



LAW CENTRAL CO LTD

(ACN 091 824 225)

2004 ANNUAL REPORT

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CHAIRMAN and MANAGING DIRECTOR'S ADDRESS

Dear Shareholder,

Thank you for your support over the past year. 2004 saw the take off of sales, validating your belief in the viability of the Law Central model. In 2003 sales revenue for the year was \$72,000. In 2004 sales grew to over \$213,000. This represents nearly a 400% growth in revenue. Early indicators for 2005 point to this growth continuing.

One of the main drivers behind this sales growth is the development of a wider range of legal documents. The 2004 year saw the addition of 29 new documents to the Law Central range. As at the time of this report, an additional 16 documents have been launched, including the popular "Incorporation of a new company" document. This makes a total of 57 documents now available from Law Central.

In line with our business plan, the focus of effort during the year was in building the Law Central membership base. Your Board believes that a large membership base is a key to the success and marketability of Law Central. Currently Law Central has over 7,500 registered members compared to 1,027 at the start of the 2004 financial year. In addition to these registered members, Law Central has over 30,000 additional subscribers to the weekly Law Central Bulletin.

Other than the weekly Bulletins, Law Central's marketing efforts focus on advertising with the major search engines and through our affiliates.

Based on the months of June, July, August and September 2004 being profitable, Law Central is budgeting on a profitable 2004/05 financial year. With the advantage of being cash flow positive the Board believes that the company has the opportunity of looking at equity injection, trade sales and even listing opportunities.

2003/4 has been an exciting year of development and growth for your company. The Directors expect 2004/5 to be even bigger. Law Central empowers the people of Australia, and soon New Zealand, to take control of many of their legal needs.



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

Hon John Dawkins AO
Chairman
21 October 2004

Brett Davies
Managing Director
21 October 2004

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.

In order to facilitate expansion to overseas markets, Law Central also owns the following web addresses:

- www.wizarddocs.com
- www.wizardoc.com
- www.wizarddoc.com
- www.wizardocs.com

The concept of "Wizard" allows us to penetrate international markets with our core strength of document generation, without limiting us to the legal industry.

Law Central also owns a number of other domain names which can be used for specialist marketing opportunities, these include:

- www.Cafedocs.com
- www.sharkfreelaw.com.

It is conceivable that Law Central will eventually have multiple web-sites utilising the same WizardDocs document generation technology, running simultaneously in order to capture different market demographics.

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 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.

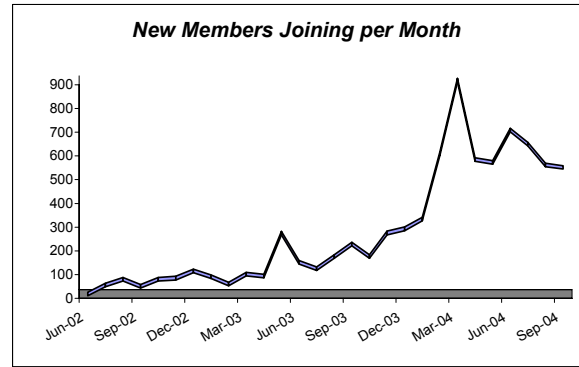
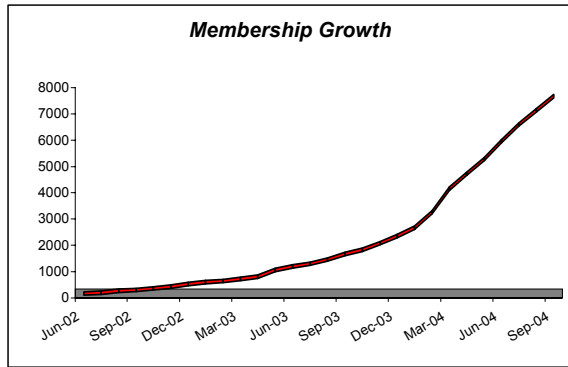
Not Legal Advice

Law Central does not provide legal advice, or otherwise act as a legal practitioner. The 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 activities of Law Central do not breach relevant existing laws in Western Australia. Any decision to expand the scope of offered services is subject to independent legal opinion prior to implementation.

Membership

A great emphasis has been placed this year over the growth of our membership base. The Board and Management of Law Central feel that membership growth, is a key performance indicator of the company. Although many of the site's information services can be accessed without being a member, the core features of the site, such as the *WizardDocs* document generation system requires users to log in as a member. There is currently no cost to become a member of Law Central. New members enter personal information, such as address and contact numbers as a part of the join up process, demonstrating confidence and genuine interest in the services of Law Central.



In addition to the registered members, Law Central has over 30,000 subscribers to the weekly Law Central Bulletin email. It is through these bulletins as well as marketing with the major search engines that users discover the Law Central web-site.

The growth of the Law Central membership base allows the company to utilise a more effective and focused marketing campaign based on the demographical information and purchase history of members.

Marketing Programs

Law Central Bulletin

The Law Central Bulletin is a weekly email that goes to all subscribers and registered members of Law Central. The email contains helpful information and topical case studies concerning the laws that govern the variety of Law Central documents. The Bulletin is not a hard sell or blatant advertisement. For this reason, it has enormous appeal and popularity amongst our target market of Accountants, Advisers, Lawyers, Fund Managers, Dealer Groups and Real Estate Agents.

Reaching up to 40,000 professionals on a weekly basis, the Law Central Bulletin has proven to be a highly economical way of promoting the Law Central site.

Search Engine Marketing

For most Internet users, the first place to visit to find out about a particular area of law is a search engine (many web browsers such as Microsoft Internet Explorer use these for you automatically). The most popular of these search engines are Google, Yahoo and the recently launched Sensis. For any business orientated web-site, the goal is to be



displayed prominently for searches on phrases relating to the business. The Law Central site has been structured to achieve the highest search ranking possible. However, it is not always possible to achieve a top ranking. For this reason, Law Central participates with “pay per click” advertising with the major search engines.

“Pay per click” advertisements only appear when a user types certain keywords. This allows Law Central to monitor and fine tune the performance of this form of marketing in a way that traditional advertising methods do not allow. The additional benefit of “pay per click” advertising is that the user only needs to click on the ad to go directly to the relevant part of the Law Central site. The cost per click is normally between 10-20 cents. If the ad is not clicked, Law Central gets free exposure. Given that each 10 cent click may result in a sale worth hundreds of dollars, this form of low cost, targeted advertising has an excellent return on investment.

Affiliate Programs

The Law Central Affiliate Club allows anyone to derive an income from the sale of our documents. To be a part of our Affiliate program, you only need to put a special link on your web-site to Law Central. This special link allows Law Central to track users coming through the link to see if they purchase a document. When a document is purchased, we pay a referral fee based on the value of the document.

The Affiliate Club is a win-win situation for all parties. The referrer earns a passive income, while Law Central gains exposure to people who otherwise might never have heard of the Law Central site.

Member Rewards

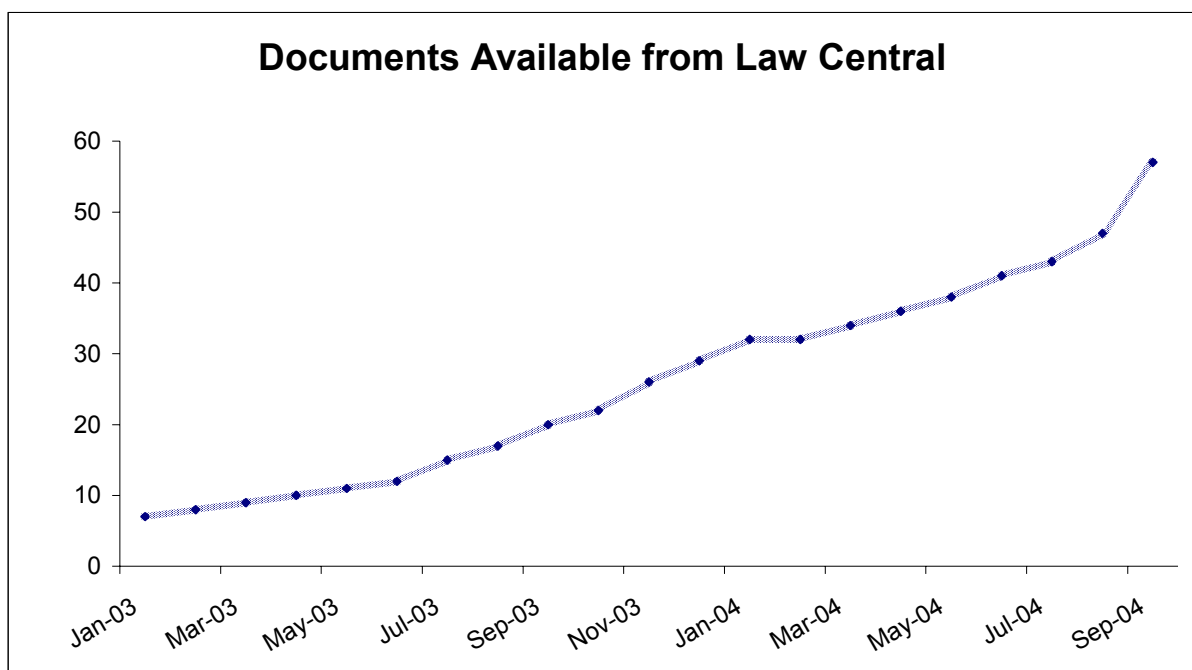
As part of the Member Rewards program, Law Central members are entitled to a multitude of free manuals and guides when they purchase documents from Law Central. These guides give valuable information and tips on what to do next after they have their Law Central Document.

Law Central Vouchers also play a large role in the Member Rewards program. Law Central Vouchers offer members a discount off the normal price of selected Law Central documents. Included with your copy of this report is a complementary \$55 Law Central Voucher.

Development Projects

Document Development

The stated goal of Law Central is to become a one stop shop for legal and other documents. As part of the progression towards this goal, the majority of Law Central's development effort went towards preparing new documents to be sold using the *WizardDocs* document generation engine. In total, 29 new documents were made available during the 2004 financial year. A further 16 documents have been released to date.



Some of these documents such as the complex "Incorporation of a Company" and "Change to a Single Director Company" documents required upwards of 6 months development time to meet the exact formatting requirements by Government agencies such as ASIC.

Non – Legal Documents

In addition to the legal documents, Law Central is branching out to include documents of a non-legal nature such as text books and software. Leveraging from our growing membership base, the Law Central site acts as the sales point for publishers of industry based textbooks and software resources. Rather than carry inventory, Law Central acts



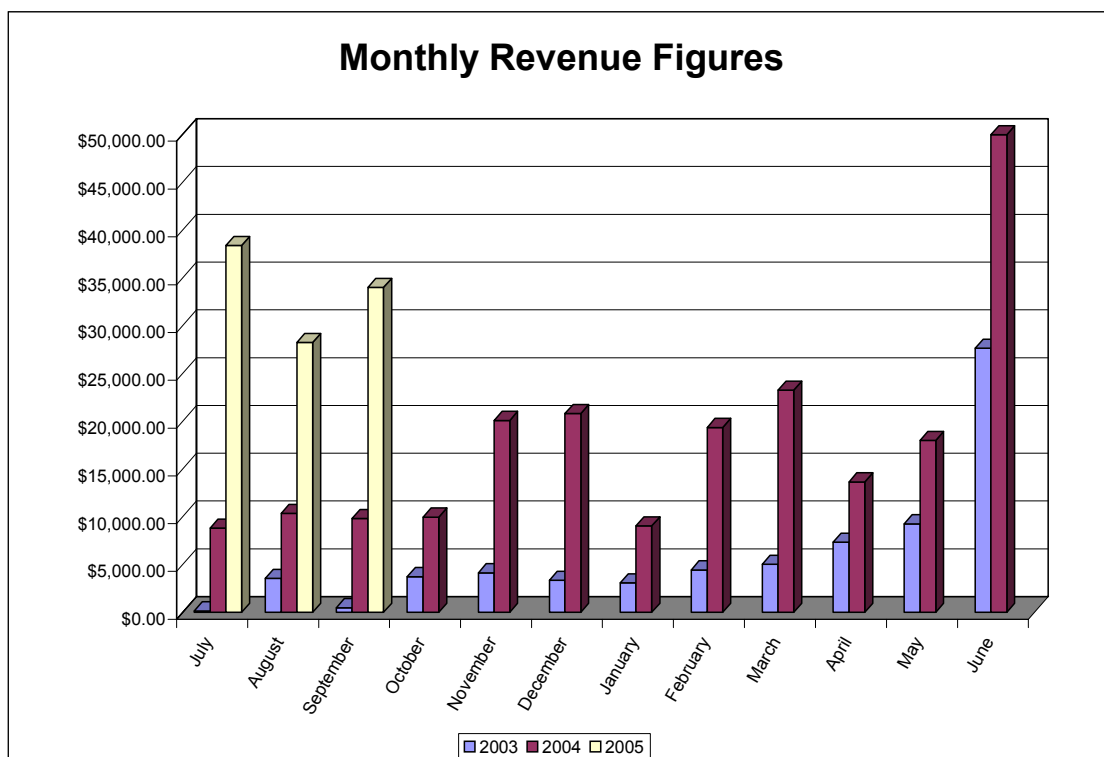
as a portal for orders passed directly to the publishers for distribution. In the cases of e-books, Law Central is able to generate and deliver the book instantly without requiring the involvement of the publisher. This is an additional service for Law Central members which has the added benefit of generating revenue for Law Central.

Customised Document Provision

As well as providing documents to members, Law Central also contracts specifically with individual groups for the provision of exclusive documents. Locked off from the general public, these documents are designed for the sole use of companies that want to take advantage of the *WizardDocs* document generation engine for their own internal documents. Ease of use, consistency and document integrity are some of the advantages that make this option attractive to large companies.

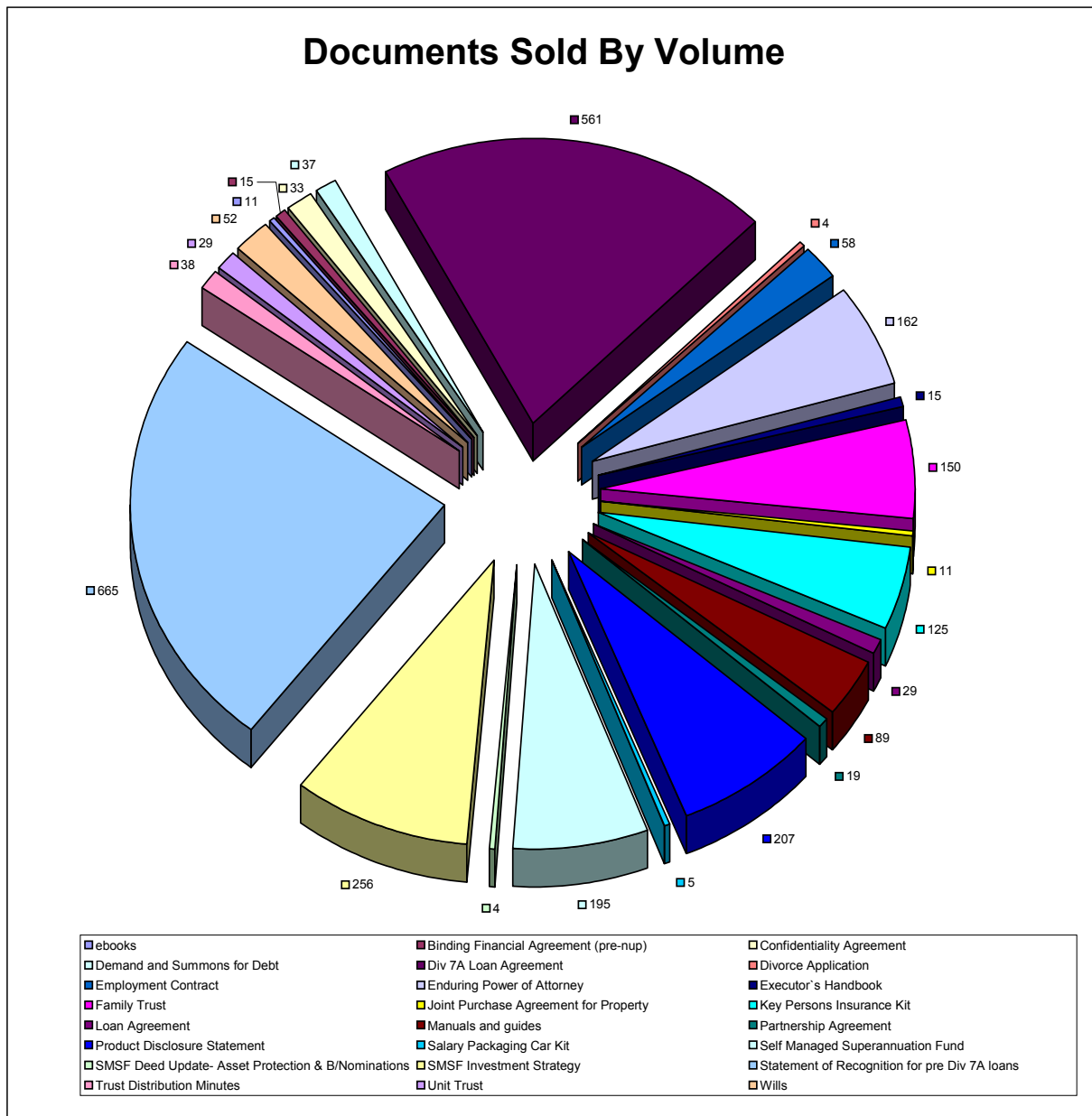
Phenomenal Sales Growth

As an outcome of both the expanded document range and the marketing efforts, document sales have risen considerably over the previous year's performance. Sales generated revenue has increased from \$72,349 in 2003 to \$213,218 in 2004. This represents nearly 300% sales growth. Unaudited figures for 2005 show a similar trend with first quarter sales of \$100,641 against \$29,023 for the same period last year.





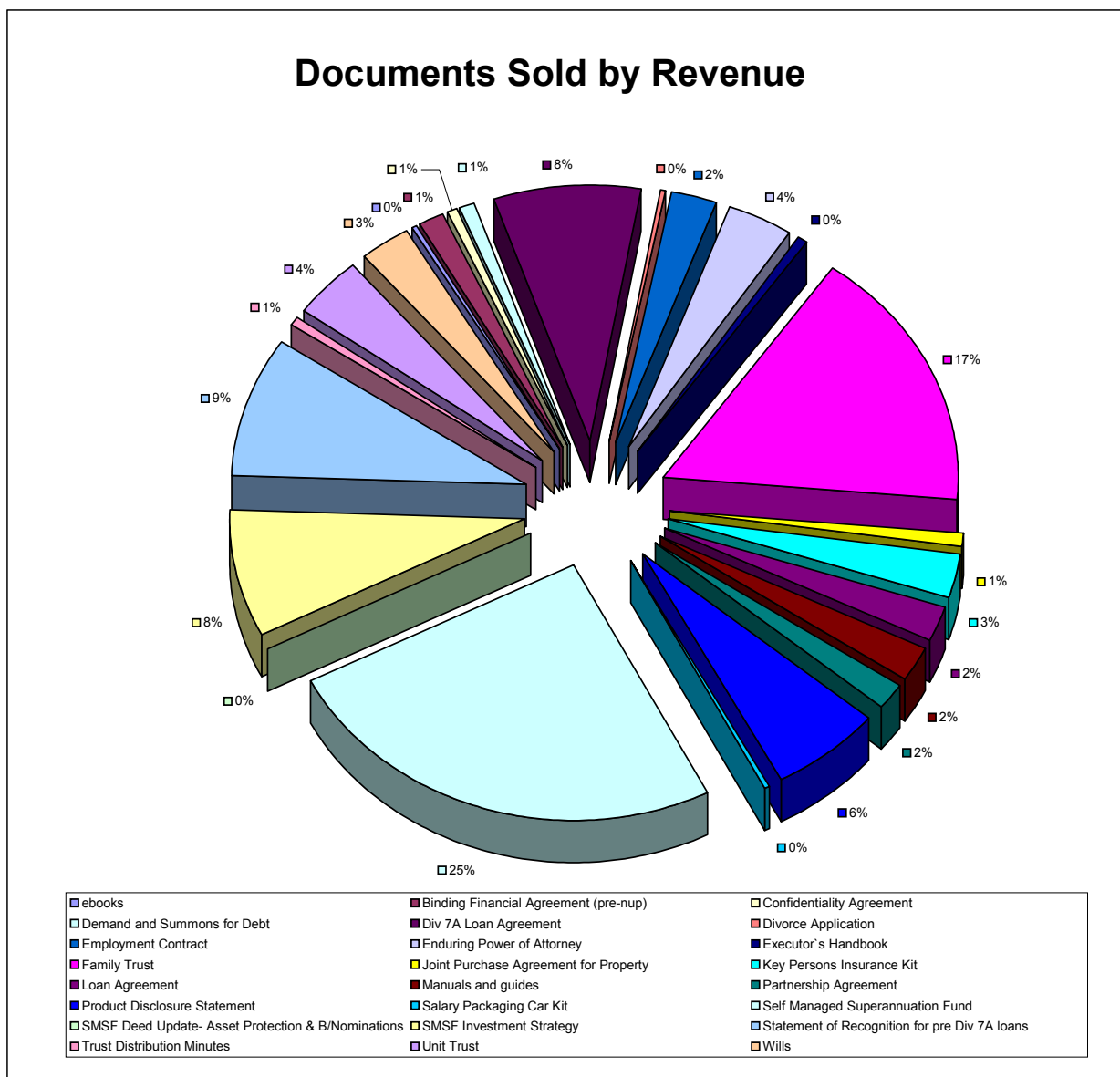
Certainly, the large document range brought about by Law Central's document development program has contributed greatly to this increase in sales. Stand out performers in terms of number of documents sold remain the Division 7A Loan Agreement and the Statement of Recognition for Pre-Division 7A Loans.



An important part of the growth of Law Central is the price at which documents are sold. Law Central is not designed to be a bargain price warehouse of documents. Considerable effort goes into the development, testing and maintenance of all Law Central Documents. Users of the Law Central site must feel confident in the documents they purchase. Pricing policy is based upon the need to maintain and reflect the high degree of quality of all Law



Central documents, while still passing on the savings generated by utilising the *WizardDocs* document creation technology.



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. Managing Director and Chief Executive Officer, Brett Davies has 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 Law 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 is currently chairperson of 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 in 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*.

DIRECTORS' REPORT

Your directors present their report for Law Central Co Ltd for the financial year ended 30 June 2004.

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 \$109,470.

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 \$92,781 as detailed in the Statement of Cashflow.

The principal activities of Law Central Co Ltd during the financial year were the development of new documents to be made available to Law Central members, and the management of the www.lawcentral.com.au web-site 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.

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 2004.

The balance of fully paid shares issued to Law Central Co Ltd shareholders as at 30 June 2004 is 57,010,000.

No new shares were issued during the financial year ending 30 June 2004.

The balance of options issued to Directors and executives exercisable before 30 June 2004 at 20 cents per share as at 30 June 2004 is 24,500,000. The Directors will consider extending these options in the future.

The balance of options issued to employees, exercisable before 30 June 2006 at 20 cent per share as at 30 June 2004 is 200,000.

The balance of options issued to employees, exercisable before 30 April 2007 at 1 cent per share as at 30 June 2004 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	3	3
Mr Brett K Davies	3	2
Mr Brett B Whitford	3	3
Mr Graeme K Philipson	3	3

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

Brett K Davies
Managing Director
21 October 2004



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Revenue			
Interest Revenue	2	4,013	10,200
Revenue from Operating Activities		<u>213,218</u>	<u>72,349</u>
		217,231	82,549
Expense			
Employee benefits expense		(200,995)	(152,700)
Other expenses from ordinary activities		(92,508)	(100,612)
Total expenses from ordinary activities excluding depreciation		<u>(293,503)</u>	<u>(253,312)</u>
Depreciation and amortisation expenses	3	(33,198)	(31,795)
		<u>(326,701)</u>	<u>(285,107)</u>
Profit/(loss) from ordinary activities before income tax expense		(109,470)	(202,558)
Income tax expense	4	<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities after income tax expense		(109,470)	(202,558)
Net profit/(loss) attributable to members of Law Central Co Ltd		<u>(109,470)</u>	<u>(202,558)</u>



STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2004

	Note	2,004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	64,283	157,064
Receivables	7	55,041	30,407
TOTAL NON CURRENT ASSETS		119,324	187,471
NON-CURRENT ASSETS			
Property, plant & equipment	8	45,890	75,153
TOTAL NON-CURRENT ASSETS		45,890	75,153
TOTAL ASSETS		165,214	262,624
CURRENT LIABILITIES			
Payables	9	26,330	31,662
Provisions	10	13,976	4,600
Other liabilities	11	12,659	4,643
TOTAL CURRENT LIABILITIES		52,965	40,905
TOTAL LIABILITIES		52,965	40,905
NET ASSETS		112,249	221,719
EQUITY			
Contributed equity	12	904,801	904,801
Retained profits	13	(792,552)	(683,082)
Total parent entity interest		112,249	221,719
TOTAL EQUITY		112,249	221,719



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Cash flows From Operating Activities:			
Receipts from customers		209,906	41,942
Payments to suppliers and employees		(306,700)	(252,488)
Interest received		4,013	10,200
TFN Tax reimbursed		-	8,003
Net Cash provided by (used in) operating activities	6 (b)	(92,781)	(192,343)
Net increase (decrease) in cash		(92,781)	(192,343)
Cash at the beginning of the financial period		157,064	349,407
Cash at the end of the financial period	6 (a)	64,283	157,064



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 supply of a service is recognised upon performance of the service for 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 at the amount receivable as they are due for settlement no more than 30 days from the date of recognition.

(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

Wages and salaries, annual leave and sick leave

The liability for employee benefits for wages and salaries, annual leave and sick leave represent present obligations resulting from employees' services up to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates expected to be paid when the liabilities are settled. Liabilities for wages and salaries and sick leave are recognised in current payables. Liabilities for annual leave are recognised in the current provision for employee benefits.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured at the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Superannuation

Superannuation, is recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(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.



	2,004 \$	2003 \$
Note 2 REVENUES		
Revenue from operating activities:		
Site Provision Revenue	213,218	72,349
	<u>213,218</u>	<u>72,349</u>
Revenue from non-operating activities:		
Interest	4,013	10,200
	<u>4,013</u>	<u>10,200</u>
Total revenue	<u>217,231</u>	<u>82,549</u>

	2004 \$	2003 \$
Note 3 OPERATING PROFIT		
(a) Charging as an expense		
property, plant and equipment	16,112	14,709
Software Development Cost	17,086	17,086
Total depreciation	<u>33,198</u>	<u>31,795</u>
Rent	33,503	34,800
Auditor Remuneration	3,278	3,800

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.

	2004 \$	2003 \$
Note 5 CASH ASSETS		
Cash on hand	14,283	57,064
Short term money market deposits	50,000	100,000
	<u>64,283</u>	<u>157,064</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.



2004
\$

2003
\$

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	14,283	57,064
Short term money market deposits	<u>50,000</u>	<u>100,000</u>
Balance per Statement of Cash flows	<u><u>64,283</u></u>	<u><u>157,064</u></u>

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

Operating profit/(loss) after Income Tax	(109,470)	(202,558)
Non-cash flows in operating profit		
Depreciation	33,198	31,795
Changes in assets and liabilities		
(Increase)/decrease in trade & term debtors	(24,634)	(30,407)
(Increase)/decrease in prepayments	-	8,003
Increase/(decrease) in provisions	17,818	(7,495)
Increase/(decrease) in trade creditors and accruals	<u>(5,758)</u>	<u>13,519</u>
Cash Flows from operations	<u><u>(88,846)</u></u>	<u><u>(187,143)</u></u>
Changes in assets and liabilities		
Equipment	(3,935)	(5,200)
Reconciled Cash Movement	<u><u>(92,781)</u></u>	<u><u>(192,343)</u></u>
	2004	2003
	\$	\$

Note 7 RECEIVABLES CURRENT

Trade debtors	<u>55,041</u>	<u>30,407</u>
	<u>55,041</u>	<u>30,407</u>
Other debtors	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total Current Receivables	<u><u>55,041</u></u>	<u><u>30,407</u></u>



	2004 \$	2003 \$
Note 8 PROPERTY, PLANT & EQUIPMENT		
PLANT AND EQUIPMENT		
At cost	117,697	113,762
Less accumulated depreciation	(71,807)	(38,609)
	<u>45,890</u>	<u>75,153</u>
 Total Owned Plant and Equipment	 <u>45,890</u>	 <u>75,153</u>
 Total Plant and Equipment	 <u>45,890</u>	 <u>75,153</u>
Total Property, Plant and Equipment	<u><u>45,890</u></u>	<u><u>75,153</u></u>
	 2004 \$	 2003 \$
Note 9 PAYABLES		
CURRENT		
Unsecured liabilities:		
Trade creditors	22,104	27,862
Other creditors	4,226	3,800
	<u>26,330</u>	<u>31,662</u>
	 2004 \$	 2003 \$
Note 10 PROVISIONS		
CURRENT		
Aggregate Employee Entitlement Liability	<u>13,976</u>	<u>4,600</u>
 Employee Numbers		
Average number of employees during the financial year/period	<u>6</u>	<u>5</u>
 Number of employees at reporting date	<u>4</u>	<u>6</u>
	 2004 \$	 2003 \$
Note 11 OTHER LIABILITIES		
CURRENT		
Unsecured liabilities:		
Amounts owing to:		
-PAYG & SGC Superannuation	7,136	4,455
Other	5,523	188
	<u>12,659</u>	<u>4,643</u>



Note	12 CONTRIBUTED EQUITY	2004		2003		
		Entity	Entity	Entity	Entity	
(a)	Share capital	Notes	Number of Shares	Number of Shares	\$	\$
	Ordinary shares Fully paid	(b), (c)	48,010,000	48,010,000	4801	4801
	At \$0.0001		9,000,000	9,000,000	900000	900,000
	At \$0.10					
			<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 2004.

(c) Share Options

Notes	2004 Number of Share Options	2003 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	Parent Entity	
		2004 \$	2003 \$
	Retained Profits/(Accumulated Losses)		
	Retained profits/(Accumulated losses) at the beginning of the financial year	(683,082)	(480,524)
	Net profit/(loss) attributable to members	(109,470)	(202,558)
	Retained profits/(accumulated losses) at end of financial year	<u>(792,552)</u>	<u>(683,082)</u>



	Parent Entity	
	2,004	2,003
	\$	\$
Note 14 EQUITY		
Total equity at the beginning of the financial year	221,719	424,277
Total changes in equity recognised in the Statement of Financial Performance	(109,470)	(202,558)
Contributions of equity, net of transaction costs	-	-
Total equity at the end of the financial year	<u>112,249</u>	<u>221,719</u>

	Parent Entity	
	2004	2003
	\$	\$
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 (Payable to Davies Service Trust)	31,900	34,800
Provision of Precedent Documents	-	7,937
	<u>31,900</u>	<u>42,737</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.



2004
\$

2003
\$

Note 18 REMUNERATION OF AUDITORS

Remuneration of the auditor of the parent entity for:

- auditing or reviewing accounts
- other services

3,278	3,800
-	-
<u>3,278</u>	<u>3,800</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 10,000	1	
10,001 to 100,000	5	
100,001 to 500,000	16	
500,001 to 1,000,000	8	
1,000,001 and above	2	5
	<u>32</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>

(d) Voting Rights

One vote is attached to each fully paid ordinary share.

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 2004 and performance for the 2004 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 21 October 2004

INDEPENDENT AUDIT REPORT

Scope

We have audited the financial report of Law Co Ltd for the financial year ended 30 June 2004 as set out on pages 14 to 28. 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 2004 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.

Dated Thursday, 21 October 2004

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

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