



**The Commercial
Law Association
of Australia Ltd**

ACN 001 290 115

**Annual Report
2009**

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Chief Executive Officer:

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

***Commercial Law Quarterly* Editors:**

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Review of Activities



President's Report

The year was notable for the challenge presented by the global financial crises. I am very pleased to report that the Association weathered it well, managing a surplus of \$8,900 which was an increase on the prior year.

We organised 17 events during the year, covering a diverse range of topics that involved the participation of some 78 presenters including judges, academics, leading practitioners and business representatives. We also had the Hon Justine Elliott, Minister for Ageing, provide a closing address for a halfday seminar in May. Stephen Gageler, the Solicitor General of Australia, chaired another halfday seminar in December.

From many highlights in our seminar program I mention two: the one-day conference on insolvency held in conjunction with the Ross Parsons Centre, University of Sydney on 31 July and the halfday seminar on Equity and Financial Stress held in conjunction with the *Journal of Equity* on 14 August.

Our regular Leading Edge lunchtime seminars and halfday seminars attracted solid support. A complete listing of our 2009 seminars is included in this report.

The New Graduates and Mentoring program underwent some changes during 2009 and a revised program is being introduced in 2010.

The Legislative Review Task Force under Tony Dreise's chairmanship continued to be active during the year with an expanded membership. I thank Tony as well as Dr John Keogh, Deputy Chair; Norman Donato, Secretary and the other members for their contributions to the LRTF.

The *Commercial Law Quarterly* has now been produced for over 20 years. My thanks go to Rick Porter, Publications Chair; Editors Professor Elisabeth Peden and Associate Professor Gregory Tolhurst and Elizabeth Wilson, Graphic Designer.

Finally, I would like to thank the Treasurer David O'Brien, and all Directors for their commitment to the work of the Association. Also thanks are due to our CEO Max Wilson for his input to the running of our many and varied activities. A special thanks goes to all our members and we look forward to your continued support in 2010.

Stephen Lamy



Chief Executive Officer's 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 *Journal of Equity*.

Marketing the value of CLA membership generally was a particular challenge this year, largely due to the effects of the global financial crisis.

Nevertheless we were able to attract new members throughout the year. The financial result in 2009 showed a small surplus of \$8,900 compared with a profit of \$2,447 in 2008.

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

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 *ALB* magazine, who have maintained their support 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.

A number of member firms have provided support by way of presenters and sponsorship of particular seminars. Thanks to Holman Webb for sponsorship of the Equity and Financial Stress halfday conference, Henry Davis York for the Directors' Duties in Difficult Times seminar and Slater & Gordon for the Class Actions and Litigation halfday seminar.

A special thanks also to the large number of senior practitioners who were guest speakers and chairs in our 2009 seminar program. Without their generous support we would not be able to offer such a high level and diverse seminar program.

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.

In summary, 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, 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 2009

Professional indemnity insurance in the financial crisis

20/2/2009

Ian Enright, Partner, Henry Davis York

Federal government changes to employment law

27/2/2009

John West QC, Selborne Chambers (Chair); Anthony Longland, Partner, Freehills; David Cross, Partner, Deacons; Steven Penning, Partner, Turner Freeman; Joellen Riley, Professor of Labour Law, University of Sydney.

Managing and maximising IP assets

13/3/2009

Carmen Champion, St James Hall Chambers (Chair); Dianne Beer, Special Counsel, Herbert Geer; Ken Preshaw, Licensing Executive, Asia Pacific Centre, IBM; Donna Short, Partner, Henry Davis York

Update on trade practices

13/3/2009

Russell Miller AM, Partner, Minter Ellison

Indemnities

20/3/2009

Matthew Allchurch, Partner, Allens Arthur Robinson

Affordable aged care: current issues, innovative solutions and the role of insurance

7/5/2009

The Hon Justine Elliott, Minister for Ageing (official opening); The Hon John Watkins, CEO, Alzheimer's Australia (NSW) (Chair); Associate Professor Cameron Stewart, Sydney Law School; Arthur Koumoukelis, Partner, Gadens Lawyers; John Walker, Financial Adviser, RetireInvest; Harry N Stout, CEO, ING Australia; Ray Giblett, Partner, Gadens Lawyers

Disclosure

8/5/2009

Scott Chareneka, Partner Deacons; Lynne Peach, Partner, Minter Ellison; Michael Vrisakis, Partner, Freehills; Claire Wivell Plater, Director, Gold Seal Risk Management Services; Jenny Wily, Principal, Wily Legal and Consulting

Hot issues in corporations law

8/5/2009

Warwick S Johnson, (Chair); Caroyn Pugsley, Senior Associate, Freehills; Dr Christos Mantziaris, Selborne Chambers; Stephen Mullette, Executive Lawyer, Bartier Perry; Greg Wrobel, Partner, Holding Redlich

Money Matters Series — SMSF: using your head in hard times

11/5/2009

Graeme Colley, Superannuation Strategy Manager, ING Australia; John Walker, Financial Adviser, RetireInvest.
Proudly supported by RetireInvest

International seminar series: Outward investment into Asia: the legal, tax and financial issues

24/5/2009

Andrew Perceival, Special Counsel, Corrs Chambers Westgarth (Chair); Geoff Short, Managing Director, Tanda International; Anna Booy, International Relations Manager, Rouse & Co; Duncan Glasgow, Regional General Counsel, Boart Longyear Limited.

Recent developments in trade practices: parts IV and V

19/6/2009

Justice Steven Rares, Federal Court of Australia (Chair); Bill Reid, Partner, Blake Dawson; Christopher Hodgekiss SC, Selborne Chambers; Andrew Wiseman, Partner, Allens Arthur Robinson; Brent Fisse, Brent Fisse Lawyers.

Directors' duties in trying times

Professor Keith Mason, University of NSW (Chair); Louise Cantrill, Special Counsel, Henry Davis York; Jason Munstermann, Partner, Henry Davis York; Alex Smith, Senior Associate, Henry Davis York; Kathy Merrick, Henry Davis York; Kerry Abadee, Senior Associate, Henry Davis York.

Proudly supported by Henry Davis York

Indemnities and consequential loss

1/6/2009

Professor John Carter, Sydney University and Consultant, Freehills

Current issues in insolvency

31/7/2009

Justice Robert Austin, Supreme Court of NSW; Richard Fisher AM, General Counsel and Adjunct Professor, Graduate School of Government, University of Sydney; Associate Professor Lee Aitken, Hong Kong University; Mark Robinson, Partner, PPB, Scott Atkins, Partner, Henry Davis York; John Martin, Partner, Henry Davis York; Paul Burges, Director, BRI Ferrier; Michael Quinlan, Partner, Allens Arthur Robinson; Angela Martin, Senior Associate, Allens Arthur Robinson; Tony Ryan, Partner, Blake Dawson; Joseph Hayes, Partner, McGrath Nicol; James Marshall, Partner, Blake Dawson; Leo Gor, University Chambers; Justice Reginald Barrett, Supreme Court of NSW.

Seminar held in conjunction with the Ross Parsons Centre, University of Sydney.

Equity and financial stress

14/8/2009

Professor Keith Mason, University of NSW; Mark Leeming SC, Selborne Chambers; Justice Michael Kirby, High Court of Australia; Professor Michael Bryan, University of Melbourne; Justice Margaret Stone, Federal Court of Australia; Dr Joshua Getzler, Oxford University and Conjoint Professor, University of NSW; Justice Kevin Lindgren, Federal Court of Australia; Professor Peter Watts, University of Auckland; Associate Professor Elise Bant, Melbourne Law School, University of Melbourne.

Seminar held in conjunction with the *Journal of Equity*.

Procedural and evidentiary issues associated with civil penalty proceedings brought by ASIC

4/9/2009

Alistair Abadee, Wentworth Chambers

Liquidated damages and what the High Court should decide in the appeal in *Interstar Wholesale Finance Pty Ltd v Integral Home Loans Pty Ltd*.

16/10/2009

Dr Elisabeth Peden, Professor, Faculty of Law, University of Sydney and Barrister, Wentworth Chambers.

Class actions and litigation in uncertain times

11/12/2009

Stephen Gageler SC, Solicitor General of Australia (Chair); Van Moulis, Practice Group Leader, Slater & Gordon; Vicky Antzoulatos, Senior Associate, Slater & Gordon; Steven Lewis, Practice Group Leader, Slater & Gordon; Ken Fowlie, National Practice Group Leader, Slater & Gordon; Andrew Morrison, Partner, Clayton Utz.

Supported by Slater & Gordon

Commercial Law Association Board of Directors

As at December 31, 2009



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 20 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 is Counsel, Property & Franchising, Australasia & Africa for the Luxottica Group (well known in Australia under its brand names OPSM, Laubman & Pank, Budget Eyewear, Bright Eyes and Sunglass Hut). She was a Partner of Hicksons Lawyers and continues as a consultant to that firm. 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 30 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. He is the Principal of O'Bryen Legal 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. As a Director since 1989, David is the Association's longest serving board member.



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 CLA.



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 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. 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 Law and Economics, as well as a Master of 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. He 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 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.



Edmund Finnane BA and LLB (ANU), LLM (Corporate & Commercial Law) (UNSW)

Edmund was called to the NSW Bar on 14 February 1997 and has a wide ranging practice in insolvency and corporate law; equity; commercial, contract matters; Property (Relationships) Act and related remedies; mortgage and security law; and trade practices. He currently serves on the CLA's Legislative Review Task Force. Edmund was appointed to the CLA's Board of Directors in July 2009. His published works include Finnane, Newton, Wood, *Equity Practice and Precedents*, 2008, Thomson.

Standing Committees

As at December 31, 2009

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
Dr Hung Chu FCLA, Lonergan Edwards & Associates
Gavin Bartier FCLA, NSW Department of Lands
William Henty FCLA, Solicitor, Sydney
Andrew Macpherson FCLA, Macpherson Greenleaf
Tiffany Davy FCLA, Argyle Lawyers
Greg Wrobel, Partner, Holding Redlich
Amanda Carrigan, Law Faculty, UWS
Dr Karl Ajami, Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP)
Allison Silink, Barrister, St James Hall Chambers
Michael Gray, Sydney Institute of TAFE
Phillip Roberts, Phillip Roberts Lawyers
Stephen Phillips, Hunter Water Corporation
Rashda Rana, Barrister

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 (resigned November 2009)
Max Wilson FCLA

2009 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, 2009.
2. The persons who have been Directors of the Company during the period since 1 January 2009 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
Edmund Finnane FCLA (appointed 10/7/2009)	A J (Tony) Dreise FCLA
Norman Donato FCLA	Jane Ann Gray FCLA

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, 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 \$8,900.

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 \$8,900 (2008 — \$2,447)

Income from subscriptions for the year was \$62,345 (2008 — \$77,548)

Total income for the year was \$134,661 (2008 — \$130,778)

Operating expenditure for the year amounted to \$125,761 (2008 — \$128,331)

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 2010 will be another difficult year in terms of attracting members and seminar attendance.

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	10/08/2002
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
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
Edmund Finnane BA & LLB (ANU), LLM (UNSW), FCLA	Barrister	10/07/2009

Meetings of Directors

During the financial year nine meetings of Directors were held.

Directors' Meetings

	Number Eligible	Number attended
Stephen Lamy FCLA	9	9
Kalinda Cobby FCLA (leave of absence March to August)	9	3
Jenny Wily FCLA (leave of absence October)	7	5
David O'Bryen FCLA	9	9
Anthony J Dreise FCLA	9	8
Stephen McMahon FCLA	9	7
Rick Porter FCLA	9	7
Norman Donato FCLA	9	7
Jane Ann Gray FCLA	9	8
Edmund Finnane FCLA	5	4

Since the commencement of the year, no Director of the Company has received or become entitled to receive a benefit, other than the benefit of reimbursement of reasonable out of pocket expenses totalling nil (2008: \$70).

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 a premium 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 \$2,835.

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 party to any 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 29, 2010

Financial Report

Statement of Financial Position as at December 31, 2009

	Note	2009 \$	2008 \$
Current Assets			
Cash	5	51,407	15,408
Receivables	6	36,747	41,048
Investments	7	52,049	71,474
Inventories	8	46	46
Petty cash		200	200
Other	9	2,514	2,323
Total Current Assets		142,963	130,499
Non Current Assets			
Property Plant & Equipment	10	1,194	424
Total Non Current Assets		1,194	424
Total Assets		144,157	130,923
Current Liabilities			
Payables	11	68,468	64,134
Total Current Liabilities		68,468	64,134
Net Assets		75,689	66,789
Member's Funds			
Retained Profits o/b		66,789	66,789
Extraordinary Item (period adjustment 2007)		0	-6,127
		66,789	64,343
Current surplus		8,900	2,447
Total Members' Funds		75,689	66,789

Statement of Financial Performance

For the year ended December 31, 2009

	Note	2009 \$	2008 \$
Function revenue		104,944	114,635
Cost of functions		-41,366	-66,623
Gross profit		63,578	48,013
Other revenue from ordinary activities		71,082	76,638
Distribution expenses		-5,392	-10,806
Occupancy expenses		-1,495	-531
Administrative expenses		-51,346	-54,350
Other expenses from ordinary activities		-67,527	-62,644
Profit (Loss) from ordinary activities			
before income tax		8,900	-3,680
Income Tax expense		0	0
Extraordinary Item	1(e)	0	6,127
Operating Profit/(Loss) after income tax		8,900	2,447
Member's Funds at the beginning of the year		66,789	70,470
Extraordinary item (period adjustment 2007)		0	-6,127
Members' Funds at the end of the year		75,689	66,790

Statement of Cash Flows

For the year ended December 31, 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from operations		182,066	214,076
Payments to suppliers and employees		-167,126	-194,953
Interest received		1,634	2,593
Total Net Cash used on Operating Activities	4	<u>16,574</u>	<u>21,716</u>
Net Cash used on Operating and Investing Activities		<u>16,574</u>	<u>21,716</u>
Net (Decrease) Increase in Cash and Cash Equivalents		<u>16,574</u>	<u>21,716</u>
Opening Cash Balance		<u>87,082</u>	<u>65,366</u>
Closing Cash Balance	5	<u>103,656</u>	<u>87,082</u>

Notes to and Forming Part of the Accounts

For the year ended December 31, 2009

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 Company 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 Company had no employees and as a result there is no provision for Employee Benefits provided for in the accounts.
- (e) **Subscription Income.** As at balance date the accounts of the Company were adjusted to account for prepaid subscription income for the 2009 calendar year which was previously included in the 2008 period.

2. Revenue

	2009 \$	2008 \$
Operating Activities		
Subscriptions	62,345	77,548
Sales of bulletins, papers and binders	1,708	2,624
Interest Received	1,634	2,593
Net income from functions	63,578	48,013
Other income	5,396	0
	<hr/>	<hr/>
	134,661	130,778
Total Revenue	<hr/>	<hr/>
	134,661	130,778

3. Profit from Activities

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

Depreciation of plant and equipment	919	1,141
Auditors' Remuneration	3,659	3,732

	2009 \$	2008 \$
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	8,900	2,447
Non-cash flows in Profit/(Loss) from ordinary activities		
Depreciation	919	1,141
Changes in assets and liabilities		
(Increase)/decrease in other debtors	4,087	14,177
(Increase)/decrease in prepayments	191	88
(Decrease)/Increase in creditors and accruals	4,356	10,167
Cash flow from operations	18,453	28,020
5. Cash		
Cash at Bank	51,407	15,408
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	51,407	15,408
Petty cash float	200	200
Investments	52,049	71,474
	103,656	87,082
6. Current Assets — Receivables		
Sundry Debtors	33,985	37,320
Credit Card Clearing Account	2,762	3,728
	36,747	41,048
7. Current Assets — Investments		
Cash on Deposit	52,049	71,474
8. Current Assets — Inventories		
Finished Goods	46	46
9. Current Assets — Other		
Prepayments	2,514	2,323
10. Plant and Equipment		
Office Furniture and Equipment		
At cost	7,597	5,908
Accumulated Depreciation	6,403	5,484
	1,194	424
11. Payables		
Trade Creditors	5,000	5,000
Net GST Liability	-5,048	-5,048
Prepaid Subscriptions	68,285	64,182
	68,237	64,134

Detailed Statement of Income and Expenditure

For the year ended December 31, 2009

	2009 \$	2008 \$
Income:		
Subscriptions	62,345	77,548
Sales Bulletins, Paper and Binders	1,708	2,624
Interest Received	1,634	2,593
Net Income from Functions	63,578	48,013
Gain (Loss) on Disposal of Fixed Assets	5,396	0
Total Income	<u>134,661</u>	<u>130,778</u>
Less Expenditure:		
Auditors' remuneration	3,659	3,732
Bank Charges	4,064	4,271
Computer Peripherals & Consumables	437	0
Consultancy — Advertising	91	91
Contract Management	64,674	60,113
Credit Card Merchant Fees	12	0
Depreciation	919	1,141
Graduate Expenses	699	3,175
Insurance	2,835	2,885
International Law Section	0	127
Internet	8,587	7,940
Office Expense	1,495	531
Postage	3,684	9,094
Printing and Stationery	8,118	6,470
Prizes	1,934	1,390
Commercial Law Quarterly		
Cost of Production	11,295	12,865
Editorial	4,950	6,589
Distribution	1,708	1,712
Member retention	4,973	3,255
New member expenses	159	1,512
Telephone	624	665
Travel	844	773
Total Expenditure	<u>125,761</u>	<u>128,331</u>
Operating Profit	<u>8,900</u>	<u>2,447</u>
Surplus/(Deficit) for the year	<u>8,900</u>	<u>2,447</u>

Directors' Declaration

For the year ended December 31, 2009

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 2009 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 2009 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, 2010



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, 2009 comprising the Statement of Financial Performance, Statement of Cash Flows, Notes to and Forming Part of the Accounts 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 disclosures 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, 2009 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, 2010



The Commercial Law Association of Australia Ltd

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