



**The Commercial Law Association
of Australia Limited**

ACN 001 290 115

Annual Report 2004

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
Financial Report	9-17
Directors' Report	9
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)

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Review of Activities



President's Message

This year marks my fourth term as President and I am once again pleased to report on another highly successful year. In 2004 despite strong competition from commercial providers and other not for profit organisations we have seen an expansion of the Association's seminar activities. This year we also welcomed over 50 new individual and corporate members to our Association. Through our New Graduates Gift Program we encouraged new practitioners and as at December 31, 2004 we had over 80 participants in this program.

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

The diversity and strength of our seminar program has only been possible through the high standards and expertise of our speakers. Unfortunately, space does not permit me to list all those who have contributed to the success of our seminar programs. A sincere thank you to the many busy leading professionals who have given freely of their time to speak in our seminar series. I'd also like to thank our members, individuals and firms, who have supported the Association through regular attendance at the seminars, workshops and other events.

Throughout the year the Association's Legislative Review Task Force has been very active in legislative review, promoting public comment and discussion through debates and workshops. Thank you to Brian Gillard, Eddie Finnane, Tony Dreise and Daren Armstrong who contributed articles for the *Commercial Law Quarterly*. Also thank you to Tony Dreise for undertaking the demanding role as Research Co-ordinator and Daren Armstrong who has carried out the duties of Secretary with such distinction.

The development of new member service programs demands a high commitment from many talented individuals. Recently we announced plans for an Association-based mentoring program. Nicola Arvidson, Michael Ahrens and Kalinda Cobby have undertaken much work in setting up the program structure and drafting materials. An official launch of the mentoring project in 2005 is eagerly awaited.

I would also like to thank our *Commercial Law Quarterly* Editors Dr Elisabeth Peden and Gregory Tolhurst for their excellent work and Liz Wilson for her graphic design of the publication. I am sure that members have noticed the consistently high standard of our journal.

There are a great many people who have given their time to the Association. Without their support it would be difficult to achieve the level of success that has been a feature of this years operations.

A special thank you to all board directors. I have been extremely lucky in working with such an enthusiastic and dedicated team of individuals. During the year we also welcomed new directors Leo Gor and Daren Armstrong. Also thanks to our CEO Max Wilson who has been a support to myself as President and the board in general. In 2005 we celebrate the 40th anniversary of the formation of the Commercial Law Association of Australia Limited.

For any organisation it is a great achievement to reach 40 years of continual operation serving the interests of members. With your support we can continue to play an important role in bridging the gap between commerce and law for many years to come.

Dr John Keogh



Chief Executive Officer's Report

The highlights of this year included the expansion of our events calendar, the continued excellence of the *Commercial Law Quarterly*, the expansion of our New Graduates Program, strong participation of members in the activities of the Association and continued support from sponsors.

Total income increased slightly from 2003 and the Association managed to post a small surplus of \$2,808 despite what was an incredibly competitive seminar market.

A special thank you to the large numbers of professionals who supported the activities of the Association by being guest speakers in our Leading Edge Seminar Series during 2004. Without their continued support we could not offer the varied seminar programs that we currently offer to members and guests.

Dr Elisabeth Peden and Gregory Tolhurst have continued to maintain the high standard of the Association's flagship publication the *Commercial Law Quarterly*.

Further improvements to our website were progressively introduced during the year. Thank you to Kevin Tang and Carol Chen of Tang.Net for their dedicated support in overseeing the development and maintenance of the CLA website.

Through the alliances we are developing we will continue to offer members the opportunity to participate in a broader range of activities. This year we negotiated a sponsorship arrangement with RetireInvest. As a direct result of this sponsorship members will have access to further information especially in areas of financial information. Special thanks also to this year's sponsors including Sydney Jaguar dealers, Tower Lodge, Tower Estate Wines, Thomson Publications, LexisNexis and ALB. Also thank you to Baker & McKenzie for hosting our Sunset Debates and to Deloitte, Brisbane for hosting a highly successful members' seminar and networking function.

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

Max Wilson

Leading Edge Seminar Series 2003

Expert Witnesses and Part IV Trade Practices Litigation

February 13, 2004

Christopher Hodgekiss SC; Chair Justice G Hill

Halfday Seminar

Commercial Property

February 26, 2004

Chair: Dr John Keogh, Barrister at Law, 3rd Floor, Culwulla Chambers; Lee Aitken, Barrister at Law, St James Chambers; Dianne Skapinker, Partner, Minter Ellison and Associate Professor of Law, University of Sydney; Katherine Harvey, Senior Associate, Minter Ellison; Andrew Lang, legal author and commentator; Peter Collins, Partner, Mallesons Stephen Jaques

Current Issues in Trade Practices

March 12, 2004

Russell Miller, Partner, Minter Ellison, Canberra

Proudly sponsored by Thomsons

Banking Law Issues

March 25, 2004

Chair: Les Taylor, CBA; John Stumbles, Partner, Mallesons Stephen Jaques; Andrew Smith, Partner, Mallesons Stephen Jaques; Steven Klimt, Partner, Clayton Utz; Narelle Smythe, Partner, Clayton Utz; Tony Frost, Director, Greenwoods & Freehills

Update on Intellectual Property

May 14, 2004

John Garnsey QC

The collapse of UMP — Insights and Insolvency Aspects

May 20, 2004

Chair: Greg Rodgers, Special Counsel, Freehills, Brisbane; David Lombe, Partner, Deloitte Touche Tohmatsu; John Greig, Partner, Deloitte Touche Tohmatsu

Proudly sponsored by Deloitte, Brisbane

Why the Supreme Court is a woeful jurisdiction to argue an employment matter:

A disrespectful study of Bredel v Moore Business Systems Australia Ltd

June 11, 2004

Joelleen Riley, Senior Lecturer, Faculty of Law University of Sydney

Halfday Seminar

Hot issues in Insolvency

June 24, 2004

Michael Quinlan, Partner, AAR; Max Donnelly, Partner, Ferrier Hodgson; Maria O'Brien, Partner, Baker & McKenzie; James Hamilton, Partner, Baker & McKenzie

Focus on Contracts

July 23, 2004

Professor John Carter, Consultant, Freehills

Sponsored by LexisNexis

July 30, 2004

Dr Elisabeth Peden, lecturers, University of Sydney

Proudly sponsored by LexisNexis

Trade Practices amendments: the Dawson Report and Senate Economics Committee Report

August 20, 2004

Christopher Hodgekiss SC

Sunset Debate

The intervention is worse than the indigestion. The Spam Act

August 25, 2004

Adjudicator: Michael Walsh; Martin Hoffman, Chief Executive Officer, ninemsn; Patrick Fair, Partner, Baker & McKenzie; Paul Fletcher, Director, Corporate and Regulatory Affairs, Optus; Richard Horsely, Barrister, Wentworth Chambers

Proudly sponsored by Baker & McKenzie

Halfday Seminar

Enforcement and compliance under the new financial services regime

August 26, 2004

Bill Fuggle, Partner, Baker & McKenzie; Nigel Cotman SC, Wentworth Chambers; Leo Gor, Senior Associate, Baker & McKenzie; Robert Walsh, Head Compliance Practice, Ernst & Young

Water licences: the new framework for buyers and lenders

September 17, 2004

Graham Englefield, Partner, Tress Cox

Advertising and the Trade Practices Act

October 15, 2004

Christopher Hodgekiss SC

Essential Issues in IP

October 28, 2004

Chair: Dianne Beer, Partner, Holding Redlich; Carmen Champion, Barrister at Law; Guy Betar, IP & IT Consultant; Andrew Ross, Partner, Ernst & Young; Eugenia Kolivas, Special Counsel, Blake Dawson Waldron

Boardroom Briefing

Focus on Employment Contracts

November 18, 2004

Steven Penning, Partner, Turner Freeman Lawyers; Joellen Riley, Senior Lecturer, Faculty of Law University of Sydney

Proudly sponsored by RetireInvest

Commercial Law Association Board of Directors



Dr John Keogh LLB SJD

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



Jenny Wily LLB (Hons) BCL (Hons)

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



David O'Bryen B Ec, LLB

David is the Legal Counsel for Asteron, the Financial Services Division of the Promina insurance group. He has been with the Promina (formerly Royal & Sun Alliance) Group since 1991. David has had 25 years experience in commercial law including corporations, securities and collective investments. His experience includes compliance, compliance training and due diligence reviews. David also has experience in advising on acquisitions, mergers, and other projects. Prior to his appointment to Asteron, he was a Senior Manager in the Legal Division of Westpac Banking Corporation. David is a Director and Honorary Treasurer of the CLA. He initially became involved with the Association through his Chairmanship of the Legal and Commercial Committee and became a Councillor in 1989. David is the Association's longest serving Director.



Anthony J Dreise Dip Law ASIA

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



Stephen Lamy BA LLM

Stephen was admitted as solicitor in NSW in 1974 and in England and Wales in 1979. He had a variety of private practice positions involving commercial and revenue work before moving to corporate law in 1990. Stephen's corporate career has included employment with AMP and St George Bank and from January 2002 with the Legal Department of CBA. He has had 14 years in funds management with emphasis on superannuation. Stephen has also been a part-time lecturer in the Masters program at UTS during 1990s (superannuation and stamp duty). He has a strong interest in legal education and developments in areas outside of his current specialisation. Stephen joined the CLA's Board of Directors in August 2002 and is currently the Chair of the Association's Education Committee.



Martin Kinsky LLB

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



Stephen McMahon B Comm, CA ASIA

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



Daren Armstrong BSc, 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.



Richard Porter FCA, FCPA, ACIS

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, Auditor, 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 Education Committee.



Kalinda Cobby BA, LLB

Kalinda Cobby graduated in Arts/Law from the University of New South Wales. She became a partner of Lane & Lane in 1997. 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 Hon New Graduates Program Manager.



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 the Monash University with degrees in Economics and Law.

Standing Committees

Legislative Review Task Force

Chair

Dr John Keogh

Barrister, 3rd Floor, Culwulla Chambers, Sydney

Secretary

Daren Armstrong, Secretary

Partner, Kemp Strang, Sydney

Deputy Chair and Research Co-ordinator

Anthony Dreise, Research Co-ordinator

Consultant Lawyer, Sydney

Legislative Review Digest Editor

Brian Gillard, Solicitor

Brian Gillard & Associates, Sydney

Members

Warren Andrews

Barrister, Sydney

Bruce Cowley

Partner, Minter Ellison Lawyers, Brisbane

Martin Einfeld QC

Barrister, Sydney

Martin Kinsky

Solicitor, Investigations & Enforcement

Manager Australian Stock Exchange, Sydney

Bruce McBain

Corporate Counsel, The Age, Melbourne

Keith Millman

Commercial Counsel, Treasury Department,
Queensland Government

Maurice Neil QC

Barrister, Wardell Chambers, Sydney

Allen C M Wong

Marketing Manager, Cheerfix Pty Ltd, Kowloon

Edmund Finnane

Barrister, St James Hall Chambers, Sydney

Norman Donato

Partner, Makinson & d'Apice

Roger Hamilton

Barrister, Wentworth Chambers

Kalinda Cobby

Partner, Lane & Lane

Clive Cachia

Partner, Gadens

Tiffany Davy

Solicitor, Clayton Utz

Anne Durie

Post Graduate Student, UTS

Education Committee

Stephen Lamy, Chair

Rick Porter

Christopher Whitelaw

Leo Gor

Max Wilson

Membership Committee

Stephen McMahon, Chair

Max Wilson

Publications Committee

Dr John Keogh, Chair

Dr Elisabeth Peden

Greg Tolhurst

Max Wilson

New Graduates Program

Kalinda Cobby, Hon Manager

Michael Ahrens

Nicola Arvidson

Max Wilson

2004 Financial Report

The Commercial Law Association of Australia Ltd

(A Company limited by guarantee) ACN 001 290 115

Directors' Report for the Year Ended December 31, 2004

1. Your Directors submit the financial accounts of the Company for the year ended December 31, 2004.
2. The names of the Directors in office at the date of this report are:

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

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 \$2,808.

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 \$2,808 (2003 — \$13,93)

Income from subscriptions for the year was \$81,529 (2003 — \$81,276)

Total income for the year was \$126,700 (2003 — \$125,782)

Operating expenditure for the year amounted to \$123,892 (2003 — \$122,217)

Significant Changes in State of Affairs

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

After Balance Date Event

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

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

Future Developments

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

Environmental Issues

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

Directors' Particulars

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

Dr John Keogh LLB SJD	Barrister	15/08/2000
Jenny Wily LLB BCL (Hons)	Solicitor	18/07/2000
David O'Bryen B Ec, LLB	Solicitor	9/05/1992
Anthony J Dreise Dip Law ASIA	Solicitor	14/08/2002
Martin Kinsky LLB	Solicitor	19/05/1998
Stephen Lamy BA LLM	Solicitor	10/04/2002
Stephen McMahon B Comm, CA ASIA	Chartered Accountant	17/02/1998
Rick Porter FCA, FCPA, ACIS	Chartered Accountant	18/08/2003
Daren Armstrong	Solicitor	18/08/2004
Leo Gor	Barrister	15/09/2004
Kalinda Cobby	Solicitor	16/02/2005

Meetings of Directors

During the financial year 12 meetings of Directors were held.

Directors' Meetings

	Number Eligible	Number attended
Dr John Keogh	12	12
Jenny Wily	12	11
David O'Bryen	12	10
Anthony J Dreise	12	12
Martin Kinsky	12	9
Stephen Lamy	12	11
Stephen McMahon	12	10
Rick Porter	12	10
Daren Armstrong	4	3
Leo Gor	3	3

Daren Armstrong was appointed Director on August 8, 2004. Leo Gor was appointed Director on September 15, 2004. Geoff Baker resigned 18/08/2004.

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

Indemnifying Officer

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

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

During the financial year the Company has paid premiums to insure all Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$3,645.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

Signed in accordance with a resolution of the Directors.



Dr John Keogh
Director



David O'Bryen
Director

Sydney
March 16, 2005

Statement of Financial Position

As at December 31, 2004

	Note	2004 \$	2003 \$
Current Assets			
Cash	5	25,688	22,335
Receivables	6	34,340	45,068
Investments	7	48,184	45,778
Inventories	8	46	46
Petty cash		200	0
Other	9	960	2,380
Total Current Assets		109,418	115,608
Non Current Assets			
Property Plant & Equipment	10	1,077	1,539
Total Non Current Assets		1,077	1,539
Total Assets		110,496	117,147
Current Liabilities			
Payables	11	61,221	70,680
Total Current Liabilities		61,221	70,680
Net Assets		49,275	46,467
Member's Funds			
Retained Profits o/b		46,467	32,531
Current Surplus		2,808	13,936
Total Member's Funds		49,275	46,467

Statement of Financial Performance

For the year ended December 31, 2004

	Note	2004 \$	2003 \$
Function revenue		77,197	80,917
Cost of functions		-37,910	-36,833
Gross profit		32,287	44,085
Other revenue from ordinary activities		87,413	81,697
Distribution expenses		-12,607	-10,542
Occupancy expenses		-90	-4,921
Administrative expenses		-48,133	-41,817
Other expenses from ordinary activities		-63,063	-64,937
Profit (Loss) from ordinary activities before income tax		2,808	3,565
Income Tax expense	1(c)	0	0
Extraordinary Item		0	10,371
Operating Profit/(Loss) after income tax		2,808	13,936
Member's Funds at the beginning of the year		46,467	32,531
Member's Funds at the end of the year		49,275	46,467

Statement of Cash Flows

For the year ended December 31, 2004

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Receipts from operations		165,355	168,511
Payments to suppliers and employees		-161,802	-174,134
Interest received		2,406	1,681
Total Net Cash used on Operating Activities	4	5,959	-3,943
Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment		0	0
Total Net Cash used on Investing Activities		0	0
Net Cash used on Operating and Investing Activities		5,959	-3,943
Net (Decrease) Increase in Cash and Cash Equivalentents		5,959	-3,943
Opening Cash Balance		68,113	72,056
Closing Cash Balance	5	74,072	68,113

Notes To and Forming Part of the Accounts

For the year ended December 31, 2004

1. Statement of Accounting Policies

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

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

2. Revenue

	2004 \$	2003 \$
Opening Activities		
Subscriptions	81,529	81,276
Sales of bulletins, papers and binders	3,478	68
Interest Received	2,406	1,681
Net income from functions	39,287	44,085
	126,700	127,109
Non-operating Activities		
Gain on disposal of plant and equipment	0	-1,328
Total Revenue	126,700	125,782

3. Profit from Activities

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

Depreciation of plant and equipment	462	1,099
Auditors Remuneration	3,720	3,673

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	2,808	13,936
Non-cash flows in Profit/(Loss) from ordinary activities		
Depreciation	462	1,099
Increase/(Decrease) in provision for employee benefits	0	0
Changes in assets and liabilities		
(Increase)/decrease in other debtors	9,400	-1,712
(Increase)/decrease in inventories	-1	-1
(Increase)/decrease in prepayments	1,420	224
(Decrease)/Increase in other liabilities	1,329	1,329
(Decrease)/Increase in creditors and accruals	-9,459	-18,817
Cash flow from operations	5,959	-3,943

5. Cash

	2004 \$	2003 \$
Cash at Bank	25,688	22,335
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	25,688	22,335
Petty cash float	200	0
Investments	48,184	45,778
	<hr/> 74,072	<hr/> 68,113

6. Current Assets — Receivables

Sundry Debtors	33,405	43,953
Credit Card Clearing Account	935	1,115
	<hr/> 34,340	<hr/> 45,068

7. Current Assets — Investments

Cash on Deposit	<hr/> 48,184	<hr/> 45,778
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8. Current Assets — Inventories

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

Prepayments	<hr/> 960	<hr/> 2,380
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10. Plant and Equipment

Office Furniture and Equipment		
At cost	3,180	3,180
Accumulated Depreciation	-2,103	-1,641
	<hr/> 1,077	<hr/> 1,539

11. Payables

Trade Creditors	0	1,568
Net GST Liability	-3,448	-5,137
Prepaid Subscriptions	64,669	74,250
	<hr/> 61,221	<hr/> 70,680

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, 2004 the total of these guarantees amounted to \$8,200 (2003 — \$8,000).

Detailed Statement of Income and Expenditure

For the year ended December 31, 2004

	2004 \$	2003 \$
Income:		
Subscriptions	81,529	81,276
Sales Bulletins, Paper and Binders	3,478	68
Interest Received	2,406	1,681
Net Income from Functions	39,287	44,085
Gain (Loss) on Disposal of Fixed Assets	0	-1,328
Total Income	<u>126,700</u>	<u>125,782</u>
Less Expenditure:		
Advertising	0	4,078
Auditors remuneration	3,720	3,673
Bank Charges	1,340	1,501
Consultancy	213	0
Contract Management	61,433	58,682
Credit Card Merchant Fees	1,540	1,124
Depreciation	462	1,099
General Expenses	177	459
Insurance	3,645	4,511
Internet	3,664	2,145
Light and Power	90	227
Office Rent	0	4,693
Postage	10,926	7,866
Printing and Stationery	7,711	9,072
Prizes	985	653
<i>Commercial Law Quarterly</i>		
Cost of Production	10,254	17,855
Editorial	7,480	0
Distribution	1,681	2,677
Member retention	3,710	0
New member expenses	2,742	0
Repairs and Maintenance	183	424
Subscriptions	0	317
Telephone	1,284	1,162
Travel	654	0
Total Expenditure	<u>123,892</u>	<u>122,217</u>
Operating Profit	2,808	3,565
Extraordinary Item	0	10,371
Surplus/(Deficit) for the year	<u>2,808</u>	<u>13,936</u>

Directors' Declaration

For the year ended December 31, 2004

The Directors of the Company declare that:

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

- (a) comply with the accounting standards and the Corporations Act; and
- (b) give a true and fair view of the financial position as at December 31, 2004 and performance for the year ended on that date for the Company.

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

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



Dr John Keogh, Director
Sydney, March 16, 2005



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, 2004 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, 2004 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, 2005



The Commercial Law Association of Australia Limited

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