



# **LAW CENTRAL CO LTD**

**ANNUAL REPORT 2001**

# CONTENTS

CHAIRMAN'S ADDRESS	1
COMPANY OVERVIEW	3
DIRECTORS' REPORT	7
STATEMENT OF FINANCIAL PERFORMANCE	13
NOTES TO AND FORMING PART OF THE ACCOUNTS	16
NOTES TO AND FORMING PART OF THE ACCOUNTS	16
DIRECTORS' DECLARATION	22
INDEPENDENT AUDIT REPORT	24

## **CHAIRMAN'S ADDRESS**

Dear Shareholder,

Thank you for your support over the past year. As promised this was a year of development for Law Central. We have seen the growth of Law Central from concept to a positive plan of action with the raising of sufficient funds to begin website development.

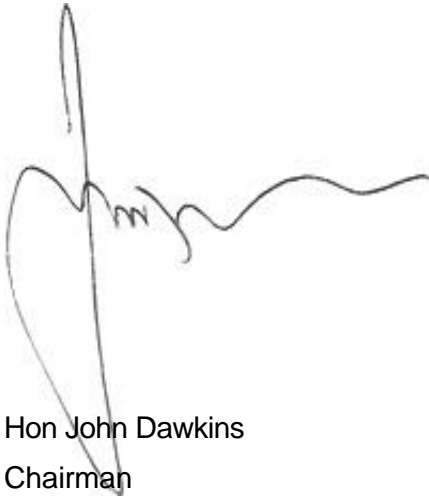
The financial year started with a market resistant to technology based companies. Despite this unfavourable climate, we were successful in raising \$904,651. That we were able to succeed in this capital raising is a credit to the strength of the Law Central concept and the belief of the shareholders in the Board's ability to make Law Central a success.

Given the present market, the Directors have postponed the listing of Law Central on the Australian Stock Exchange until it is more beneficial to shareholders. Operating under a tightly controlled budget, Law Central has kept expenses to a minimum. This has allowed us to continue without the need of further fund raising. Of critical importance in conserving capital, was the choice of how the website was developed.

In developing the website, we were confronted with the challenge of allowing the site flexibility to grow and develop, while keeping costs to a minimum. For this reason, Law Central elected to develop the site internally. Not only did this allow us to maintain control of all aspects of the site, we can now complete the site at a fraction of the total cost of that proposed by external sources.

The 2000/2001 financial year, saw two changes to the Board of Directors. Sadly, Chris Wiggins was forced to resign due to poor health. I would like to thank Chris for his efforts during the year and wish him a speedy recovery. Law Central was delighted that Graeme Philipson accepted appointment to the Board. Graeme brings with him a wealth of experience in Internet based strategic management.

With the initial development stage of Law Central drawing to a close, Law Central can look forward to entering the market place as a competitive force. The development process will continue long into the future, changing with market forces and consumer needs. However, the foundations have been laid. Law Central is ready to take the next step towards being the one stop shop for all legal documents.

A handwritten signature in black ink, appearing to read 'John Dawkins', written over a large, light-colored, vertical oval shape that serves as a background or watermark.

Hon John Dawkins  
Chairman  
22 October 2001

# **COMPANY OVERVIEW**

## **The Company**

Law Central was incorporated on 1 March 2000 and has been established to develop an Internet portal ([www.lawcentral.com.au](http://www.lawcentral.com.au)) for the provision of information on various areas of the law, and precedents for legal and other documents. Users of the portal can purchase these documents. It is the intention of Law Central to make the legal and other precedent documents more accessible to the general public.

Law Central is not a legal practice and does not and will not provide any legal advice.

## **The Business Concept**

Law Central will own and operate the Law Central Website [www.LawCentral.com.au](http://www.LawCentral.com.au). Law Central is an Internet portal that will be designed to provide easy access to a range of precedent legal and other documents to the public, as well as information about various areas of the law. Income will be earned from sales of the precedent documents.

The Law Central Website has been designed to provide its services in a secure yet user friendly Website environment.

## **Not Legal Advice**

Law Central will not be providing legal advice, or otherwise act as a legal practitioner. The proposed business of Law Central is limited to the provision of information about the law and the provision of precedent legal and other documents. The Website will provide links or contact details for qualified legal practitioners where the Website user seeks further information or specific legal advice.

The Directors have obtained an independent legal opinion that indicates the current proposed activities of Law Central can be conducted without breaching relevant existing laws in Western Australia. Any decision to expand the scope of proposed services will be subject to independent legal opinion prior to implementation.

## **Target Market**

The community itself is Law Central's target market. Accountants and Advisers can now assist their clients by pointing them to Law Central for information and documents. Law

Central aims at forming alliances with Law and Accounting Firms and Financial Advisory groups to work together to bring better value to clients. Law Central is already in the process of establishing a network of Accountants, Advisors and Lawyers to facilitate this.

Alternatively, the community, on its own, is free to learn and experiment with the law and purchase documents needed at a competitive price and in private, or be able to contact a specialist lawyer by hitting the advertising banner.

Remoteness, privacy, time, travel and cost are expected to be motivators for consumers to use Law Central.

## **Management and Directors**

We have developed an excellent Board of Directors. However to conserve our limited funds, the Board has generously agreed to not draw salaries from Law Central. Instead, your Directors have placed their faith in the future viability and profitability of Law Central by taking equity positions in the company.

In order for Law Central to successfully float in the future, we are going to need a high quality and professional Board. The resignation of Mr Christopher Wiggins due to illness was a hard loss for the company. Mr Wiggins' contribution in developing stringent Corporate Governance and Due Diligence programs is greatly appreciated. It is the sincere hope of the Board and Management that Mr Wiggins can rejoin Law Central in an advisory capacity when his health improves.

Finding a replacement for Mr Wiggins was a long and arduous process. The Board finally elected to approach Mr Graeme Philipson. Mr Philipson is a widely recognised authority on internet based market research and strategy development. As a writer with *The Sydney Morning Herald* and *The Age* newspaper and cofounder of a successful market research and publishing company, Mr Philipson brings with him numerous contacts within the media industry. As with all of our Directors, Mr Philipson has not drawn any salary as a Director of Law Central. At this AGM, the Board requests shareholder approval for Mr Philipson to take on an equity position with Law Central.

## **The Website**

A great deal of preparation and planning went into the development of the Law Central website. Many proposals were put forward for the Board's consideration. As part of the

research process, the Board decided to commission an independent report into what the exact needs requirements of the Law Central Site would be, and possible ways in which they may be met. One thing which became clear during this process, was the high level of continuous involvement required by Law Central Programmers and Management.

After reviewing the proposals from many different web development companies, the Board elected to utilise new document generation tools to develop the website in house. It was felt that this option offered the best returns in respect to development control, adherence to requirements and cost.

The decision to develop the Law Central website internally has already reaped great rewards for Law Central. Development costs are a fraction of those proposed by external sources. By having our own programmers build the site, we are also not constrained to maintaining the same base system for fear of damaging the site. One of the requirements of the Law Central website was for the need to grow and develop in response to market needs. By having designed the infrastructure of the site, we can readily achieve this. This ensures that we will not have a site which will be redundant in two years.

The Board and Management of Law Central look forward to presenting the Law Central website at the company's AGM.

## **The Capital Raising**

In June 2000, an Information Memorandum was released to outline a capital raising to raise funds to develop the Law Central website. In truth, the timing of this capital raising could not have been worse. April 2000 had seen a massive market adjustment of the value of technology sector companies. Market confidence in the investment of new companies within this sector was extremely low. However, confident of the viability and potential of Law Central, the Board elected to proceed with the capital raising.

In September of 2000, the Board closed the offer outlined in the Information Memorandum, after achieving Law Central's target of \$900,000 in raised funds. This achievement occurred despite poor market sentiment to technology companies, and without approaching institutional investors.

Law Central has applied itself to preserving the raised capital, while still developing a strong business to meet shareholder expectations.

## **Future Expectations**

The past year has been a time of development for Law Central. We expected this and now look forward to reaping the rewards of such careful planning and preparation. The Law Central website will shortly be released to the public.

The Board and Management do not see this as an end to the development process. The goal of Law Central now is to develop more documents for different jurisdictions. We have a long way to go to become a one-stop shop for legal documents.

To become a one-stop shop, we will need to work hard at fostering our relationships with other law firms to obtain the legal document precedents. We will need to build upon our experience in translating these documents into an easy to follow, interactive document generation wizard. We will need to actively work at gaining market share and an active client base. We will need to continually improve and develop the Law Central website in response to our customers needs and experiences. This will involve a great deal of effort from all of the Law Central team. The Board and Management has made the commitment to work hard to ensure our goals are achieved.

## **DIRECTORS' REPORT**

Your directors present their report for Law Central Co Ltd for the financial year ended 30 June 2001.

The names of the directors in office at any time during or since the end of the year are:

The Hon John S Dawkins

Mr Brett K Davies

Mr Brett B Whitford

Mr Graeme K Philipson (appointed 26 February 2001)

Mr Christopher M Wiggins (retired 26 February 2001)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The loss of Law Central Co Ltd for the financial year amounted to \$232,652.

No significant changes in the Law Central Co Ltd's state of affairs occurred during the financial year other than the net cost expenses of \$266,971 as detailed in the Statement of Cashflow.

The principal activities of Law Central Co Ltd during the financial year were the development of the web site to facilitate the sale of legal and business documents.

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Law Central Co Ltd, the results of those operations, or the state of affairs of Law Central Co Ltd in future financial years.

Likely developments in the operations of Law Central Co Ltd and the expected results of those operations in future financial years have not been included in this report as Law Central Co Ltd is in development stage on which the future success of the business will be based.

Law Central Co Ltd's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No Dividend is recommended for the year ended 30 June 2001.

55,510,000 shares were issued.

24,500,000 options were issued to Directors and executives exercisable before 30 June 2004 at 20 cents per shares.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Law Central Co Ltd.

No remuneration has been given or paid, during or since the end of the financial year, for any directors of Law Central Co Ltd.

## **Directors' Profiles**

### **Hon John Sydney DAWKINS**

#### **Chairman of the Board**

Mr Dawkins has served as a Minister in the Hawke and Keating Federal Governments, in several portfolios including the Treasury. He left the Government in 1994 and for the next 18 months headed Australia's investment attraction programme.

He has consulted to several large Australian and overseas companies, The World Bank and the OECD. He is Chairman of Elders Rural Services Limited – a specialist provider of financial services to rural Australia, and a director of Government Relation Australia, and a Board member of Sealcorp Holdings, the owner of Asgard – Australia's leading Master Fund.

A graduate in Economics from The University of Western Australia, he has been awarded honorary doctorates from the University of South Australia and the Queensland University of Technology.

**Brett Kenneth DAVIES FTIA, B Juris, LLB, LLM, BA(Hons), DipEd, MBA**

**Executive Director**

Mr Davies started Brett Davies Lawyers in 1994.

Mr Davies holds both a Masters of Business Administration and Masters of Laws and currently is completing part time his Doctorate at The University of Western Australia.

Mr Davies is a regular public speaker on the law. Mr Davies is the Deputy Convenor of The Law Society of WA Legal Management and Development Committee and sits on the Taxation Committee. He also sits on The Law Council of Australia sub Taxation Committee and chairs the Australian Legal Practice Management Committee. Mr Davies is a Councillor of the General Practice Section of the Law Council of Australia.

**Brett WHITFORD FCSIA**

**Non-Executive Director**

Mr Whitford is the founder and a Director of eTick Limited an eCommerce Standards and Certification company.

He is also Executive Director of Customer Service Institute of Australia.

Prior to establishing the CSIA and eTick Mr Whitford was Managing Director of Beaumont Publishing House (established in 1990) and has written five best selling business books that focus on technology, best practice and customer service.

Since 1992 Beaumont Publishing House has participated in joint ventures with US publishing giant Prentice Hall. Mr Whitford is acknowledged as one of Australia's highest grossing business authors. Beaumont Publishing House launched his fifth book in 1998 entitled Customer Service Excellence.

A founding director of Web consultation and construction company, Virtual World D & D, he began advising organisations on Internet strategy 1995.

Mr Whitford is currently completing a book on customer service and relationship marketing on the Internet, which deals, in a fresh way, with customer service and CRM strategies for the Internet.

Mr Whitford is a sought after international speaker and conference chair for a variety of customer service and technology related topics and regularly lectures at international conferences and provides business commentary on radio and television.

## **Graeme PHILIPSON**

### **Non-Executive Director**

Mr Philipson is an independent consultant, analyst and writer specialising in the IT industry. Over a 25 year career he has become one of Asia-Pacific's best known and most respected IT market researchers, speakers and journalists. In recent years he has concentrated on electronic commerce and enterprise applications issues and has become an advisor to and director of a number of companies operating in these areas. He is an editor of CCH's Australian Guide to eBusiness, published in November 2001.

In 1992 Mr Philipson was co-founder of Strategic Publishing Group (SPG) and its Strategic Research division. He was the founding editor of SPG's *MIS* (Managing Information Strategies) magazine, and originator of Strategic Research's unique user-based research program. SPG was acquired by leading Australian publishing house John Fairfax Holdings Ltd in December 1999. He remains a consultant to the SPG division of the organisation.

Mr Philipson's previous research credits include: Asia-Pacific Demand Research Director for the Gartner Group (1997-98), Senior Associate with the Butler Group UK (1998-99), Senior Consultant to IDC Australia (1986-87) and Research Manager for the Yankee Group Australia (1983-84).

Mr Philipson writes a weekly opinion column on IT trends for *The Sydney Morning Herald* and *Melbourne Age*. His previous writing credits include: editor of *Computerworld Australia* (1988-89), columnist in the computer section of *The Australian* newspaper (the world's largest weekly computer supplement – 1993-97), Asia-Pacific correspondent for *Software* magazine of the USA (1991-95), and founding editor of the *Australian Apple Review* (1983). He has written over 1000 articles and columns on information technology for many publications around the world.

Mr Philipson is in demand as a speaker at user and vendor IT conferences and achieves high ratings for the depth of knowledge and the humour and wit he brings to the subject. In the last year he has spoken at over two dozen conferences in the Asia-Pacific region, including many keynote presentations.

### **Other Management Personnel**

**Jason STYLES CD, B.Com**

#### **Chief Financial Officer**

Mr Styles is the Company Secretary.

Holding a Bachelor of Commerce (Curtin) Mr Styles joined Brett Davies Lawyers in January 1999 as Chief Financial Officer. Mr Styles has extensive experience in developing marketing strategies and finance and corporate management. Mr Styles ensures that the Law Society Quality Assurance Standard of Brett Davies Lawyers is upheld.

Brett Davies Lawyers has maintained a web site since May 1994. Up until the recent employment of a dedicated Web Master, Mr Styles was the law firm's web master of [www.taxlawyers.com.au](http://www.taxlawyers.com.au).

### **Directors' Meeting**

The number of Directors' meetings and number of meetings attended by each of the Directors of Law Central Co Ltd during the financial year are:

Board Meetings

Attended

Held while a director

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The Hon John S Dawkins	3	3
Mr Brett K Davies	3	3
Mr Brett B Whitford	2	3
Mr Graeme K Philipson	2	2

On behalf of the Board by resolution of the Directors:

  
Brett K Davies  
Managing Director  
22 October 2001

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Note	2001 \$	2000 \$
<b>Revenue</b>			
Interest Revenue	2 & 12	34,319	-
<b>Expense</b>			
Expense from ordinary activities excluding depreciation.		(266,971)	
<b>Net profit/(loss)</b>		(232,652)	-
		<hr/>	<hr/>
<b>Net profit/(loss) attributable to members of Law Central Co. Ltd</b>		<u>(232,652)</u>	<u>-</u>

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2001

	Note	2001 \$	2000 \$
<b>CURRENT ASSETS</b>			
Cash assets	3	650,989	-
Receivables	4	8,003	-
<b>TOTAL NON CURRENT ASSETS</b>		<u>658,993</u>	<u>-</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	6	26,088	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>26,088</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>685,081</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	3,758	-
Other liabilities	8	9,324	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>13,082</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>13,082</u>	<u>-</u>
<b>NET ASSETS</b>		<u>671,999</u>	<u>-</u>
<b>EQUITY</b>			
Contributed equity	9 & 10	904,651	-
Retained profits	11	(232,652)	-
Total entity interest		671,999	-
<b>TOTAL EQUITY</b>		<u>671,999</u>	<u>-</u>

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2001**

**Note 11 RESERVES AND RETAINED PROFITS**

**Retained Profits (Accumulated Losses)**

Retained profits (Accumulated losses)  
at the beginning of the financial 2001

Net profit (loss) attributable to  
members

Retained profits (accumulated losses)  
at end of financial 2001

-	-
(232,652)	-
(232,652)	-

# NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

## **Note 1: STATEMENT OF ACCOUNTING POLICIES.**

The financial statements form a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Law. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### **(a) Revenue Recognition**

Revenue from the sale of goods is recognised upon delivery of the property to the customers. Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

### **(b) Income Tax**

The consolidated entity adopts the liability method of tax effect accounting whereby any income tax expense shown in the Statement of Financial Performance is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account either as a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefits.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. No provision is made for additional taxes which could become payable if certain reserves of foreign controlled entities were to be distributed as it is not expected that any substantial amount will be distributed from those reserves in the foreseeable future.

### **(c) Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets acquired. Cost is measured as the fair value of the assets at the date of acquisition plus incidental costs directly attributable.

**(d) Receivables**

Trade debtors are recognised when the risks and rewards of ownership of the underlying sales or service transactions have passed to customers.

**(e) Depreciation of Property, Plant and Equipment**

The depreciable amount of all fixed assets is depreciated on a prime cost basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class Of Fixed Asset	Depreciation Rate
- Plant & Equipment	25% - 40%

**(f) Other Creditors**

These amounts represent unpaid liabilities at the end of the financial year.

**(g) Employee Entitlements**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for. The contributions made to superannuation funds by the entity is charged against profits when due.

The company does not record, as an asset or a liability, the difference between the employer established benefit superannuation plan's accrued benefits and the net market value of the plan's assets.

**(h) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

**(i) Financial Period**

The current and initial financial period is 12 months.

		2001 \$	2000 \$
<b>Note 2 REVENUES</b>	<b>Note</b>		
<b>Revenue from non-operating activities:</b>			
Interest	12	34,319	-
Total revenue		<u>34,319</u>	<u>-</u>
<b>Note 3 CASH ASSETS</b>			
Cash on hand		150,989	-
Short term deposits		500,000	-
		<u>650,989</u>	<u>-</u>

The short term deposit is held by the Howard Mortgage Trust. Howard Mortgage Trust is an unlisted Investment Trust which invests primarily in Fixed Interest in Australia and offers a high level of capital security.

<b>Note 4 RECEIVABLES CURRENT</b>			
Term debtors		8,003	-
Total Current Receivables		<u>8,003</u>	<u>-</u>

**Note 5 Reconciliation of cash**

(a) Cash at the end of the financial period as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	150,989	-
Short term money market deposits	500,000	-
Balance per Statement of Cash flows	<u>650,989</u>	<u>-</u>

(b) **Reconciliation of cash flow from operations with operating profit/(loss)**

Operating profit/(loss)	(232,652)	-
Cash Flows from operations	<u>(232,652)</u>	<u>-</u>

	2001 \$	2000 \$
<b>Note 6 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>PLANT AND EQUIPMENT</b>		
At cost	27,041	
Less accumulated depreciation	(953)	
	<u>26,088</u>	<u>-</u>
Total Owned Plant and Equipment	<u>26,088</u>	<u>-</u>
<b>Note 7 PAYABLES CURRENT</b>		
Unsecured liabilities:	3,758	
	<u>3,758</u>	<u>-</u>
<b>Note 8 OTHER LIABILITIES CURRENT</b>		
<b>Unsecured liabilities:</b>		
Amounts owing to:		
- PAYG & SGC Superannuation	13,439	
Other	(4,115)	
	<u>9,324</u>	<u>-</u>
<b>Note 9 EQUITY</b>		
Total equity at the beginning of the financial year - Allotment	904,651	
Total changes in equity recognised in the Statement of Financial Performance	(232,652)	-
Total equity at the end of the financial year	<u>671,999</u>	<u>-</u>

**2001**                      **2000**  
**\$**                                      **\$**

**Note 10 CONTRIBUTED EQUITY**

**(a) Share capital**

	Notes	Number of Shares	Entity	Number of Shares
Ordinary shares				
Allotted	10(b) & 10(c)	46,510,000		
At \$0.0001		9,000,000		
At \$0.10				
		<u>55,510,000</u>		<u>-</u>

**(b) Movements in ordinary capital**

Shares Details	Date	Number of shares	Issue price	\$
Opening balance - Allotment	01/07/2000	46,510,000	0.0001	4,651
\$0.0001		9,000,000	0.10	900,000
\$0.10				<u>904,651</u>
Closing balance	30/06/2001	<u>55,510,000</u>		<u>904,651</u>

**(c) Share Option**

	Notes	Number of Shares	Entity	Number of Shares
Shares for \$0.20 before 30 June 2004		24,500,000		

**(d) Terms and Conditions**

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, Shares for the time being unissued shall be under the control of the Directors, and subject to the Law and these Articles, the Directors may at any time and from time to time issue such number of Shares, either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, and whether as preference Shares that are or at the option of the Company are liable to be redeemed, as the Directors shall, in their absolute discretion, determine. The issue price of a Share shall be taken to be that nominal value thereof plus any premium at which it is issued or less any discount at which it is issued.

**(e) Share Options**

Subject to section 254A(1) of the Law, the Directors may at any time and from time to time issue options in respect of unissued Shares on such terms and conditions as the Directors shall, in their absolute discretion, determine. If options are issued, the Company shall comply with section 254B of the Law as to a register of the holders of options.

	2001 \$	2000 \$
<b>Note 11 RESERVES AND RETAINED PROFITS</b>		
<b>Retained Profits/(Accumulated Losses)</b>		
Retained profits/(Accumulated losses) at the beginning of the financial 2001	-	
Net profit/(loss) attributable to members	(232,652)	-
Retained profits/(accumulated losses) at end of financial 2001	<u>(232,652)</u>	<u>-</u>
<b>Note 12 OPERATING PROFIT</b>		
<b>Crediting as income:</b>		
- interests	38,890	
	<u>-</u>	<u>-</u>
<b>Note 13 CAPITAL COMMITMENTS</b>		
<b>Operating Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Contracted	17,160	
Budgeted	61,000	
Payables		
- Not later than one year	4,255	
Commitments not capitalised in the financial statements	<u>65,255</u>	<u>-</u>

2001  
\$

2000  
\$

**Note 14 RELATED PARTY TRANSACTIONS**

Brett Davies is a director of Law Central Co Ltd. Brett Davies is also the proprietor of Brett Davies Lawyers, provided the following services during the year under normal commercial term and conditions:

- Rent	17,390	
- Electricity	1,876	
	<u>19,266</u>	<u>-</u>

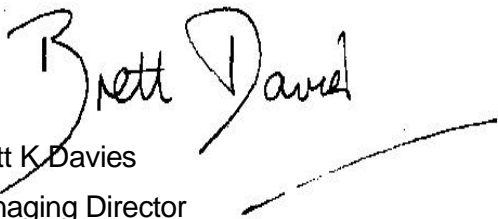
## DIRECTORS' DECLARATION

The Directors of Law Central Co Ltd. declare that:

1. The financial statements and notes:
  - a. Comply with accounting standards and the Corporations Act 2001; and
  - b. Give a true and fair view of the financial position as at 30 June 2001 and performance for the 2001 financial year ended.
2. In the Directors' opinion there are reasonable grounds to believe that Law Central Co Ltd 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.

On behalf of the Board by resolution of the Directors:

A handwritten signature in black ink that reads "Brett K Davies". The signature is written in a cursive style with a long horizontal line extending to the right.

Brett K Davies  
Managing Director

22 October 2001

# **INDEPENDENT AUDIT REPORT**

## **Scope**

We have audited the financial report of Law Central Co Ltd for the financial year ended 30 June 2001 as set out on pages 7 to 23. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on them 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 evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Company's financial position, the results of its operations and its cash flows.

## **Audit Opinion**

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Law Central Co Ltd as at 30 June 2001, and the results of its operations and cash flows for the year then ended.

Heffernan Sumner & McLennan

Keith Thomas Jackson  
Partner

29 Charles Street  
South Perth WA 6151

Dated Monday, 22 October 2001

# NOTES