



**The Commercial Law Association
of Australia Ltd**

ACN 001 290 115

Annual Report 2007



Contents

Review of Activities:	
President's Report	2
Chief Executive Officer's Report	3
Leading Edge Seminar Series 2004	4
CLA Board of Directors	6
Standing Committees	8
Directors' Report	9
Financial Report	12
Statement of Financial Position	12
Statement of Financial Performance	12
Statement of Cash Flows	13
Notes To and Forming Part of the Accounts	14
Detailed Statement of Income and Expenditure	16
Directors' Declaration	17
Independent Audit Report	17
Audit Opinion	17

Chief Executive Officer:

Max Wilson BA, Grad Cert Management Communication, AFAIM

Commercial Law Quarterly Editors:

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

Dr Gregory Tolhurst LLM (Syd)

Registered Office:

7th Floor, 55 York Street, Sydney NSW

GPO Box 5186, Sydney 2001

Phone: (02) 9979 1364

Fax: (02) 9979 1599

Email: maxwilson@cla.org.au

Website: www.cla.org.au

Review of Activities



President's Message

This year has been very successful in terms of the increased number of member activities and the introduction of new programs. Financially the Association has had one of its most satisfying years in recent times, with a surplus of over \$20,000.

We organised 20 events during the year covering a diverse range of topics. We have had many highlights, including the Current Issues in Contract conference held on Friday, 27 July in conjunction with the Parsons Centre, Law Faculty, University of Sydney. A total of 80 delegates attended the one-day event. Due to the success of this event the CLA and the Centre will be holding another combined event on Friday, 1 August 2008.

Our regular lunchtime series also attracted strong support and confirmed that this series remains very popular with our members. Half-day seminars attracted good attendances, in particular, the IP seminar with Scott Bouvier, Partner, Mallesons Stephen Jaques; Dianne Beer, Partner, Holding Redlich; Carmen Champion, Barrister and Mark Allen, Partner, Bartier Perry.

We also held two Aged Services seminars during 2007. On Thursday, 19 April the topic in Melbourne was 'Navigating the retirement village and aged care maze. Trends pitfalls and opportunities' and on Friday, 2 November 2007 in Sydney the seminar was 'Affordable housing in aged care and retirement villages'. Special thanks to Gadens and RetireInvest for their support with the organisation of both these seminars.

On Thursday, 15 November a joint presentation, 'Diversity: making it work for everyone', with Bartier Perry created great interest. Speakers included Jo Scard, Melissa Doyle and Susan Price.

I would like to thank all our speakers, commentators and chairs for their valuable contribution. Over 40 leading practitioners and business identities presented in our seminar program.

A highlight was making Professor John Carter a Life Member of the Association at a General Meeting held on Wednesday, 28 November 2007. Professor Carter has made an outstanding contribution over many years to the Association, both as committee member and speaker.

Vice President Kalinda Cobby who oversees our Associates/New Graduates program and Emma Toshack who joined us towards the end of the year as our New Graduates Co-ordinator have worked very hard to expand the program. Emma will be implementing a number of new projects in 2008.

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 Committee Chairman Tony Dreise, Deputy Chairman Dr John Keogh and Secretary Daren Armstrong for their contribution to the LRTF.

Finally, I would like to thank Hon Treasurer David O'Bryen and all the directors for their commitment to the work of the Association. Unfortunately work pressures meant we had to farewell Daren Armstrong and Leo Gor from the board. I thank them for their input and am sure they will remain strong supporters of the Association. Also thanks to our CEO Max Wilson whose input to all aspects of the Association's activities is highly regarded and has been critical to the Association's success as a niche seminar provider.

Finally, a big thank you goes to all Association members and we look forward to your ongoing support.

Stephen Lamy



Chief Executive Officers' Report

The highlights of this year included the increased number of seminars and events, the continued excellence of the *Commercial Law Quarterly*, strong member participation in the activities of the Association and continued sponsor support.

This year's financial result showed a surplus of \$21,168 compared with a small deficit of \$3,187 in 2006. The surplus is largely attributable to the success of some of our larger events including the 'Current Issues in Contract Law' conference held on 27 July 2008.

Our alliance with the International Law Section of the Law Council of Australia saw the continuation of our successful International Series of Seminars. Andrew Percival co-ordinated the program.

In conjunction with Gadens Lawyers and RetireInvest we held two half-day seminars on aged services. 'Navigating the aged care maze' was the topic for our Melbourne seminar held in April and 'Affordable aged housing' was the topic for our Sydney seminar held in November.

During the year we worked in co-operation with some other organisations to develop special one-day conferences. Thank you to our alliance partner The Parsons Centre, University of Sydney for assistance with the organisation of the July 'Current Issues in Contract Law' conference and to the sponsors of this event — Commonwealth Bank of Australia, Freehills and LexisNexis.

Finsia and the CLA worked together to organise a Banking Law seminar held in October. Thanks also to sponsors Henry Davis York and Key Media, publishers of the *ALB* magazine for their support.

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

Further improvements to our website were progressively introduced during the year. Thank you to Kevin Tang and Carol Chin 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 like to take the opportunity to thank sponsors not mentioned previously, who have included Thomson Publications, Cypress Lakes Group, Peugeot, Kemp Strang, Corrs Chambers Westgarth and Hicksons Lawyers.

I would also like to thank the President Stephen Lamy, Vice President Kalinda Cobby, Honorary Treasurer David O'Bryen, Membership and Publications Chairs Stephen McMahon and Rick Porter, and all other directors for their support over a most challenging year.

Max Wilson

Leading Edge Seminar Series 2007

Insolvency Reform Package

6/02/2007

Richard Fisher, Partner; James Marshall, Partner; Ray Mainsbridge, Partner; Tony Ryan, Partner — Blake Dawson Waldron

Penalties: *Ringrow v BP*

9/02/2007

Associate Professor Lee Aitken, University of Sydney

The impact of WorkChoices: recent developments

16/02/2007

David Cross, Partner, Deacons

Disclosure or Destroy? What to do about sensitive, disagreeable or explosive information

16/02/2007

Virginia Shirvington

Trade Practices Update: Dawson changes through at last

9/03/2007

Russell Miller AM, Partner, Minter Ellison

Interlocutory Injunctions

23/03/2007

Christopher Hodgekiss SC

International Series

Globalisation: Entering export markets and establishing business operations offshore — the legal issues.

Case Study — USA

28/03/2007

Rudi Miklosvary, Austrade, Senior Export Adviser for the United States; Geoff Short, Managing Director, Tanda International; Anna Booy, International Relations Manager, Rouse & Co; Damian Sturzaker, Partner, Gadens; Paul Argent, Senior Associate, Corrs Chambers Westgarth

Estoppel by convention

29/03/2007

Justice Ken Handley

Recent developments in transnational Commercial Litigation

11/05/2007

Dr Andrew Bell SC

Deficient disclosure: a rising tide of civil actions

1/06/2007

James Phillips, Partner, Minter Ellison

International Series

Globalisation: Entering export markets and establishing business operations offshore — legal issues.

Case study — Vietnam

13/06/2007

Geoff Short, Managing Director, Tanda International; Anna Booy, International Relations Manager, Rouse & Co; Damian Sturzaker, Partner, Gadens, Paul Argent, Senior Associate, Corrs Chambers Westgarth

In-house Counsel and Legal Professional Privilege

22/06/2007

Justice Robert C McDougall

Current issues in Contract Law

27/07/2007

Professor John Carter, University of Sydney and consultant to Freehills; Associate Professor Barbara McDonald, University of Sydney; Dr Gregory Tolhurst, University of Sydney; Dr Elisabeth Peden, University of Sydney

Directors and officers exposure in the context of capital raising

17/08/2007

Leo Gor, Barrister, University Chambers

Hot issues in IP

24/08/2007

Scott Bouvier, Partner, Mallesons; Dianne Beer, Special Counsel, Holding Redlich; Carmen Champion, Barrister, 4 St James Hall; Jane Rawlings, Barrister, 4 St James Hal; Mark Allen, Partner, Bartier Perry

Professional Liability

14/09/2007

Alister Abadee, Barrister, Wentworth Chambers

Regulation and management of conflicts of interest in the financial services sector

21/09/2007

Paul Rogerson, Head of Legal, St George Bank

Banking & Financial Services in the Changing Business Cycle

25/10/2007

Andrew Rogers QC, Consultant with Clayton Utz and Probity Advisor to Leighton Holdings Limited; Richard Gibbs, Division Director and the Head of Economics, Macquarie Bank; Bob Deutsch, KPMG Tax Professor, University of New South Wales; Nicholas Dunstone, Partner, Henry Davis York; Jennifer Ball, Partner, Clayton Utz; Tony McGrath, Chairman, McGrath Nicol and Partners; Gary Johnson, Head of Commercial Banking, Bank West; Maree Blake, Director, Corporations Insolvency, Australian Securities and Investment Commission

Affordable Aged Housing: What does it mean?

2/11/2007

Sue Irvine, Managing Director, CBM Consultants; Ian Muir, CEO, ING Real Estate Community Living Fund; Lesley Dredge, Policy Officer, Aged and Community Services Australia; Andrew Giles, Director, Retirement Advisory Group, Macroplan Australia; John Millar, CEO, Dubbo RSL; Kimberley Talbot, Group CEO, Richmond Club and Hawkesbury Living Pty Ltd; Arthur Koumoukelis, Partner, Gadens Lawyers; John Walker, Aged Care Specialist, RetireInvest; Tony Williams, Aged Care Specialist, RetireInvest

Commercial Law Association Board of Directors

As at December 31, 2007



Stephen Lamy BA LLM

Stephen became President of the CLA in February 2006. He 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 roles with AMP and St George Bank and from 2002 with CBA. He has had 17 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 April 2002.



Kalinda Cobby BA, LLB

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 with Lane & Lane. She practices in various areas of commercial law (including Corporations Act compliance, shareholder and unit holder agreements, directors duties, franchising) and property law (including conveyancing, leasing, community, strata 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 Cobby currently serves as the CLA's Vice President and New Graduates Program Chair.



David O'Bryen B Ec, LLB MAICD

David is a solicitor specialising in financial services and commercial law generally. Prior to going into private practice, David was Legal Counsel with the Promina (now Suncorp) insurance and financial services group for over 14 years. He has had over 25 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 Honorary Treasurer of the CLA. He became a Councillor in 1989 and is the Association's longest serving Director.



Anthony J Dreise Dip Law SF Fin

Tony is a consultant lawyer in private practice specialising in financial markets regulation and 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 is 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 Chair of the CLA's Legislative Review Task Force and is a long-standing member of the Association.



Dr John Keogh LLB SJD

Dr John Keogh was President of the CLA from February 2001 to February 2006. During 2002 he re-established the Association's Legislative Review Task Force and is the LRTF's current Deputy 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 has recently commenced practice 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 restructuring and governance. In addition to being a Director of the Commercial Law Association of Australia Ltd, Jenny is also on the board of a number of public companies that provide financial services.



Stephen McMahon B Comm, CA F Fin

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 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.



Richard Porter FCA, FCPA, ACIS, AAIM

Rick 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 (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. Rick is also a Registered Official Liquidator, Tax Agent and Real Estate Agent. Rick's main professional areas of interest are corporate recovery and litigation. He was appointed as a Director of the Commercial Law Association in 2003 and is currently serving on the Publications Committee.



Daren Armstrong BSc, LLB (Hons), LLM

Daren is a Partner in the Corporate Advisory and Commercial Law practices of Kemp Strang, Sydney. Kemp Strang is a foundation member of the Kennedy Strang Legal Group, one of Australia's leading federations of commercial law firms. Daren advises a number of listed public companies, multinationals, investment funds, insolvency practitioners and tertiary institutions on a wide range of Corporations Act, corporate reconstruction, financing, acquisition/disposition and commercial matters. He serves on the Kennedy Strang Legal Group's National Executive. Daren has also served as Secretary of the Association's Legislative Review Task Force since 2002. (Resigned February 2008.)



Leo Gor B.Ec, LLB (Hons)

Leo Gor was called to the NSW Bar in April 2005. He has a breadth of dispute resolution experience across a diverse range of practice areas, including financial services, insurance/reinsurance, regulatory examinations and investigations, insolvency, aviation and energy. His primary focus has been in the financial services and insurance/reinsurance practice areas. Leo has handled contentious matters involving litigation, arbitration, mediation and expert determination. Leo is a graduate of Monash University with degrees in Economics and Law. (Resigned February 2008.)

Standing Committees

As at December 31, 2007

Legislative Review Task Force

Chair

Anthony Dreise
Consultant Lawyer, Sydney

Secretary

Daren Armstrong
Partner, Kemp Strang, Sydney

Deputy Chair

Dr John Keogh
Barrister, 3rd Floor, Culwulla Chambers, Sydney

Legislative Review Digest Editor

Brian Gillard, Principal, Gillard Consulting
Lawyers

Members

Allen C M Wong, Marketing Manager, Cheerfix
Pty Ltd, Kowloon
Edmund Finnane, Barrister, St James Hall
Chambers, Sydney
Norman Donato, Partner, Makinson & d'Apice
Roger Hamilton SC, Barrister, Wentworth
Chambers
Clive Cachia, Partner, Gadens
Phillip Roberts, Solicitor, Gillard Consulting
Lawyers
Dr Hung Chu, Lonergan Edwards & Associates
Rashda Rana, Barrister, St James Chambers
Gavin Bartier, NSW Department of Lands
William Henty, Solicitor, Sydney
Andrew Macpherson, Macpherson Greenleaf
Tiffany Davy, Solicitor, Sydney
Anna Durie

Education Committee

Stephen Lamy, Chair
Leo Gor
Max Wilson

Membership Committee

Stephen McMahon, Chair
Max Wilson

Publications Committee

Rick Porter, Chair
Dr Elisabeth Peden
Dr Greg Tolhurst
Max Wilson

New Graduates Program

Kalinda Cobby, Chair
Michael Ahrens
Max Wilson

2007 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, 2007.
2. The persons who have been Directors of the CLA during the period since 1 January 2007 and the date of this report are set out below. All have been Directors for the whole period unless otherwise stated:

Stephen Lamy, President	Stephen McMahon
Kalinda Cobby, Vice President	Rick Porter
David O'Bryen, Hon Treasurer	Leo Gor (resigned Feb 08)
Dr John Keogh	A J (Tony) Dreise
Daren Armstrong (resigned Feb 08)	
Jenny Wily	

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 \$21,168.

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 \$21,168 (2006 — -\$3,187)

Income from subscriptions for the year was \$89,417 (2006 — \$85,534)

Total income for the year was \$150,418 (2006 — \$122,688)

Operating expenditure for the year amounted to \$129,250 (2006 — \$125,875)

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 during the and since the period of this report, their qualifications, and date of appointment are:

Stephen Lamy BA LLM	Solicitor	10/04/2002
Kalinda Cobby, BA, LLB	Solicitor	16/02/2005
David O'Bryen B Ec, LLB MAICD	Solicitor	9/05/1992
Anthony J Dreise Dip Law SF Fin	Solicitor	14/08/2002
Dr John Keogh LLB SJD	Barrister	15/08/2000
Jenny Wily LLB BCL (Hons)	Solicitor	18/07/2000
Stephen McMahon B Comm, CA F Fin	Chartered Accountant	17/02/1998
Rick Porter FCA, FCPA, ACIS, AAIM	Chartered Accountant	18/08/2003
Daren Armstrong BSc, LLB (Hons), LLM	Solicitor	18/08/2004 (resigned Feb 2008)
Leo Gor B.Ec, LLB (Hons)	Barrister	15/09/2004 (resigned Feb 2008)

Meetings of Directors

During the financial year 9 meetings of Directors were held.

Directors' Meetings

	Number Eligible	Number attended
Stephen Lamy	9	9
Kalinda Cobby	9	9
Dr John Keogh	9	8
Jenny Wily	9	6
David O'Bryen	9	9
Anthony J Dreise	9	9
Stephen McMahon	9	8
Rick Porter	9	6
Daren Armstrong	9	6
Leo Gor	9	3

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.

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 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 \$2,390.75.

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
Director



David O'Bryen
Director

Sydney
March 28, 2008

Financial Report

As at December 31, 2007

	Note	2007 \$	2006 \$
Current Assets			
Cash	5	18,607	44,539
Receivables	6	55,225	38,284
Investments	7	46,560	28,992
Inventories	8	46	46
Petty cash		200	200
Other	9	2,235	2,030
Total Current Assets		122,873	114,091
Non Current Assets			
Property Plant & Equipment	10	1,565	2,814
Total Non Current Assets		1,565	2,814
Total Assets		124,438	116,905
Current Liabilities			
Payables	11	53,967	67,603
Total Current Liabilities		53,967	67,603
Net Assets		70,471	49,302
Member's Funds			
Retained Profits o/b		49,302	51,903
Current Surplus		21,168	-3,187
Prior year adj		?	586
Total Member's Funds		70,471	49,302

Statement of Financial Performance

For the year ended December 31, 2007

	Note	2007 \$	2006 \$
Function revenue		111,873	64,844
Cost of functions		-56,296	-34,278
Gross profit		55,578	30,565
Other revenue from ordinary activities		94,841	92,709
Distribution expenses		-8,142	-9,574
Occupancy expenses		-994	-855
Administrative expenses		-50,492	-45,859
Other expenses from ordinary activities		-69,622	-69,587
Profit (Loss) from ordinary activities			
before income tax		21,168	-2,601
Income Tax expense	1(c)	0	0
Extraordinary Item		0	0
Operating Profit/(Loss) after income tax		21,168	-2,601
Member's Funds at the beginning of the year		49,302	51,903
Member's Funds at the end of the year		70,471	49,302

Statement of Cash Flows

For the year ended December 31, 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from operations		174,612	158,792
Payments to suppliers and employees		-185,545	-160,154
Interest received		2,568	1,459
Total Net Cash used on Operating Activities	4	-8,365	97
Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment		0	-2,728
Total Net Cash used on Investing Activities		0	0
Net Cash used on Operating and Investing Activities		-8,365	-2,630
Net (Decrease) Increase in Cash and Cash Equivalentents		-8,365	-2,630
Opening Cash Balance		73,731	76,361
Closing Cash Balance	5	65,366	73,731

Notes To and Forming Part of the Accounts

For the year ended December 31, 2007

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.

2. Revenue

	2007 \$	2006 \$
Opening Activities		
Subscriptions	89,417	85,534
Sales of bulletins, papers and binders	2,855	5,130
Interest Received	2,568	1,459
Net income from functions	55,578	30,565
	<hr/>	<hr/>
	150,418	122,688
Non-operating Activities		
Gain on disposal of plant and equipment	0	0
Total Revenue	<hr/>	<hr/>
	150,418	122,688

3. Profit from Activities

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

Depreciation of plant and equipment	1,249	668
Auditors Remuneration	3,695	3,882

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	21,168	2,628
Non-cash flows in Profit/(Loss) from ordinary activities		
Depreciation	1,249	668
Increase/(Decrease) in provision for employee benefits	0	0
Changes in assets and liabilities		
(Increase)/decrease in other debtors	16,941	-10,353
(Increase)/decrease adj	0	0
(Increase)/decrease in prepayments	205	-1,757
(Decrease)/Increase in other liabilities	0	0
(Decrease)/Increase in creditors and accruals	13,636	10,079
Cash flow from operations	<hr/>	<hr/>
	53,200	-4,550

5. Cash

	2007 \$	2006 \$
Cash at Bank	18,606	44,539
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	18,606	44,539
Petty cash float	200	200
Investments	46,560	28,992
	<u>65,366</u>	<u>73,731</u>

6. Current Assets — Receivables

Sundry Debtors	51,429	35,682
Credit Card Clearing Account	3,796	2,602
	<u>55,225</u>	<u>38,284</u>

7. Current Assets — Investments

Cash on Deposit	<u>46,560</u>	<u>28,992</u>
-----------------	---------------	---------------

8. Current Assets — Inventories

Finished Goods	<u>46</u>	<u>46</u>
----------------	-----------	-----------

9. Current Assets — Other

Prepayments	<u>2,235</u>	<u>2,030</u>
-------------	--------------	--------------

10. Plant and Equipment

Office Furniture and Equipment		
At cost	5,908	5,908
Accumulated Depreciation	-4,343	-3,094
	<u>1,565</u>	<u>2,814</u>

11. Payables

Trade Creditors	0	0
Net GST Liability	-3,866	-2,088
Prepaid Subscriptions	57,833	69,691
	<u>53,967</u>	<u>67,603</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 has undertaken in the event of a deficiency on winding-up to contribute an amount not exceeding \$20. At December 31, 2007 the total of these guarantees amounted to \$8,200 (2006 — \$8,000).

Detailed Statement of Income and Expenditure

For the year ended December 31, 2007

	2007 \$	2006 \$
Income:		
Subscriptions	89,417	85,534
Sales Bulletins, Paper and Binders	2,855	5,130
Interest Received	2,568	1,459
Net Income from Functions	55,578	30,565
Gain (Loss) on Disposal of Fixed Assets	0	0
Total Income	150,418	122,688
Less Expenditure:		
Auditors remuneration	3,695	3,882
Bad debt written off	0	0
Bank Charges	3,057	1,187
Consultancy	15	120
Contract Management	67,902	68,331
Credit Card Merchant Fees	1,054	1,721
Depreciation	1,249	668
General Expenses	0	0
Insurance	2,172	2,297
Internet	6,200	6,452
Light and Power	0	0
Office Expense	994	855
Postage	6,970	8,339
Printing and Stationery	7,695	4,875
Prizes	471	588
<i>Commercial Law Quarterly</i>		
Cost of Production	11,720	13,684
Editorial	8,915	3,782
Distribution	1,172	1,235
Member retention	2,673	3,498
New member expenses	1,409	2,830
Repairs and Maintenance	0	0
Subscriptions	0	255
Telephone	909	1,168
Travel	977	111
Total Expenditure	129,250	125,875
Operating Profit	21,168	-3,187
Extraordinary Item	0	0
Surplus/(Deficit) for the year	21,168	-3,187

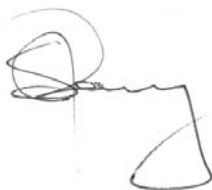
Directors' Declaration

For the year ended December 31, 2007

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 2007 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 2007 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, Director
Sydney, 28 March, 2008



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, 2007 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, 2007 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, 2008



The Commercial Law Association of Australia Limited

GPO Box 5186, Sydney 1044 • DX 1285 Sydney

Phone (02) 9979 1364 • Fax (02) 9979 1599 • Email: maxwilson@cla.org.au • Website: www.cla.org.au