



LAW CENTRAL CO LTD

(ACN 091 824 225)

2003 ANNUAL REPORT

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CHAIRMAN and CEO's ADDRESS

Dear Shareholder,

Thank you for your support over the past year. The 2002/2003 year represented Law Central's entry into the on-line document marketplace. Law Central commenced trading on 1 July 02. At that time LawCentral had four types of documents available for it's members. By the close of the financial year, eight new documents had been added, and 1,021 documents had been sold.

As of 1 July 2002, Law Central trades and generates income from the web site. While Law Central did not trade at a profit for the year past, strong sales growth, particularly in the last four months demonstrates the potential of the concept. The Board and Management attribute this growth to the increasing range of documents available and greater market awareness of Law Central. We expect this growth to continue with more documents being added, and the continuance of a strong marketing campaign.

During the financial year, the Board believed that a listing of Law Central Co Ltd would be premature. The combination of a weak technology market and the continued financial loss of Law Central made the Board believe that an attempt to list was not at the time advisable. The present growth of Law Central sales and the strengthening of the technology markets, is now being closely monitored with view to a future capital raising.

Law Central has make great progress over the past year. The internal mechanisms that drove this progress can be categorised into three groups: Building external relationships, adding functionality for repeat users and document development.

We would like to thank Shareholders for their continued support and interest. We would particularly like to thank those who have utilised the Law Central service for their own business needs and provided feedback. Your involvement has been invaluable in developing the site and nurturing the markets for Law Central.



Current trends show not only a greater performance of technology shares on the stock market, but also a greater acceptance and trust in using web based services. The ATO has indicated that use of its eTax system is up 60 % from last year. This indicates that consumers are prepared to trust technology for their most sensitive financial information.

With Law Central actively participating in the market place, we are in a strong position to take advantage of the growing comfort of consumers for online transactions. Further penetration of target markets and expansion of our product range, will develop Law Central into its objective as the one stop shop for all legal documents

Hon John Dawkins AO
Chairman
23 September 2003

Brett Davies
CEO
23 September 2003

COMPANY OVERVIEW

The Company

Law Central was incorporated on 1 March 2000 and has been established to develop an Internet point of presence (www.lawcentral.com.au) for the provision of information on various areas of the law, and precedents for legal and other documents. Members of the Law Central web site purchase these documents via a secure online payment gateway. Law Central makes legal and other precedent documents easily accessible to the general public and professional groups such as Advisers, Accountants and Lawyers.

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

The Business Concept

Law Central operates the Law Central web site www.LawCentral.com.au. Law Central also owns a number of other domain names such as www.wizardocs.com, www.sharkfreelaw.com and www.cafedocs.com. Law Central is an Internet portal designed to provide easy access to a range of legal and other documents to the public. Law Central also provides information about various areas of the law. The template documents and logic flow necessary to generate the documents are designed by independent lawyers in conjunction with Law Central programmers.

The Law Central web site has been designed to provide its services in a secure, yet user-friendly web site 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 web site provides links or contact details for qualified legal practitioners where the web site 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 is subject to independent legal opinion prior to implementation.

External Market

Whilst anyone who has access to the web can use Law Central, the target market of Law Central is Accountants, Financial Advisers and Lawyers. These Advisers use Law Central either to assist their clients by directing them to Law Central for information and documents, or by generating documents on their clients behalf.

The legal industry has historically been slow to adopt new technologies and innovations for servicing its clients. In contrast, the financial services industry, driven by massive investment from industry groups and client expectations, have embraced recent innovations. This is particularly true of web based services that save time and money. It is in this attitude gap that Law Central is strategically placed. Convenience, privacy, time, travel and cost are expected to be motivators for Advisers to use Law Central.

Development Projects

This year, development focused around 3 key elements:

- Building external relationships,
- adding functionality for repeat users and
- document development.

Building External Relationships

Law Central has continued to forge new relationships. Particularly in engaging law firms throughout Australia to develop new Law Central documents. Further development of Law Central's *On-Line Edit* facility enabled Lawyers from anywhere in Australia to easily interact with Law Central programmers based in Perth.

A major new development of the year, was the introduction of *Member Weblinks*. *Member Weblinks* enable Law Central members to place a link to Law Central on their own web site. Law Central then identifies incoming "hits" from the link. If a document is purchased

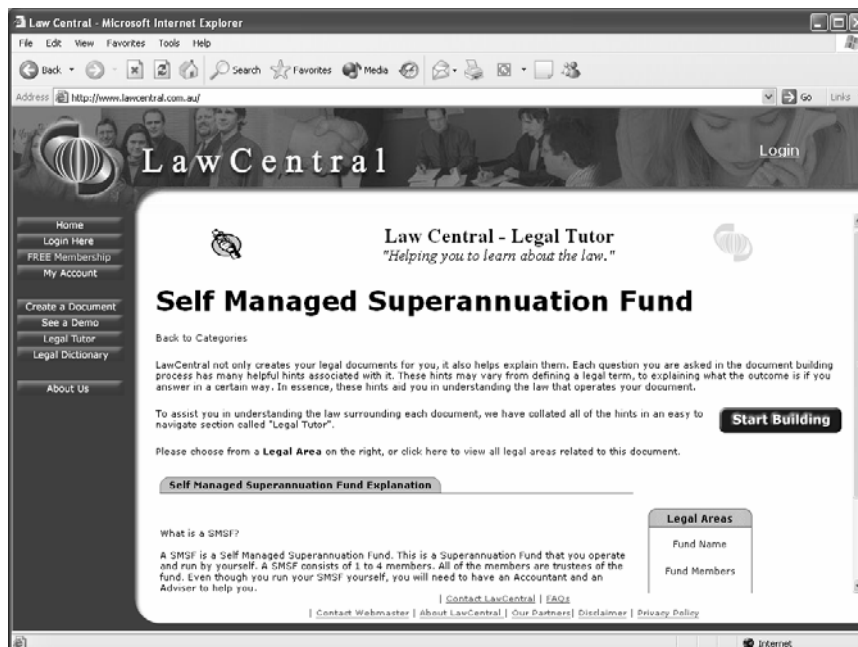


by someone coming through the *Member Weblink*, Law Central shares a percentage of the purchase price with the owner of the *Member Weblink*. This allows members to receive a passive income from Law Central simply by putting a link on their site.

Law Central has also provided speakers for Accounting and Financial Planning conferences. These seminars have proven to be an excellent forum for communicating how Law Central can be used as an effective and efficient tool for Advisers in servicing their client's needs. Compliance and legal documentation is a topic of great concern to these groups. Documents such as Law Central's Division 7A Loan Agreement are quick and easy to produce, and ensure the client is protected.

User Functionality

As well as being a tool for generating legal documents, Law Central is a site which helps members learn about the law surrounding these documents. Each document has numerous hints ranging from 'what circumstances the document should be used in', to 'who should be the trustee of my CGT Complying Family Trust'. We have found that Advisers find these hints invaluable in relating to their clients exactly what the documents will achieve. To allow easy access to these hints and enable Advisers to use the hints in their own reports, we have created the *Legal Tutor* section.



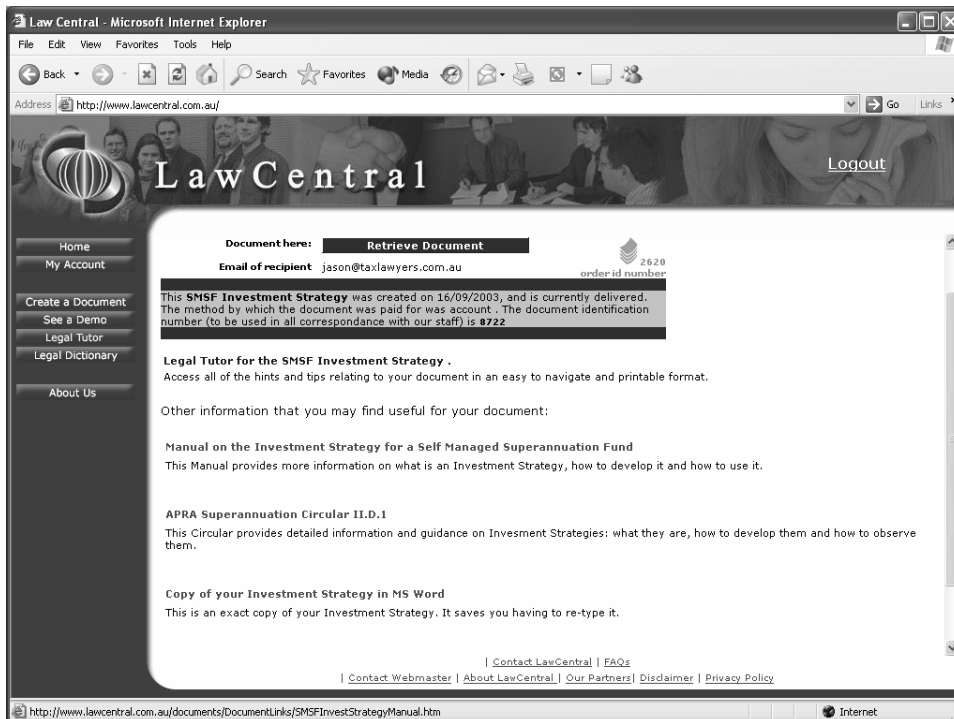
Legal Tutor provides an easy to read and navigate format, allowing users to see all of the information about a document at a glance.



To encourage repeat usage of the Law Central web site, members can apply to have a *VIP Account*. A *VIP Account* allows members to bill document purchases to an account. This enables them to pay one monthly statement rather than provide payment details at every transaction. All Law Central Shareholders are encouraged to apply for a *VIP Account*. In addition to providing a monthly statement facility, Shareholders with a *VIP Account* also receive a discount on all documents purchased.

Law Central members are entitled to receive free updates on legal issues that affect them and new Law Central developments. To assist in identifying and targeting specific messages to certain groups, the Law Central team have developed systems to communicate with members based on their preferences and purchase history. This targeted communication allows Law Central to reach members with messages that are relevant and of interest to them.

A new section which has been provided for members, is the *Related Documents* section. When members purchase a new document, they are also given the option of downloading, at no additional cost, supplementary information for that document.



This may include a manual on how the document operates, instructions on how to get the documents stamped or the relevant application form required to be lodged for the document to become registered. The *Related Documents* are available at the time of purchase, on the document download page, or at any time from the 'My Account' section.

Document Development

Perhaps the primary focus of all efforts in the past year was towards the creation of new documents. Eight new documents were added during the year, including the popular Division 7A Loan Agreement which was and continues to be a favourite with accounting groups. Improvements to the *On-Line Edit* system which allows lawyers to work closely with programmers to build new documents, have meant that the time required to introduce new documents has been reduced.

Documents of greater complexity, such as the Will or Divorce Application have also been introduced to the Law Central site. These documents have literally thousands of different possible outcomes, depending on how each question is answered. Thanks to the sophisticated *WizardDocs* engine behind Law Central, Law Central members are presented with a simple to follow, step by step process, without having to worry about the legal rules and methodologies being applied to complete their document.

Future Expectations

The Law Central web site was released to the public on 1 July 2002. In its first year of trading, Law Central focused on developing markets and fostering relationships with its members. Law Central will continue to do this during the forthcoming year. Through systems such as the *VIP Account* and *Member Weblinks*, Law Central will continue to build on customer loyalty.

Law Central will also work hard to foster new relationships with other law firms to obtain the legal document precedents. Having a broad range of documents will have the dual effect of both attracting new members, as well as opening opportunities to cross sell documents to existing members.

Development on the web site itself will continue to ensure that it remains fresh and innovative. However, the majority of effort will focus on adding more documents and building new relationships. The Board and Management believe that more members and a greater range, will drive document sales and ensure the future profitability of Law Central.

Management and Directors

The Law Central Board has continued not to seek remuneration from Law Central for their services. Your Directors have equity positions in the company and place their faith in the future viability and profitability of Law Central. Executive Director and Chief Executive Officer, Brett Davies has also not sought any salary or payment for his time.

Directors' Profiles

Hon John Sydney DAWKINS AO

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 Bank – 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 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.

Mr Davies sits on a number of charities including Saint Bartholomew's House Inc, Sir Charles Gardner Hospital's Art Advisory Committee and the Art Gallery of Western Australia Foundation.

Mr Davies lectures part time in tax and Estate Planning at Curtin University (WA) and Western Sydney University. Mr Davies is also a partner at Brett Davies Lawyers.

Brett WHITFORD FCSIA

Non-Executive Director

Mr Whitford is Executive Director of Customer Service Institute of Australia.

Prior to establishing the CSIA 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.

In 1999 Mr Whitford founded the certification company eTick, which was listed on the ASX in 2000.

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

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, now in its second edition.

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.

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. Mr Styles also sits on the Law Society of WA's Quality Assurance Standard committee.



Brett Davies Lawyers has maintained a web site since May 1994. Up until the employment of a dedicated Web Master in 2000, Mr Styles was the law firm's web master of www.taxlawyers.com.au. Mr Styles is the regular IT columnist for The Law Council of Australia's *Law Management Journal*.

Ryan MALONE B.Sc

Systems Development Manager

Mr Malone holds the position of Systems Development Manager of Law Central and manages all aspects of the site's performance and new development.

Mr Malone commenced working for Brett Davies Lawyers in January 2000 as the Law Firm's webmaster. When Law Central put the web site development up for tender, Mr Malone successfully lobbied for the right to develop the web site in-house and became a full time employee of Law Central.

Mr Malone has had extensive experience working on wide variety of technology related jobs spanning Project Management, Analysis & Design, Applications Development (Web), Networking, Hardware & Operating System Administration/Maintenance.

Mr Malone graduated from Murdoch University in January 2002 earning a Bachelors Degree in Information Systems. He also has a Certificate IV and Diploma in Information Technology. Mr Malone is currently completing his Masters of System Development & Microsoft Certified Solutions Developer accreditation in .NET through Charles Sturt University (NSW).

DIRECTORS' REPORT

Your directors present their report for Law Central Co Ltd for the financial year ended 30 June 2003.

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

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 \$202,558.

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 \$252,488 as detailed in the Statement of Cashflow.

The principal activities of Law Central Co Ltd during the financial year was the development of new documents to be made available to Law Central members, and the on-line management fee for the provision 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 2003.

The balance of fully paid shares issued to Law Central Co Ltd shareholders as at 30 June 2003 is 57,010,000.

No new shares were issued during the financial year ending 30 June 2003.

The balance of options issued to Directors and executives exercisable before 30 June 2004 at 20 cents per share as at 30 June 2003 is 24,500,000.

200,000 new options were issued to employees, exercisable before 30 June 2006 at 20 cents per share.

The balance of options issued to employees, exercisable before 30 June 2006 at 20 cent per share as at 30 June 2003 is 200,000.

100,000 new options were issued to employees, exercisable before 30 April 2007 at 1 cent per share.

The balance of options issued to employees, exercisable before 30 April 2007 at 1 cent per share as at 30 June 2003 is 100,000.

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.

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 any part of those proceedings.

The company was not party to any such proceedings during the year.

Directors' Meetings

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
The Hon John S Dawkins AO	1	1
Mr Brett K Davies	1	1
Mr Brett B Whitford	1	1
Mr Graeme K Philipson	1	1

Signed in accordance with a resolution of the Board of Directors:

Brett K Davies
Managing Director
23 September 2003

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Revenue			
Interest Revenue	2	10,200	26,051
Revenue from Operating Activities		72,349	-
Expense			
Employee benefits expense		(152,700)	(149,161)
Other expenses from ordinary activities		(100,612)	(118,842)
Total expenses from ordinary activities excluding depreciation		(253,312)	(268,003)
Depreciation and amortisation expenses	3	(31,795)	(5,897)
Profit/(loss) from ordinary activities before income tax expense		(202,558)	(247,849)
Income tax expense	4	-	-
Profit/(loss) from ordinary activities after income tax expense		(202,558)	(247,849)
Net profit/(loss) attributable to members of Law Central Co Ltd		(202,558)	(247,849)



STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2003

	Note	2,003 \$	2002 \$
CURRENT ASSETS			
Cash assets	5	157,064	349,407
Receivables	7	30,407	8,003
TOTAL NON CURRENT ASSETS		<u>187,471</u>	<u>357,410</u>
NON-CURRENT ASSETS			
Property, plant & equipment	8	75,153	101,748
TOTAL NON-CURRENT ASSETS		<u>75,153</u>	<u>101,748</u>
TOTAL ASSETS		<u>262,624</u>	<u>459,158</u>
CURRENT LIABILITIES			
Payables	9	31,662	18,143
Provisions	10	4,600	4,600
Other liabilities	11	4,643	12,138
TOTAL CURRENT LIABILITIES		<u>40,905</u>	<u>34,881</u>
TOTAL LIABILITIES		<u>40,905</u>	<u>34,881</u>
NET ASSETS		<u>221,719</u>	<u>424,277</u>
EQUITY			
Contributed equity	12	904,801	904,801
Retained profits	13	(683,082)	(480,524)
Total parent entity interest		<u>221,719</u>	<u>424,277</u>
TOTAL EQUITY		<u>221,719</u>	<u>424,277</u>

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Cash flows From Operating Activities:			
Receipts from customers		41,942	
Payments to suppliers and employees		(252,488)	(327,633)
Interest received		10,200	26,051
TFN Tax reimbursed		8,003	
Net Cash provided by (used in) operating activities	6 (b)	<u>(192,343)</u>	<u>(301,582)</u>
Net increase (decrease) in cash		(192,343)	(301,582)
Cash at the beginning of the financial period		<u>349,407</u>	<u>650,989</u>
Cash at the end of the financial period	6 (a)	<u>157,064</u>	<u>349,407</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

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

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

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

(b) Income Tax

The entity adopts the liability method of tax effect accounting whereby the 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.

(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 as at the date of acquisition plus incidental costs directly attributable to the acquisition.

(d) Receivables

Trade Debtors

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

(e) Depreciation of Property, Plant and Equipment

All tangible new items were depreciated at the rate of 25% on the prime cost method or, where appropriate, charged as an expense. Intangible software development costs were depreciated at the rate of 33% on the prime cost method.

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

Class Of Fixed Asset	Depreciation Rate on Cost
----------------------	---------------------------

- Plant & Equipment	25%
- Software Development Costs	33%

(f) Trade and Other Creditors

These amounts represent unpaid liabilities for goods received by and services provided prior to the end of the financial year.

(g) Employee Entitlements

Provision is made for the entity's 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 are charged against profits when due.

(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 financial period is 12 months.



	2,003 \$	2002 \$
Note 2 REVENUES		
Revenue from operating activities:		
Site Provision Revenue	72,349	-
	<u>72,349</u>	<u>-</u>
Revenue from non-operating activities:		
Interest	10,200	26,051
	<u>10,200</u>	<u>26,051</u>
Total revenue	<u>82,549</u>	<u>26,051</u>
	2003 \$	2002 \$

Note 3 OPERATING PROFIT

(a) Charging as an expense		
property, plant and equipment	14,709	5,897
Software Development Cost	17,086	
Total depreciation	<u>31,795</u>	<u>5,897</u>
Rent	34,800	37,700
Auditor Remuneration	3,800	3,740

Note 4 INCOME TAX

During the development period, the company has incurred tax losses which approximate to the operating result. No future tax benefit has been included in these financial reports.

	2003 \$	2002 \$
Note 5 CASH ASSETS		
Cash on hand	57,064	49,407
Short term money market deposits	100,000	300,000
	<u>157,064</u>	<u>349,407</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.



2003
\$

2002
\$

Note 6 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 deposits with banks	57,064	49,407
Short term money market deposits	<u>100,000</u>	<u>300,000</u>
Balance per Statement of Cash flows	<u><u>157,064</u></u>	<u><u>349,407</u></u>

(b) Reconciliation of cash flow from operations with operating profit/(loss) after income tax

Operating profit/(loss) after Income Tax	(202,558)	(247,849)
Non-cash flows in operating profit		
Depreciation	31,795	5,897
Changes in assets and liabilities		
(Increase)/decrease in trade & term debtors	(30,407)	
(Increase)/decrease in prepayments	8,003	
Increase/(decrease) in provisions	(7,495)	
Increase/(decrease) in trade creditors and accruals	13,519	21,891
Cash Flows from operations	<u>(187,143)</u>	<u>(220,061)</u>
Changes in assetts and liabilities		
Equipment	(5,200)	(81,521)
Reconciled Cash Movement	<u>(192,343)</u>	<u>(301,582)</u>
	2003	2002
	\$	\$

Note 7 RECEIVABLES CURRENT

Trade debtors	30,407	
	<u>30,407</u>	<u>-</u>
Other debtors		8,003
	<u>-</u>	<u>8,003</u>
Total Current Receivables	<u>30,407</u>	<u>8,003</u>



	2003 \$	2002 \$
Note 8 PROPERTY, PLANT & EQUIPMENT		
PLANT AND EQUIPMENT		
At cost	113,762	108,562
Less accumulated depreciation	(38,609)	(6,814)
	<u>75,153</u>	<u>101,748</u>
 Total Owned Plant and Equipment	 <u>75,153</u>	 <u>101,748</u>
 Total Plant and Equipment	 <u>75,153</u>	 <u>101,748</u>
Total Property, Plant and Equipment	<u><u>75,153</u></u>	<u><u>101,748</u></u>

Software Development costs of \$51,776 incurred in the 2002 year are included in cost. Depreciation for the software development has been provided for as of 1 July 2002 when the software become commercially operable.

	2003 \$	2002 \$
Note 9 PAYABLES		
CURRENT		
Unsecured liabilities:		
Trade creditors	27,862	16,880
Other creditors	3,800	1,263
	<u>31,662</u>	<u>18,143</u>

	2003 \$	2002 \$
Note 10 PROVISIONS		
Aggregate Employee Entitlement Liability	<u>4,600</u>	<u>4,600</u>
 Employee Numbers		
Average number of employees during the financial year/period	<u>5</u>	<u>5</u>
 Number of employees at reporting date	<u>6</u>	<u>7</u>

	2003 \$	2002 \$
Note 11 OTHER LIABILITIES		
CURRENT		
Unsecured liabilities:		
Amounts owing to:		
-PAYG & SGC Superannuation	4,455	16,261
Other	188	(4,123)
	<u>4,643</u>	<u>12,138</u>



Note	12 CONTRIBUTED EQUITY	2003		2002		
		Entity	Entity	Entity	Entity	
(a)	Share capital	Notes	Number of Shares	Number of Shares	\$	\$
	Ordinary shares					
	Fully paid	(b), (c)				
	At \$0.0001		48,010,000	48,010,000	4801	4801
	At \$0.10		9,000,000	9,000,000	900000	900,000
			<u>57,010,000</u>	<u>57,010,000</u>	<u>\$ 904,801.00</u>	<u>\$ 904,801.00</u>

(b) Movements in ordinary share capital

There was no movement in ordinary share capital during the year ending 30 June 2003.

(c) Share Options

Notes	2003 Number of Share Options	2002 Number of Share Options
Shares for \$0.20 before 30 June 2004	24,500,000	24,500,000
Shares for \$0.20 before 30 June 2006	200,000	
Shares for \$0.01 before 30 April 2007	100,000	
Closing balance	<u>24,800,000.00</u>	<u>24,500,000.00</u>

(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.

Note	13 RESERVES AND RETAINED PROFITS	2003	2002
		\$	\$
	Retained Profits/(Accumulated Losses)		
	Retained profits/(Accumulated losses) at the beginning of the financial year	(480,524)	(232,675)
	Net profit/(loss) attributable to members	(202,558)	(247,849)
	Retained profits/(accumulated losses) at end of financial year	<u>(683,082)</u>	<u>(480,524)</u>



	2,003	2,002
	\$	\$
Note 14 EQUITY		
Total equity at the beginning of the financial year	424,277	671,976
Total changes in equity recognised in the Statement of Financial Performance	(202,558)	(247,849)
Contributions of equity, net of transaction costs		150
Total equity at the end of the financial year	<u>221,719</u>	<u>424,277</u>
	2003	2002
	\$	\$

Note 15 RELATED PARTY TRANSACTIONS

Payables

Brett Davies is a Director of Law Central Co Ltd. Brett Davies is also the proprietor of Brett Davies Lawyers and Trustee of the Davies Service Trust. These entities provided the following services during the year under normal commercial terms and conditions:

CURRENT

Rent	34,800	37,700
Electricity reimbursement at cost	-	4,562
Provision of Precedent Documents	7,937	-
	<u>42,737</u>	<u>42,262</u>

Note 16 ADDITIONAL DISCLOSURES

Law Central Co Ltd is a Public Unlisted company incorporated in Australia and domiciled in the state of Western Australia.

Address of Registered office

201 Adelaide Terrace
Perth WA 6000

Principal place of business

201 Adelaide Terrace
Perth WA 6000

Note 17 EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the reporting year, no events have occurred which may adversely affect the entity in the future.



2003
\$

2002
\$

Note 18 REMUNERATION OF AUDITORS

Remuneration of the auditor of the parent entity for:

- auditing or reviewing accounts
- other services

3,800	3,300
440	440
<u>3,800</u>	<u>3,740</u>

Note 19 ADDITIONAL DISCLOSURES

(a) Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shares	
	Shares	Options
0 to 1,000		
1,001 to 5,000		
5,001 to 10,000		
10,001 to 100,000	5	
100,001 and above	20	5
	<u>25</u>	<u>5</u>
Unquoted Equity Securities:	Number on issue	Number of holders
Options issued to directors	23,500,000	2
Options issued to other parties	1,300,000	3
	<u>24,800,000</u>	<u>5</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 2003 and performance for the 2003 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:

Brett K Davies Managing Director 23 September 2003

INDEPENDENT AUDIT REPORT

Scope

We have audited the financial report of Law Co Ltd for the financial year ended 30 June 2003 as set out on pages 12 to 26. 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 and performance as represented by the results of its operations and cash flows.

Audit Opinion

In our opinion, the financial report of Law Central Co Ltd is in accordance with:

1. the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - b. complying with Accounting Standards *in Australia* and the Corporations Regulations 2001 and

2. other mandatory professional reporting requirements.

Jackson Greeve Certified Practising Accountants and Business Advisors
Keith Thomas Jackson Partner
29 Charles Street South Perth WA 6151

NOTES