



**The Commercial Law Association  
of Australia Ltd**

ACN 001 290 115

**Annual Report 2008**



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## **Chief Executive Officer:**

Max Wilson BA, Grad Cert Management Communication, AFAIM, FCLA

## **Commercial Law Quarterly Editors:**

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

Dr Gregory Tolhurst LLM (Syd)

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# Review of Activities



## President's Message

This year has been very successful in terms of the number of member activities. The Association managed to make a small surplus of \$2,447.

We organised 15 events during the year covering a diverse range of topics that involved the participation of some 55 judges, academics, leading practitioners and business leaders as guest speakers, moderators or chairs.

There were many highlights during the year, including our two day-long conferences. The 'Commercial Practice in a Global Economy' conference held in conjunction with the Parsons Centre, Law Faculty of the University of Sydney on 1 August furthered our links with the Centre. We had the honour of being involved with the *Journal of Contract Law's* 20th Anniversary conference, 'Issues in Commercial Construction', which was held on 31 October. Sir Anthony Mason officially opened the conference and Keith Mason AC provided the closing address. Professor David McLauchlan, Professor Michael Furmston, Bret Walker SC, Professor Woody Hunter, Professor Elisabeth Peden, Don Robertson and Professor John Carter presented papers which generated much discussion throughout the day. Over 80 people attended the conference, with many ranking it very highly. Special thanks to Professor John Carter, the speakers, session chairs and the sponsors, Commonwealth Bank, Freehills and LexisNexis.

Our regular Leading Edge lunchtime seminars and halfday seminars also attracted solid support beyond our membership. Halfday seminars attracted good attendances, in particular 'Corporate Governance', 'Essentials of Franchising' and our fifth 'Issues in Insolvency' seminar. A complete listing of our 2008 seminars is included in this report.

I would like to thank all our speakers for this year, without whose support our high standard of presentations would not have been achieved.

The new graduates program is undergoing some changes. Jason Wells, a fourth year law student from Sydney University, is our New Graduates Co-ordinator. He will be working closely with our Vice President, Kalinda Cobby, and CEO to develop the 2009 program and to reinvigorate our mentor initiative.

Throughout the year the Legislative Review Task Force has been active in legislative review, promoting public comment and discussion through meetings and workshops. Thanks to Chairman Tony Dreise for his leadership, Deputy Chairman Dr John Keogh and Secretary Norman Donato for their contributions to the LRTF.

For over 20 years the *Commercial Law Quarterly* produced by the Association has maintained a high level of scholarship. To the *CLQ* contributors, I thank you for your support. Also thanks to our Publications Chair Rick Porter, Editors Professor Elisabeth Peden and Associate Professor Greg Tolhurst, and Graphic Designer Liz Wilson.

Since the end of the reporting period Dr John Keogh has tendered his resignation from the Board. John has had a decisive role in the Association's affairs over the last 10 years, five of which were served as President. He brought much energy and many ideas to our various activities so that the Association was very well placed when I became his successor. In acknowledging his contribution I would like to express my great thanks for his assistance to me.

Finally, I would like to thank the Hon Treasurer David O'Bryen and all Directors for their commitment to the work of the Association. Also thanks to our CEO Max Wilson whose input to all aspects of the Association's activities is extremely valuable and accordingly highly regarded. A big thank you goes to all Association members, and we look forward to your ongoing support in 2009. Please promote our activities at all possible opportunities!

**Stephen Lamy**



### Chief Executive Officers' Report

The highlights of this year included the diverse range of topics provided within the program of seminars and events, the alliance with the Parsons Centre and involvement with the 20th Anniversary celebrations of the *Journal of Contract Law*. The continued excellence of the *Commercial Law Quarterly*, strong member participation in the activities of the Association and continued sponsor support has enabled the Association to maintain its position as a quality provider of seminars and information to members.

This year's financial result showed a small surplus of \$2,447 compared with a profit of over \$20,000 in 2007. In looking at the Associations revenue, a decrease in membership income this year is largely responsible for the modest result.

Marketing the value of CLA membership to firms and highlighting the value of Association membership will be one of next year's challenges.

Our alliance with the International Law Section of the Law Council of Australia has proved popular, with many members taking advantage of the reduced membership fee and benefits that CLA members enjoy when joining the ILS.

As already mentioned by the President in his report, during the year we worked in co-operation with some other organisations to develop special one-day conferences. Thank you to our alliance partners The Parsons Centre, University of Sydney, and the *Journal of Contract Law*.

Thanks also to our sponsors and to firms that supported the CLA this year in providing use of their facilities for special events.

Special mention to Key Media, publishers of the *ALB* magazine, who have maintained their support of the CLA by providing copies of their excellent publication to CLA members.

The Cypress Lakes Group also provided accommodation prizes to seminar draw winners and our membership draw winners.

Dr Elisabeth Peden and Gregory Tolhurst have continued to maintain the high standard of the Association's flagship publication, *Commercial Law Quarterly*. Thank you also to the many contributors for the excellent articles which are a feature of the journal.

Further improvements to our website were progressively introduced during the year.

Thank you to Kevin Tang and Carol Chen of I-Can Solutions for their dedicated support in overseeing the development and maintenance of the CLA website.

The Association has had another busy year, and the support of sponsors and alliance partners has been of tremendous assistance. I would also like to thank the President Stephen Lamy, Vice President Kalinda Cobby, Treasurer David O'Bryen, Membership and Publications Chairs, Stephen McMahon, Rick Porter and all other directors for their support over a most challenging year.

**Max Wilson**

# Leading Edge Seminar Series 2008

## Corporate Governance

22/2/2008

Jenny Wily, Wily Legal (Chair); Maree Blake, Director, Corporations Insolvency, Australian Securities and Investments Commission; John Walker, Managing Director, IMF; Michael Ahrens, CEO, Transparency International; Owain Stone, Partner & National Head, Fraud Investigations & Dispute Services, Ernst & Young

## Directors and Officers Insurance. Recent Case Law

22/02/2008

Michael Quinlan, Partner, Allens Arthur Robinson; Mark Lindfield, Senior Associate, Allens Arthur Robinson

## Essentials of Franchising

14/03/2008

Carmen Champion, Barrister, 4 St James Hall; Andrew Wiseman, Partner, Allen Arthur Robinson; Bianca Keys, Mediation Manager, The Accord Group

## Trade Practices Update

14/03/2008

Russell Miller AM, Partner, Minter Ellison

## Implications for Commercial Practice in a Future Bill of Rights

17/03/2008

Dr John Keogh, Barrister, 3 Culwulla Chambers (Moderator); Rashda Rana, Barrister at Law, 11 St James Hall; Dr Kristina Stern, Barrister at Law, 6 Selborne Wentworth Chambers

## Accounts in equity. Recission. Freezing orders/mareva orders

9/05/2008

Edmund Finnane, Barrister, 13 Wentworth Selborne Chambers; Nicholas Newton, Barrister, Wentworth Selborne Chambers; Christopher Wood, Barrister, 13 Wentworth Selborne Chambers

## Contract or Trust? Powers conferred on Non-trustees by the Trust Instrument

23/05/2008

Jennifer Stuckey Clarke, Barrister, Selborne Chambers

## Investor Class Actions

6/06/2008

Justice Kevin Lindgren

## Opes Prime

20/06/2008

Paul Rogerson, Head of Legal, St George Bank

### **Commercial Practice in a Global Economy**

One-day conference Held in conjunction with Parsons Centre, University of Sydney

1/08/2008

Professor Gillian Triggs, Dean, Faculty of Law, University of Sydney; Kevin Hobgood-Brown, Partner, Deacons; Vivienne Bath, Senior Lecturer and Director of the Centre for Asian and Pacific Law, University of Sydney; Andrew Percival, Partner, Corrs Chambers Westgarth; Geoff Short, Managing Director, Tanda International; Dr Brett Williams, Senior Lecturer, University of Sydney; Professor Richard Vann, Challis Professor of Law, University of Sydney; Rebecca Millar, Senior Lecturer, University of Sydney; Ross Stitt, Partner, Allens Arthur Robinson; Dr Andrew Bell SC, 11 Selborne Wentworth Chambers; Margaret Cole, General Counsel, Babcock & Brown

### **Issues in Insolvency**

22/08/2008

Associate Professor Lee Aitken, Faculty of Law Hong Kong University; Chris Honey, Partner, McGrath Nicol; Michael Quinlan, Partner, Allens Arthur Robinson; Angela Martin, Partner, Allens Arthur Robinson; Rod Cunich, Partner, Access Lawyers

### **The Significance of the Commercial Jurisdiction of the Federal Court of Australia**

5/09/2008

The Hon Justice Steven Rares

### ***Cook v Lumbers* High Court decision. Restitution after a failed contract**

17/10/2008

Associate Professor Simone Degeling

### **20th Anniversary *Journal of Contract Law* Conference: Issues in Commercial Construction\***

31/10/2008

Hon Sir Anthony Mason AC KBE (opening address); Justice Kevin Lindgren, Federal Court of Australia; Professor David McLauchlan, Victoria University of Wellington and McWilliam Visiting Chair in Commercial Law, University of Sydney; Justice Roger Giles, Supreme Court of NSW; Professor Michael Furmston, Singapore Management University and Emeritus Professor, University of Bristol; Bret Walker SC, 5 St James Hall Chambers; Tony Coburn, Partner, Freehills; Professor Howard (Woody) Hunter, President, Singapore Management University; Professor Elisabeth Peden, University of Sydney; Associate Professor Greg Tolhurst, University of Sydney; Donald Robertson, Partner, Freehills; Professor John Carter, Sydney University and Consultant, Freehills; Keith Mason AC

\* The CLA provided secretariat services for the 20th Anniversary *Journal of Contract Law* Conference.

### **Expert witnesses and reform**

14/11/2008

Christopher Hodgekiss SC

# Commercial Law Association Board of Directors

As at December 31, 2008



## **Stephen Lamy BA LLM, FCLA**

Stephen became President of the CLA in February, 2006. He was admitted as solicitor in NSW in 1974 and England and Wales 1979. He had a variety of private practice positions involving commercial and revenue work before moving in house in 1990. Stephen's corporate career has included roles with AMP and St George Bank and from 2002 with CBA. He has had 19 years in funds management with emphasis on superannuation. Stephen has a strong interest in legal education and developments in areas outside of his specialisation. Stephen joined the CLA's board of directors in August 2002.



## **Kalinda Cobby BA, LLB, FCLA**

Kalinda Cobby graduated in Arts/Law from the University of New South Wales. Kalinda joined Hicksons Lawyers in 2006 as a Partner and is a former Partner Lane & Lane. She practices in various areas of commercial law, (including Corporations Act, compliance, shareholder and unit holder agreements, director's duties, franchising) and property law (including conveyancing, leasing, community state and company title, rural and Crown land. Kalinda is a former member of the Advisory council to the Minister for Fair Trading and of the Law Society's Business Law Committee. She is proud of her involvement with a number of charitable organisations. Kalinda currently serves as the CLA's Vice President and New Graduates Program Chair.



## **David O'Bryen B Ec, LLB MAICD, FCLA**

David is a solicitor specialising in financial services and commercial law. Prior to going into private practice, David was Legal Counsel with the Promina insurance and financial services group for over 14 years. He has had over 28 years experience in commercial law including corporations, securities, superannuation and funds management. David also has experience in advising on acquisitions, mergers and other financial services projects. Prior to his appointment to the Promina Group 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 Legislative Review Committee and he became a Councillor in 1989. David is the Association's longest serving Director.



## **Anthony J Dreise Dip Law SF Fin, FCLA**

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 (now part of ASX). Prior to joining the futures exchange, Tony held senior legal positions with the NSW Corporate Affairs Commission (now ASIC). He was a long time task force member for Finsia Education/Kaplan (previously the Securities Institute of Australia) in its financial markets courses and has lectured on financial market and regulatory topics. He is the Chairman of the Legislative Review Task Force of the CLA and is a longstanding member of the Association.



## **Dr John Keogh LLB SJD, FCLA**

John Keogh was President of the CLA from February 2001 to February 2006. During 2002 he relaunched the Association's Legislative Review Task Force and was Chair from 2002 to 2007. He is currently the Taskforce's Deputy Chair. John was called to the NSW Bar in 1990 and has a wide ranging practice in property, planning and construction law commercial matters. He is also an ADR specialist holding appointments to a number of jurisdictions and panels, and retired from the Board of Directors in February 2009 having served on the board for 10 years, five of these as President.



### **Jenny Wily LLB (Hons) BCL (Hons), FCLA**

Jenny practises on her own account at Wily Legal and Consulting Pty Limited, having formerly been a Partner with Deacons for a number of years. In her current practice, Jenny provides legal and consulting services primarily in the areas of funds management, AFS licensing, compliance and corporate structuring and governance. In addition to being a Director of the Commercial Law Association, Jenny is also on the board of a number of public companies that provide financial services.



### **Stephen McMahon B Comm, CA F Fin, FCLA**

Stephen is a Chartered Accountant and a fellow of the Financial Services Institute of Australia (Finsia). He is a founding principal of McMahon Worth Forensic Accountants. His firm specialises in forensic and investigative 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 the CLA in 1998 and currently serves as the Membership Chairman



### **Richard Porter FCA, FCPA, ACIS, AAIM, FCLA**

Richard Porter is a Corporate Recovery and Litigation Partner in the Chartered Accountancy firm of Moore Stephens. He is a Fellow of the institute of Chartered Accountants in Australia(F.C.A), Associate of the Chartered Institute of Secretaries and Administrators(A.C.I.S), Fellow of the Australian Society of Accountants(F.C.P.A) and Associate of the Australian Institute of Management. Richard is also a Registered Official Liquidator, Tax Agent and Real Estate Agent. Richard's main professional areas of interest are corporate recovery and litigation. He was appointed as a Director of the CLA in 2003 and is currently serving on the Publications Committee



### **Norman Donato B Ec, LLB, LLM, FCLA**

Norman is a partner in the Corporate & Commercial Group of the firm of Makinson & d'Apice Lawyers. He has practised since his admission in 1987 and his qualifications include Bachelor degrees in Laws and Economics, as well as a Master in Laws. Norman has extensive corporate and finance experience obtained from advising national and international clients including government bodies, major banks, public companies, SMEs and entrepreneurs. He has presented many papers on corporate finance, ecommerce, IT and IP issues at various industry conferences. Norman was the national practice leader for the Ecommerce and Intellectual Property group of a national law firm. He has specialist knowledge of corporate finance and advisory, retailing and, communications and media industries and is associated with a number of industry bodies. Norman is the Secretary of the Legislative Review Task Force and was appointed to the board in May 2008.



### **Jane Ann Gray BA (Hons), LLB (Hons), LLM (Harvard), FCLA**

Jane Ann Gray is Special Counsel within the Corporate Advisory, M & A and Equity Capital Markets group at Chang, Pistilli & Simmons. She was admitted as a solicitor in NSW in 1979. She practised for 20 years as a corporate and commercial partner first at Baker & McKenzie then at Atanaskovic Hartnell, KPMG Legal and Middletons before joining CP&S in July 2006. Jane Ann's principal areas of practice are mergers and acquisitions including under Chapter 6 of the Corporations Act; business structuring and restructuring including schemes of arrangement; capital raisings; corporate regulation including for listed entities; and the legal aspects of the tax consolidations regime, in particular, tax sharing and funding arrangements.



# Standing Committees

As at December 31, 2008

## Legislative Review Task Force

### Chair

Anthony Dreise FCLA

Consultant Lawyer, Sydney

### Secretary

Norman Donato FCLA

Partner, Makinson & d'Apice, Sydney

### Deputy Chair

Dr John Keogh FCLA

Barrister, 3rd Floor, Culwulla Chambers, Sydney

### Members

Allen C M Wong FCLA, Marketing Manager,  
Cheerfix Pty Ltd, Kowloon

Edmund Finnane FCLA, Barrister, St James Hall  
Chambers, Sydney

Nicholas Newton FCLA, Barrister, Wentworth  
Chambers

Roger Hamilton SC FCLA, Barrister, Wentworth  
Chambers

Bruce McBain FCLA, Corporate Superannuation  
Association, Melbourne

Brian Gillard FCLA, Principal, Gillard Lawyers

Phillip Roberts, Solicitor, Gillard Lawyers

Dr Hung Chu FCLA, Lonergan Edwards &  
Associates

Rashda Rana FCLA, Partner, Holding Redlich

Gavin Bartier FCLA, NSW Department of Lands

William Henty FCLA, Solicitor, Sydney

Andrew Macpherson FCLA, Macpherson  
Greenleaf

Tiffany Davy FCLA, Solicitor, MDA Lawyers

Greg Wrobel, Partner, Holding Redlich

## Education Committee

Stephen Lamy FCLA, Chair

Max Wilson FCLA

## Membership Committee

Stephen McMahon FCLA, Chair

Max Wilson FCLA

## Publications Committee

Rick Porter FCLA, Chair

Dr Elisabeth Peden

Dr Greg Tolhurst

Max Wilson FCLA

## New Graduates Program

Kalinda Cobby FCLA, Chair

Jason Wells

Max Wilson FCLA

# 2008 Directors' Report

The Commercial Law Association of Australia Ltd

(A Company limited by guarantee) ACN 001 290 115

1. Your Directors present their report together with the financial statements of the Company for the year ended December 31, 2008.
2. The persons who have been Directors of the CLA during the period since 1 January 2008 and the date of this report are set out below. All have been Directors for the whole period unless otherwise stated:

Stephen Lamy FCLA, President	Stephen McMahon FCLA
Kalinda Cobby FCLA, Vice President	Rick Porter FCLA
David O'Bryen FCLA, Hon Treasurer	Jenny Wily FCLA
Dr John Keogh FCLA (resigned 30/1/2009)	A J (Tony) Dreise FCLA
Norman Donato FCLA (appointed 21/5/2008)	Jane Ann Gray FCLA (appointed 18/6/2008)

## 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 \$2,447.

## 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 \$2,447 (2007 — \$21,168)

Income from subscriptions for the year was \$77,548 (2007 — \$89,417)

Total income for the year was \$130,778 (2007 — \$150,418)

Operating expenditure for the year amounted to \$128,331 (2007 — \$129,250)

## 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

The Directors consider that 2009 will be a difficult year in terms of attracting members and in attendances at seminars.

## Environmental Issues

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

### Directors' Particulars

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

Stephen Lamy BA, LLM, FCLA	Solicitor	10/04/2002
Kalinda Cobby, BA, LLB, FCLA	Solicitor	16/02/2005
David O'Bryen B Ec, LLB, MAICD, FCLA	Solicitor	9/05/1992
Anthony J Dreise Dip Law SF Fin, FCLA	Solicitor	14/08/2002
Dr John Keogh LLB, SJD, FCLA	Barrister	15/08/2000
Jenny Wily LLB, BCL (Hons), FCLA	Solicitor	18/07/2000
Stephen McMahon B Comm, CA F Fin, FCLA	Chartered Accountant	17/02/1998
Rick Porter FCA, FCPA, ACIS, AAIM, FCLA	Chartered Accountant	18/08/2003
Norman Donato B Ec, LLB, LLM, FCLA	Solicitor	21/05/2008
Jane Ann Gray BA (Hons), LLB (Hons), LLM (Harvard), FCLA	Solicitor	18/06/2008

### Meetings of Directors

During the financial year 9 meetings of Directors were held.

### Directors' Meetings

	Number Eligible	Number attended
Stephen Lamy FCLA	9	9
Kalinda Cobby FCLA	9	8
Dr John Keogh FCLA	9	8
Jenny Wily FCLA	9	8
David O'Bryen FCLA	9	8
Anthony J Dreise FCLA	9	8
Stephen McMahon FCLA	9	8
Rick Porter FCLA	9	6
Norman Donato FCLA	7	5
Jane Ann Gray FCLA	6	5

Since the commencement of the year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit the reimbursement of reasonable out of pocket expenses totalling \$70 (2007: Nil).

### Indemnities and Insurance

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:

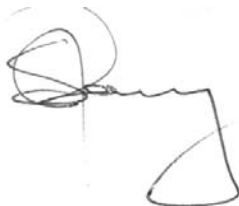
During the financial year the Company has paid premiums to insure all Directors against liabilities and for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$2,885.

### Proceedings on Behalf of Company

No person has applied for leave of any 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.



Stephen Lamy FCLA  
Director



David O'Bryen FCLA  
Director

Sydney  
March 28, 2008

# Financial Report

As at December 31, 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash	5	15,408	18,607
Receivables	6	41,048	55,225
Investments	7	71,474	46,560
Inventories	8	46	46
Petty cash		200	200
Other	9	2,323	2,235
Total Current Assets		130,499	122,873
Non Current Assets			
Property Plant & Equipment	10	424	1,565
Total Non Current Assets		424	1,565
Total Assets		130,923	124,438
Current Liabilities			
Payables	11	64,134	53,967
Total Current Liabilities		64,134	53,967
Net Assets		66,789	70,471
Member's Funds			
Retained Profits		66,789	49,302
Total Member's Funds		66,789	70,471

## Statement of Financial Performance

For the year ended December 31, 2008

	Note	2008 \$	2007 \$
Function revenue		114,635	111,873
Cost of functions		-66,623	-56,296
Gross profit		48,013	55,578
Other revenue from ordinary activities		76,638	94,841
Distribution expenses		-10,806	-8,142
Occupancy expenses		-531	-994
Administrative expenses		-54,350	-50,492
Other expenses from ordinary activities		-62,644	-69,622
Profit (Loss) from ordinary activities			
before income tax		-3,680	21,168
Income Tax expense	1(c)	0	0
Extraordinary Item		6,127	0
Operating Profit/(Loss) after income tax		2,447	21,168
Member's Funds at the beginning of the year		70,470	49,302
Extraordinary item (period adjustment 2007)		-6,127	0
Member's Funds at the end of the year		66,790	70,471

# Statement of Cash Flows

For the year ended December 31, 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from operations		214,076	174,612
Payments to suppliers and employees		-194,953	-185,545
Interest received		2,593	2,568
Total Net Cash used on Operating Activities	4	<u>21,716</u>	<u>-8,365</u>
Net Cash used on Operating and Investing Activities		<u>21,716</u>	<u>-8,365</u>
Net (Decrease) Increase in Cash and Cash Equivalentents		<u>21,716</u>	<u>-8,365</u>
Opening Cash Balance		<u>65,366</u>	<u>73,731</u>
Closing Cash Balance	5	<u>87,082</u>	<u>65,366</u>

# Notes To and Forming Part of the Accounts

For the year ended December 31, 2008

## 1. Statement of Accounting Policies

The financial statements are general purpose financial reports 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 are 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 in the accounts.
- (d) **Employee Entitlements.** As at balance date The Commercial Law Association of Australia Ltd had no employees and as a result there is no Provision for Employee Benefit provided for in the accounts.
- (e) **Subscription Income.** As at balance date the financial accounts of The Commercial Law Association of Australia Ltd were adjusted to account for prepaid subscription income for the 2008 calendar year which was previously included in the 2007 period.

## 2. Revenue

	2008 \$	2007 \$
Operating Activities		
Subscriptions	77,548	89,417
Sales of bulletins, papers and binders	2,624	2,855
Interest Received	2,593	2,568
Net income from functions	48,013	55,578
	<hr/>	<hr/>
	130,778	150,418
Total Revenue	<hr/> 130,778	<hr/> 150,418

## 3. Profit from Activities

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

Depreciation of plant and equipment	1,141	1,249
Auditors Remuneration	3,732	3,695

	2008 \$	2007 \$
<b>4. Cash Flow Information</b>		
Reconciliation of Cash Flows from Operations with Profit/(Loss) from ordinary activities after Income Tax.		
Profit/(Loss) from ordinary activities after Income Tax	2,447	21,168
Non-cash flows in Profit/(Loss) from ordinary activities		
Depreciation	1,141	1,249
Changes in assets and liabilities		
(Increase)/decrease in other debtors	14,177	16,941
(Increase)/decrease in prepayments	88	205
(Decrease)/Increase in creditors and accruals	10,167	13,636
Cash flow from operations	28,020	53,200
 <b>5. Cash</b>		
Cash at Bank	15,408	18,606
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	15,408	18,606
Petty cash float	200	200
Investments	71,474	46,560
	87,082	65,366
 <b>6. Current Assets — Receivables</b>		
Sundry Debtors	37,320	51,429
Credit Card Clearing Account	3,728	3,796
	41,048	55,225
 <b>7. Current Assets — Investments</b>		
Cash on Deposit	71,474	46,560
 <b>8. Current Assets — Inventories</b>		
Finished Goods	46	46
 <b>9. Current Assets — Other</b>		
Prepayments	2,323	2,235
 <b>10. Plant and Equipment</b>		
Office Furniture and Equipment		
At cost	5,908	5,908
Accumulated Depreciation	5,484	-4,343
	424	1,565
 <b>11. Payables</b>		
Trade Creditors	5,000	0
Net GST Liability	-5,048	-3,866
Prepaid Subscriptions	64,182	57,833
	64,134	53,967



# Detailed Statement of Income and Expenditure

For the year ended December 31, 2008

	2008 \$	2007 \$
Income:		
Subscriptions	77,548	89,417
Sales Bulletins, Paper and Binders	2,624	2,855
Interest Received	2,593	2,568
Net Income from Functions	48,013	55,578
Gain (Loss) on Disposal of Fixed Assets	0	0
Total Income	<u>130,778</u>	<u>150,418</u>
Less Expenditure:		
Auditors remuneration	3,732	3,695
Bank Charges	4,271	3,057
Consultancy — Advertising	91	15
Contract Management	60,113	67,902
Credit Card Merchant Fees	0	1,054
Depreciation	1,141	1,249
Graduate Expenses	3,175	0
Insurance	2,885	2,172
International Law Section	127	0
Internet	7,940	6,200
Office Expense	531	994
Postage	9,094	6,970
Printing and Stationery	6,470	7,695
Prizes	1,390	471
<i>Commercial Law Quarterly</i>		
Cost of Production	12,865	11,720
Editorial	6,589	8,915
Distribution	1,712	1,172
Member retention	3,255	2,673
New member expenses	1,512	1,409
Telephone	665	909
Travel	773	977
Total Expenditure	<u>128,331</u>	<u>129,250</u>
Operating Profit	<u>2,447</u>	<u>21,168</u>
Surplus/(Deficit) for the year	<u>2,447</u>	<u>21,168</u>

# Directors' Declaration

For the year ended December 31, 2008

In accordance with a resolution of the Directors of the Company, we declare that in the Directors' opinion:

- (a) the financial statements and notes of the Company for the year ended 31 December 2008 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the company's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, 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.

Stephen Lamy FCLA, Director  
Sydney, 28 March, 2009



David O'Bryen FCLA, 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, 2008 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, 2008 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, 2009



**The Commercial Law Association of Australia Ltd**

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