal Business*) as another benefit. We received favourable comments regarding this publication.

A special thanks also to the large numbers of professionals who supported the activities of the association by being guest speakers in our Leading Edge Seminar Series during 2003. This year's program was our largest to date. As part of our review of activities we have listed elsewhere in the Annual Report the seminar topics covered during the year and our guest speakers.

Lastly I would like to personally thank President Dr John Keogh, Vice President Jenny Wily, Honorary Treasurer David O'Bryen, Education and Membership Chairs Stephen Lamy and Stephen McMahon and all the other directors for their support over a most challenging year.

Max Wilson

Leading Edge Seminar Series 2003

Current Issues in Trade Practices

Friday, February 14, 2003

Russell Miller, Senior Competition and Commercial Partner, Minter Ellison

Half-day Seminar

Commercial Property and Planning Issues

Thursday, February 27, 2003

Chair Engracia Marques, Editor in Chief, CCH Australia; Lee Aitken, Barrister at Law, St James Chambers; Andrew Lang, Legal author and commentator; Dr John Roseth, Senior Commissioner, Land and Environment Court; Peter Spiller, Manager, Commercial Property Division, Westpac Sydney

Proudly supported by CCH Australia

Commercial Aspects of Intellectual Property

Friday 14 March 2003

John Garnsey QC, Barrister, Blackstone Chambers

Half-day Seminar

Corporate Governance

Thursday, March 27, 2003

Seminar Chair: Robert McDougall QC; Jane Ann Gray, Partner, KPMG International; Jenny Wily, Partner, Deacons; Bill Beerworth, CEO, Beerworth & Partners Limited; Mark Robinson, Partner, PPB; Alan Cameron AM, Cameron Associates

Proudly supported by Law Book

Industrial Relations. Who owns the customers? A discussion of recent cases concerning post-employment restraint clauses

Friday, May 9, 2003

Joellen Riley, Lecturer, Faculty of Law, University of Sydney

Commissioner of Taxation v Year End 'Tax Effective' Investors: Recent Case Law, Rulings and Legislative Developments

Friday, June 6, 2003

Robert Gordon BA LLB LLM FCPA, Barrister, St James Hall Chambers

Proudly supported by Henry Davis York

Half-day Seminar

Insolvency and Voluntary Administration

Thursday, June 19, 2003

Hugh Parsons FCA, SIA, MAICD, Executive Director, IPAA; Senator Grant Chapman, Chairman, Parliamentary Joint Committee on Corporations and Financial Services; Alyson Ogilvie-Lee, Howarth; Michael Quinlan, Partner, AAR; Leon Zwier, Partner, Arnold Bloch Leibler; Alan Topp, Principal, Sims Partners — Chartered Accountants

Interpreting Commercial Contracts

Friday, July 11, 2003

Professor John Carter, Consultant, Freehills

Proudly supported by Lexis Nexis

Good Faith in Contracts

Friday, July 18, 2003

Dr Elisabeth Peden, Lecturer, Faculty of Law, University of Sydney

Proudly supported by Lexis Nexis

The Dawson Report

Friday, August 8, 2003

Warren Pengilley, Professor of Commercial Law, University of Newcastle; Special Counsel, Deacons

The new tax compliance era and what your clients need to know about it now

Wednesday, August 27, 2003

Michael O'Neil, Assistant Commissioner, ATO Promoter Task Force; Ted Withers, Director Compliance, Office of State Revenue (OSR); Michael Inglis, Tax Barrister.

In conjunction with City Sydney Law Society

Unfair contracts under s106 of the Industrial Relations Act 1996: amendments and recent developments concerning the application of the section to contracts without industrial flavour

Friday, September 12, 2003

Ingmar Taylor, Barrister, Higgins Chambers

Constructive Trusts — Recent Cases. Including discussion of at least three cases: *Twinsectra v Yardley*, *Giumelli v Giumelli* and *Roxburgh v Rothmans of Pall Mall*

Friday, October 17, 2003

Associate Professor Barbara McDonald, Sydney Law School, University of Sydney

Half-day Seminar

FSR in Overdrive. Or when a lot of FSR is barely enough

Thursday, October 30, 2003

Seminar Chair: Professor Michael Adams, Professor of Corporate Law, UTS; Assistant Director, UTS Centre for Corporate Governance; Michael Vrisakis, Partner, Blake Dawson Waldron; Jim Boynton, Mallesons Stephen Jaques; Richard Gilbert, Chief Executive Officer, Investment and Financial Services Association; Louise Du Prey, ASIC

Sunset Debate

Topic: US form of Chapter 11 Bankruptcy for Corporate Insolvencies in Australia

Wednesday, October 29, 2003

Chairman: John Sheahan SC; Mark Chapple, Partner, Baker & McKenzie; Tony Sims, Sims Partners — Chartered Accountants

Sunset Debate

Topic: Employee Entitlements and Directors Bonuses in Corporate Insolvency. That Employees Should Get What Directors Lose

Wednesday, November 12, 2003

Chairman: Michael J. Slattery QC, Wentworth Chambers; John Robertson, Secretary, NSW Labour Council; Maria O'Brien, Partner, Baker & McKenzie.

Proudly supported by Baker & McKenzie

Wine Law. Intellectual Protection and Product Liability in the Wine Industry

Friday, November 28, 2003

Ian Robertson, Managing Partner, Holding Redlich; Dan Pearce, Partner, Holding Redlich, Melbourne
Proudly supported by Holding Redlich, Tower Lodge, Tower Estate Wines and Sydney Jaguar Dealers

Commercial Law Association Board of Directors



Dr John Keogh LLB SJD

Dr John Keogh became the President of the CLA in February 2001. During 2002 he re-established the Association's Legislative Review Task Force and is the LRTF's current chair. John was called to the NSW Bar in 1990 and has a wide-ranging practice in property, planning and environmental law and commercial matters. He is also an ADR specialist holding appointments to a number of jurisdictions and panels. John's practice at the Bar has been augmented by his interest in academic matters. From 1992-2002 he lectured in the property economics program (BCom) at UWS, presented the Law & Management series for MGSM during 2001 and also presented the Commercial Arbitration (Domestic) postgraduate course for UTS in 2001. He has chaired the Law Alumni Foundation, Board of Trustees at UTS since its inception in 1999.



Jenny Wily LLB (Hons) BCL (Hons)

Jenny is a Sydney-based corporate advisory partner who advises clients in financial services, particularly funds management and related commercial fields. She leads Deacons' national Financial Services Team. Jenny joined Deacons as a solicitor in 1979 following a number of years as a lecturer in the Faculty of Law, University of Sydney, and was appointed a partner in 1985. She also advises extensively on corporate structuring and restructuring and corporate governance issues. Jenny is Vice-President of the Commercial Law Association of Australia and also a director of a number of public companies including Vanguard Investments Australia Ltd.



David O'Bryen B Ec, LLB

David is the Legal Counsel for Asteron, the Financial Services Division of the Promina insurance group. He has been with the Promina (formerly Royal & Sun Alliance) Group since 1991. David has had 24 years experience in commercial law including corporations, securities and collective investments. His experience includes procedures, compliance, compliance training and due diligence reviews. David also has experience in advising on acquisitions, mergers, and other projects. Prior to his appointment to Asteron, he was a Senior Manager in the Legal Division of Westpac Banking Corporation. David is a Director and Honorary Treasurer of the CLA. He initially became involved with the Association through his Chairmanship of the Legal and Commercial Committee and became a Councillor in 1989. David is the Association's longest serving Director.



Geoff Baker LLB MA

Geoff has extensive corporate and commercial legal expertise developed over 20 years of practising law and three years as an investment banker. He has worked in Australia, China, Japan and many parts of South East Asia. He joined a boutique investment bank in Sydney, specialising in mergers and acquisitions, before returning to law in 2001 to join Deacons as a partner in its Corporate, Commercial & Technology Division. Geoff has a practice that provides services in deal origination, capital raising, listing, mergers and acquisitions, finance and foreign investment, and private equity. In August 2002 Geoff was appointed as Managing Partner at Deacons Beijing offices. Geoff joined the CLA's Board of Directors in 2002 and currently holds the recently created position of Director at Large.



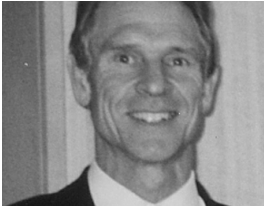
Anthony J Dreise Dip Law ASIA

Tony is a consultant lawyer in private practice specialising in financial markets regulation and the financial services legislation. He was admitted to practice in 1977. For many years he was General Counsel of the Sydney Futures Exchange. Prior to joining the Futures Exchange, Tony held senior legal positions with the NSW Corporate Affairs Commission (now ASIC). He is a long time task force member for the Securities Institute of Australia in its financial markets courses and has lectured on financial market and regulatory topics. He is a member of the CLA's Legislative Review Task Force and is a long-standing member of the Association.



Martin Kinsky LLB

Martin is a solicitor employed by the Australian Stock Exchange in Sydney. His current role is National Manager Investigations & Enforcement. Prior to this, Martin held various legal and management positions at the Exchange, including the roles of General Counsel and Company Secretary. Martin is a past Treasurer and President of the Corporate Lawyers Association and was a member of the Commercial Law Committee of the Association for 12 years. He has been a Director since 1998.



Stephen Lamy BA LLM

Stephen was admitted as solicitor in NSW in 1974 and in England and Wales in 1979. He had a variety of private practice positions involving commercial and revenue work before moving to corporate law in 1990. Stephen's corporate career has included employment with AMP and St George Bank and from January 2002 with the Legal Department of CBA. He has had 12 years in funds management with emphasis on superannuation. Stephen has also been a part-time lecturer in the Masters program at UTS during 1990s (superannuation and stamp duty). He has a strong interest in legal education and developments in areas outside of his current specialisation. Stephen joined the CLA's Board of Directors in August 2002 and is currently the Chair of the Association's Education Committee.



Stephen McMahon B Comm, CA ASIA

Stephen is a Chartered Accountant and a member of the Securities Institute of Australia. He is a founding principal of McMahon Worth Forensic Accountants. His firm specialises in forensic accounting, litigation support, investigating and solving complex financial and business issues which require the application of a combination of accounting and detective skills. Stephen's interests are in the Commercial Law and Finance sectors. He was appointed as a Director to Council in 1998 and currently serves as the Membership Chairman.



Christopher Hodgekiss BA LLB (Hons) Syd, BCL (Oxon), SC

Chris Hodgekiss SC has built up a substantial practice specialising in commercial and equity litigation and has been involved in many major pieces of commercial litigation. He is a graduate of the University of Sydney and has a Bachelor of Arts and a Bachelor of Laws (Honours) degree from that university. He also graduated from Oxford University with a Bachelor of Civil Laws degree. Chris has been a Visiting Scholar at Yale Law School, and at Stanford Law School. During the period 1983-1995 he was solely responsible for the post-graduate Restrictive Trade Practices course at the Faculty of Law at the University of Sydney. Chris has been a member of the Trade Practices Committee of the Business Law Section of the Law Council of Australia since 1985 and has convened the Trade Practices Discussion Group since 1985. Since 1989 he has also convened the Trade Practices and Consumer Law Conference. In 1998 and 1999 he was a member of the Education Committee of the NSW Bar Association, and was also that body's representative on the Faculty of Law, University of Sydney.



Richard Porter FCA, FCPA, ACIS

Richard Porter is an Insolvency and Litigation Partner in the Chartered Accountancy firm of Moore Stephens PMN. He is a Fellow of the Institute of Chartered Accountants in Australia (FCA), Associate of the Chartered Institute of Secretaries and Administrators (ACIS), Fellow of the Australian Society of Accountants (FCPA) and Associate of the Australian Institute of Management. Richard is also a Registered Official Liquidator, Auditor, Tax Agent and Real Estate Agent. Richards main professional areas of interest are insolvency and litigation. However he maintains a keen interest in broad areas of commerce and law and was recently appointed as a Director of the Commercial Law Association and is currently serving on the Education Committee.

Standing Committees

Legislative Review Task Force

Chair

Dr John Keogh

Barrister, Culwulla Chambers, Sydney

Secretary

Daren Armstrong, Secretary

Partner, Kemp Strang, Sydney

Research Co-ordinator

Anthony Dreise, Research Co-ordinator

Consultant Lawyer, Sydney

Sunset Debate Convenor

Dominique Hogan-Doran

Barrister, Sydney

Legislative Review Digest Editor

Brian Gillard, Solicitor

Brian Gillard & Associates, Sydney

Members

Warren Andrews

Barrister, Sydney

Geoff Baker

Managing Partner, Deacons Lawyers, Beijing

Bruce Cowley

Partner, Minter Ellison Lawyers, Brisbane

Martin Einfeld QC

Barrister, Sydney

Martin Kinsky

Solicitor, Investigations & Enforcement

Manager Australian Stock Exchange, Sydney

Bruce McBain

Corporate Counsel, The Age, Melbourne

Keith Millman

Commercial Counsel, Treasury Department,

Queensland Government

Maurice Neil QC

Barrister, Wardell Chambers, Sydney

Allen C M Wong

Marketing Manager, Cheerfix Pty Ltd, Kowloon

Edmund Finnane

Barrister, St James Hall Chambers, Sydney

Emma Rodgers

National Counsel, Perpetual Trustees

Education Committee

Stephen Lamy, Chair

Rick Porter

Christopher C Hodgekiss SC

Max Wilson

Membership Committee

Stephen McMahon, Chair

Max Wilson

Publications Committee

Dr John Keogh, Chair

Dr Elisabeth Peden

Greg Tolhurst

Max Wilson

New Graduates Program

Nicola Arvidson, Hon Manager

Max Wilson

2003 Financial Report

The Commercial Law Association of Australia Ltd

(A Company limited by guarantee) ACN 001 290 115

Directors' Report for the Year Ended December 31, 2003

1. Your Directors submit the financial accounts of the Company for the year ended December 31, 2003.
2. The names of the Directors in office at the date of this report are:

Dr John Keogh, President	Stephen McMahon
Jenny Wily, Vice President	Rick Porter
David O'Bryen, Hon Treasurer	Martin Kinsky
Stephen Lamy	A J (Tony) Dreise
Christopher Hodgekiss SC	Geoff Baker

Principal Activity

The principal activities of the Company in the course of the year were the publication of bulletins on commercial law matters for members, the conduct of seminars and luncheon meetings, the consideration of and making representations regarding existing and new laws relating to commercial matters and other activities related to commercial law.

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

Operating Results

The operations of the Company resulted in a surplus of \$13,936.

Dividends Paid or Recommended — Nil

The Company's Constitution precludes the payment of dividends. Accordingly:

- the Company's Directors do not recommend the payment of a dividend.
- no dividend has been paid or declared since the commencement of the year.

Review of Operations

The net result of the Company for the year was a surplus of \$13,936 (2002 — loss \$9,360)

Income from subscriptions for the year was \$81,276 (2002 — \$84,743)

Total income for the year was \$125,782 (2002 — \$121,993)

Operating expenditure for the year amounted to \$122,217 (2002 — \$131,353)

Significant Changes in State of Affairs

There were no significant changes in the Company's state of affairs during the year.

After Balance Date Event

No matters or circumstances have arisen since the end of the year which have or may significantly affect:

- (a) the operations of the Company; or
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

Future Developments

There are no developments in the operations of the Company likely to affect future operations.

Environmental Issues

The Company's operations are not subject to any significant environmental regulations.

Directors' Particulars

The names of the Directors in office at the date of this report, their qualifications, and date of appointment are:

Dr John Keogh LLB SJD	Barrister	15/8/2000
Jenny Wily LLB BCL (Hons)	Solicitor	18/7/2000
David O'Bryen B Ec, LLB	Solicitor	9/5/1992
Geoff Baker LLB MA	Solicitor	8/5/2002
Anthony J Dreise Dip Law ASIA	Solicitor	14/8/2002
Martin Kinsky LLB	Solicitor	19/5/98
Stephen Lamy BA LLM	Solicitor	10/4/2002
Stephen McMahon B Comm, CA ASIA	Chartered Accountant	17/2/1998
Christopher C Hodgekiss BA LLB (Hons) Syd, BCL (Oxon), SC	Barrister	18/8/2003
Rick Porter FCA, FCPA, ACIS	Chartered Accountant	18/8/2003

Meetings of Directors

During the financial year 12 meetings of Directors were held.

Directors' Meetings

	Number Eligible	Number attended
Dr John Keogh	12	12
Jenny Wily	12	11
David O'Bryen	12	10
Geoff Baker*	12	0
Anthony J Dreise	12	12
Martin Kinsky	12	11
Stephen Lamy	12	12
Stephen McMahon	12	9
Christopher C Hodgekiss	4	0
Ann Sutherland	4	2
Resigned 26/5/2003		
Mark Papallo	4	2
Resigned 26/5/2003		
Grae Mckenzie	7	3
Resigned 11/8/2003		

*Geoff Baker is currently based in Beijing, China. He serves as Director at Large

Since the commencement of the year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the Company or a related corporation, or amounts paid by reason of a contract made by the Company or a related corporation, with the director or with a firm of which he or she is a member, or with a Company in which he or she has a substantial financial interest.

Indemnifying Officer

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;
- with the exception of the following matter:

During the financial year the Company has paid premiums to insure all Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$3,200.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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.

The Company was not part of such proceedings during the year.

Signed in accordance with a resolution of the Directors.



Dr John Keogh
Director



David O'Bryen
Director

Sydney
March 31, 2004

Statement of Financial Position

As at December 31, 2003

	Note	2003 \$	2002 \$
Current Assets			
Cash	5	22,335	27,959
Receivables	6	45,068	43,356
Investments	7	45,778	44,097
Inventories	8	46	46
Other	9	2,380	2,604
Total Current Assets		<u>115,608</u>	<u>118,062</u>
Non Current Assets			
Property Plant & Equipment	10	1,539	3,966
Total Non Current Assets		<u>1,539</u>	<u>3,966</u>
Total Assets		<u>117,147</u>	<u>122,028</u>
Current Liabilities			
Payables	11	70,680	89,497
Total Current Liabilities		<u>70,680</u>	<u>89,497</u>
Net Assets		<u>46,467</u>	<u>32,531</u>
Member's Funds			
Retained Profits o/b		32,531	41,891
Current Surplus		13,936	-9,360
Total Member's Funds		<u>46,467</u>	<u>32,531</u>

Statement of Financial Performance

For the year ended December 31, 2003

	Note	2003 \$	2002 \$
Function revenue		80,917	61,155
Cost of functions		-36,833	-26,925
Gross profit		<u>44,085</u>	<u>34,230</u>
Other revenue from ordinary activities		81,697	87,763
Distribution expenses		-10,542	-8,232
Occupancy expenses		-4,921	-6,746
Administrative expenses		-41,817	-46,711
Other expenses from ordinary activities		-64,937	-69,664
Profit (Loss) from ordinary activities			
before income tax		3,565	-9,360
Income Tax expense	1(c)	0	0
Extraordinary Item		10,371	0
Operating Profit/(Loss) after income tax		<u>13,936</u>	<u>-9,360</u>
Member's Funds at the beginning of the year		32,531	41,891
Member's Funds at the end of the year		<u>46,467</u>	<u>32,531</u>

Statement of Cash Flows

For the year ended December 31, 2003

	Note	2003 \$	2002 \$
Cash flows from operating activities			
Receipts from operations		168,511	170,378
Payments to suppliers and employees		-174,134	-185,735
Interest received		1,681	1,866
Total Net Cash used on Operating Activities	4	-3,943	-13,491
Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment		0	0
Total Net Cash used on Investing Activities		0	0
Net Cash used on Operating and Investing Activities		-3,943	-13,491
Net (Decrease) Increase in Cash and Cash Equivalentents		-3,943	-13,491
Opening Cash Balance		72,056	85,547
Closing Cash Balance	5	68,113	72,056

Notes To and Forming Part of the Accounts

For the year ended December 31, 2003

1. Statement of Accounting Policies

The financial statements are general purpose financial report that have been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on an accruals basis and is based on historical costs and do not take into account changing money values or, except where stated current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

- (a) **Depreciation.** The depreciable amount of plant and equipment is depreciated on a diminishing value basis over its useful life to the company commencing from the time the asset is held for use.
- (b) **Inventories.** All inventories have been valued at the lower of cost and net realisable value and have been classified as current assets based on expected use.
- (c) **Income Tax.** A ruling that The Commercial Law Association of Australia Ltd is exempt from income tax has been received from the Australian Taxation Office and consequently income tax has not been provided for the accounts.
- (d) **Employee Entitlements.** As at balance date The Commercial Law Association of Australia Ltd had no employees as a result there is no Provision for Employee Benefit provided for in the accounts.

2. Revenue

	2003 \$	2002 \$
Opening Activities		
Subscriptions	81,276	84,743
Sales of bulletins, papers and binders	68	1,154
Interest Received	1,681	1,866
Net income from functions	44,085	34,230
	<hr/>	<hr/>
	127,109	121,993
Non-operating Activities		
Gain on disposal of plant and equipment	-1,328	0
Total Revenue	<hr/>	<hr/>
	125,782	121,993

3. Profit from Activities

Profit/(Loss) from ordinary activities before income tax has been determined after:

Depreciation of plant and equipment	1,099	2,002
Auditors Remuneration	3,673	5,888

4. Cash Flow Information

Reconciliation of Cash Flows from Operations with Profit/(Loss) from ordinary activities after Income Tax.

Profit/(Loss) from ordinary activities after Income Tax	13,936	-9,360
Non-cash flows in Profit/(Loss) from ordinary activities		
Depreciation	1,099	2,002
Increase/(Decrease) in provision for employee benefits	0	0
Changes in assets and liabilities		
(Increase)/decrease in other debtors	-1,712	-42,037
(Increase)/decrease in inventories	-1	-1
(Increase)/decrease in prepayments	224	-1,415
(Decrease)/Increase in other liabilities	1,329	0
(Decrease)/Increase in creditors and accruals	-18,817	37,321
Cash flow from operations	<hr/>	<hr/>
	-3,943	-13,490

5. Cash

	2003 \$	2002 \$
Cash at Bank	22,335	27,959
Reconciliation of Cash:		
Cash at the end of the year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash	22,335	27,959
Investments	45,778	42,231
	<u>68,113</u>	<u>70,190</u>

6. Current Assets — Receivables

Sundry Debtors	43,953	43,001
Credit Card Clearing Account	1,115	355
	<u>45,068</u>	<u>43,356</u>

7. Current Assets — Investments

Cash on Deposit	<u>45,778</u>	<u>44,097</u>
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8. Current Assets — Inventories

Finished Goods	<u>46</u>	<u>46</u>
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9. Current Assets — Other

Prepayments	<u>2,380</u>	<u>2,604</u>
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10. Plant and Equipment

Office Furniture and Equipment		
At cost	3,180	11,410
Accumulated Depreciation	-1,641	-7,444
	<u>1,539</u>	<u>3,966</u>

11. Payables

Trade Creditors	1,568	10,371
Net GST Liability	-5,137	-6,052
Prepaid Subscriptions	74,250	85,178
	<u>70,680</u>	<u>89,497</u>

12. Members' Guarantee

The Commercial Law Association of Australia Ltd was incorporated as a Company limited by guarantee on June 9, 1975. Pursuant to the Company's Constitution, every member as undertaken in the event of a deficiency on winding-up to contribute an amount not exceeding \$20. At December 31, 2003 the total of these guarantees amounted to \$8,000 (2002 — \$7,960).

Detailed Statement of Income and Expenditure

For the year ended December 31, 2003

	2003 \$	2002 \$
Income:		
Subscriptions	81,276	84,743
Sales Bulletins, Paper and Binders	68	1,154
Interest Received	1,681	1,866
Net Income from Functions	44,085	34,230
Gain (Loss) on Disposal of Fixed Assets	-1,328	0
Total Income	<u>125,782</u>	<u>121,993</u>
Less Expenditure:		
Advertising	4,078	8,562
Auditors remuneration	3,673	5,888
Bank Charges	1,501	1,424
Contract Management	58,682	56,630
Credit Card Merchant Fees	1,124	755
Depreciation	1,099	2,002
General Expenses	459	169
Insurance	4,511	1,318
Internet	2,145	4,053
Light and Power	227	293
Office Rent	4,693	6,453
Postage	7,866	6,758
Printing and Stationery	9,072	8,752
Prizes	653	778
<i>Commercial Law Quarterly</i>		
Cost of Production	17,855	22,591
Distribution	2,677	1,474
Repairs and Maintenance	424	1,692
Subscriptions	317	542
Telephone	1,162	1,219
Total Expenditure	<u>122,217</u>	<u>131,353</u>
Operating Profit	3,565	-9,360
Extraordinary Item	10,371	0
Surplus/(Deficit) for the year	<u><u>13,936</u></u>	<u><u>-9,360</u></u>

Directors' Declaration

For the year ended December 31, 2003

The Directors of the Company declare that:

The financial statements and notes as set out on pages 10-17:

- (a) comply with the accounting standards and the Corporations Act; and
- (b) give a true and fair view of the financial position as at December 31, 2003 and performance for the year ended on that date for the Company.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Dr John Keogh, Director
Sydney, March 31, 2004



David O'Bryen, Director

Independent Audit Report

To the members of The Commercial Law Association of Australia Ltd:

Scope

We have audited the financial Report of the Commercial Law Association of Australia Ltd for the year ended December 31, 2003 comprising the Statement of Financial Position, Statement of Financial Performance, Cash Flow Statement, Notes to the Financial Statements, and the Directors Declaration. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosure in the financial report and the evaluation of accounting policies and significant account estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

In our opinion, the financial report of the Commercial Law Association of Australia Ltd is in accordance with:

- (a) The Corporations Act, including:
 - (i) giving a true and fair view of the Company's financial position as at December 31, 2003 and of its performance for the year ended on that date, and
 - (ii) complying with Accounting Standards and Corporations Regulations; and
- (b) Other mandatory professional reporting requirements.

Courtney & Co
P W Metcalfe
Sydney, March, 2004



The Commercial Law Association of Australia Limited

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