

**au DOMAIN ADMINISTRATION**  
**[A Company Limited by Guarantee]**  
**A.C.N. 079 009 340**

**FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2001**

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Profit and Loss Account

*Meagher Howard & Wright*  
*Certified Practising Accountants*  
*Suite 5, Level 5*  
*55 Grafton Street*  
*BONDI JUNCTION NSW 2022*

This report should be read in conjunction  
With the attached audit report of  
Meagher Howard & Wright

**.au DOMAIN ADMINISTRATION**  
**[A Company Limited by Guarantee]**  
**A.C.N. 079 009 340**  
**DIRECTORS' REPORT**

Your directors submit the financial accounts of the company for the year ended 30 June 2001.

**Directors**

The names of the directors in office at the date of this report are:

Greg WATSON  
Tony STALEY  
Michael MALONE  
David KEEGEL  
Elizabeth WILLIAMS  
Chris CHAUNDY  
Kim HEITMAN  
David THOMPSON  
Kim DAVIES  
Erica ROBERTS  
Iain MORRISON  
Patrick CORLISS  
Greg CREW

**Principal Activities**

The principal activities of the company in the course of the year were: development of name policy in the .au internet name space.

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

**Net Surplus**

The surplus of the company for the financial year amounted to \$48,148

**Dividends paid or recommended**

By virtue of its Constitution no dividends are payable by the company.

**Members' Guarantee**

In accordance with clause 7 of the Constitution of the company, each member has undertaken to contribute towards the assets of the company an amount of one hundred dollars (\$100) in the event the company is wound up whilst they are still a member or within one year after they cease to be a member. As at 30 June 2001, the company had 174 members.

**Significant Changes in State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, company in subsequent financial years.

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### **Likely Developments**

Likely developments in the operations of the company and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

### **Share Options**

No options to have issued shares in the company or related bodies corporate were granted during or since the financial year and there were no options outstanding at the end of the financial year.

### **Benefits under contracts with Directors**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or a related body corporate with the director, a firm of which the director is a member or an entity in which the director has a substantial interest except for the sum of \$28,312.50 paid to Cybersource Pty Ltd (a company of which David Keegel is a Director) for technical services and the sum of \$2508 paid to Arcadian Solutions (a company of which Greg Watson is a director) on 8<sup>th</sup> August 2001 for consulting services.

This statement excludes a benefit included in the aggregate amount of emoluments received, or due and receivable, by directors as shown in the company's financial accounts for the financial year or the fixed salary of a full-time employee of the company or a related body corporate.

### **Indemnifying Officer or Auditor**

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

\* indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings.

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

Director \_\_\_\_\_  
Greg WATSON

Director \_\_\_\_\_  
Tony STALEY

Dated this \_\_\_\_\_ day of \_\_\_\_\_

This report should be read in conjunction  
With the attached audit report of  
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au DOMAIN ADMINISTRATION  
[A Company Limited by Guarantee]  
PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30th June 2001

	NOTE	\$	2000 \$
Operating Profit			
Before Income Tax	2	75,901	507
Income Tax Expense	4	27,753	7,698
		48,148	(7,191)
<b>OPERATING PROFIT FOR THE YEAR</b>			
<b>OPERATING PROFIT AND</b>		48,148	(7,191)
<b>EXTRAORDINARY ITEMS</b>			
Retained Profits at July 1		12,014	19,205
		60,162	12,014
<b>PROFIT AVAILABLE FOR</b>			
<b>APPROPRIATION</b>			
		60,162	12,014
<b>RETAINED PROFITS</b>		60,162	12,014

This report should be read in conjunction  
with the attached audit report of  
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au DOMAIN ADMINISTRATION  
[A Company Limited by Guarantee]  
BALANCE SHEET AS AT 30th June 2001

	NOTE	\$	2000 \$
<b>CURRENT ASSETS</b>			
Cash	5	221,426	22,770
Receivables	6	6,500	34,000
Other	8	45,972	-
		273,898	56,770
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	30,563	726
Intangible Assets		-	61,656
		30,563	62,382
<b>TOTAL ASSETS</b>		304,461	119,152
<b>CURRENT LIABILITIES</b>			
Creditors & Borrowings	9	164,079	99,440
Provisions	11	35,452	7,698
Other	10	44,768	-
		244,299	107,138
<b>TOTAL LIABILITIES</b>		244,299	107,138
<b>NET ASSETS</b>		60,162	12,014
<b>SHAREHOLDERS' EQUITY</b>			
Accumulated Profit		60,162	12,014

The accompanying notes form part of these financial accounts  
This report should be read in conjunction  
with the attached audit report of  
Meagher Howard & Wright

**NOTE 1 - STATEMENT OF ACCOUNTING POLICIES**

The accounts have been prepared in accordance with the Statement of Accounting Concepts and applicable Accounting Standards, and the Corporations Law, including the disclosure requirements of Schedule 5. The accounts 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 accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the accounts.

**Property, Plant & Equipment**

Property, plant and equipment are included at cost or at independent or directors' valuation. The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use.

Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

	2000	2000
	\$	\$
<b>NOTE 2 - OPERATING PROFIT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER</b>		
<b>CHARGING AS EXPENSES</b>		
Auditors Remuneration - Fees	2,800	795
Depreciation Non Current Assets	29,862	882
Directors Emoluments Full Time	20,416	-
Directors Emoluments Other	38,927	-
Loss on Sale of Non Current Assets	-	7,709

**NOTE 3 - OPERATING REVENUE**

**Other Operating Revenue**

Grant - NOIE	-	30,000
Subscriptions received	11,182	2,000
Interest Received	4,529	-
Licence Fees	725,042	89,152
Other Income	119	35
Proceeds from the sale of non-current assets	4,000	-
	_____	_____

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au DOMAIN ADMINISTRATION  
[A Company Limited by Guarantee]

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2000
	\$	\$
TOTAL OPERATING REVENUE	744,872	121,187
	<u>                    </u>	<u>                    </u>

**NOTE 4 - INCOME TAX**

The prima facie income tax on operating profit and extraordinary items differs from the income tax provided in the accounts and is calculated as follows:

Prima facie tax payable	25,806	7,698
<b>Add</b> Difference	1,947	
<b>Subtract</b>		
	<u>                    </u>	<u>                    </u>
Income tax attributable to operating profit	27,753	7,698
	<u>                    </u>	<u>                    </u>

**NOTE 5 - CASH**

Cash in Hand	500	-
Nat Australia Bank	220,926	22,770
	<u>                    </u>	<u>                    </u>
	221,426	22,770
	<u>                    </u>	<u>                    </u>

**NOTE 6 - RECEIVABLES**

**Current**

Sundry Debtors	-	34,000
Deposits	6,500	-
	<u>                    </u>	<u>                    </u>
	6,500	34,000
	<u>                    </u>	<u>                    </u>

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au DOMAIN ADMINISTRATION

[A Company Limited by Guarantee]

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	\$	2000 \$
<b>NOTE 7 - PROPERTY PLANT AND EQUIPMENT</b>		
Plant & Equipment - at Cost	58,457	1,608
Less Prov'n for Depreciation	30,744	882
	<u>27,713</u>	<u>726</u>
Leasehold Improvements at Cost	2,850	-
	<u>30,563</u>	<u>726</u>
	<u><u>27,713</u></u>	<u><u>726</u></u>
<b>NOTE 8 - OTHER ASSETS</b>		
<b>Current</b>		
GST on acquisitions	45,972	-
	<u>45,972</u>	<u>-</u>
	<u><u>45,972</u></u>	<u><u>-</u></u>
<b>NOTE 9 - CREDITORS &amp; BORROWINGS</b>		
<b>Current</b>		
Trade Creditors	113,758	77,091
Provision for Future Development	-	22,349
Prepaid income	22,916	-
Payroll Clearing	27,405	-
	<u>164,079</u>	<u>99,440</u>
	<u><u>164,079</u></u>	<u><u>99,440</u></u>

This report should be read in conjunction  
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au DOMAIN ADMINISTRATION  
[A Company Limited by Guarantee]

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2000
	\$	\$
<b>NOTE 10 - OTHER LIABILITIES</b>		
<b>Current</b>		
GST on supplies	44,768	-
	=====	=====
 <b>NOTE 11 - PROVISIONS</b>		
<b>Current</b>		
Provision for Income Tax	35,451	7,698
	=====	=====

This report should be read in conjunction  
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Meagher Howard & Wright

au DOMAIN ADMINISTRATION

[A Company Limited by Guarantee]

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**au DOMAIN ADMINISTRATION**

**[A Company Limited by Guarantee]**

**A.C.N. 079 009 340**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF**

**au DOMAIN ADMINISTRATION**

**[A Company Limited by Guarantee]**

### **Scope**

We have audited the financial report, being a special purpose financial report of au DOMAIN ADMINISTRATION [A Company Limited by Guarantee] for the year ended 30 June 2001, as set out on pages 1 to 4. The company's directors are responsible for the financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of au DOMAIN ADMINISTRATION [A Company Limited by Guarantee] and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the company. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any other person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of 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 accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

### **Audit Opinion**

In our opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of au DOMAIN ADMINISTRATION [A Company Limited by Guarantee] as at 30 June 2001 and the results of its operations for the year then ended.

MEAGHER HOWARD & WRIGHT

Certified Practising Accountants

by Ron MEAGHER

Level 5, 55 Grafton St Bondi Junction

31 October 2001

This report should be read in conjunction  
with the attached audit report of  
Meagher Howard & Wright

au DOMAIN ADMINISTRATION

[A Company Limited by Guarantee]

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th June 2001

	\$	2000 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	800,316	113,535
Payments to suppliers and employees	(549,286)	(96,653)
Interest received	4,529	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>255,559</b>	<b>16,882</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Proceeds</b>		
Plant & Equipment - at Cost	4,000	-
<b>Payments</b>		
Plant & Equipment - at Cost	(56,848)	(13,317)
Leasehold Improvements at Cost	(2,850)	-
GST on acquisitions	(45,973)	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(101,671)</b>	<b>(13,317)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
GST on supplies	49,889	-
<b>Payments</b>		
GST on supplies	(5,120)	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>44,769</b>	<b>-</b>
	<hr/>	<hr/>

This report should be read in conjunction  
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Meagher Howard & Wright

au DOMAIN ADMINISTRATION

[A Company Limited by Guarantee]

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th June 2001

		2000
	\$	\$
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	198,657	3,565
<b>CASH AT THE BEGINNING OF THE YEAR</b>	22,770	19,205
<b>CASH AT THE END OF THE YEAR</b>	<u>221,427</u>	<u>22,770</u>

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au DOMAIN ADMINISTRATION  
[A Company Limited by Guarantee]  
NOTES TO THE STATEMENT OF CASH FLOWS

	NOTE	\$	2000 \$
<b>NOTE 1 - RECONCILIATION OF CASH</b>			
Cash in Hand		500	-
Nat Australia Bank		220,926	22,770
		221,426	22,770
<b>NOTE 2 - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating profit after income tax		48,148	(7,191)
Depreciation		29,861	882
Increase (decrease) in trade creditors		36,666	77,091
Increase (decrease) in other expenses payable		7,021	(61,656)
Loss on Sale of Fixed Assets		-	7,709
Increase (decrease) in income tax payable		27,753	7,698
Decrease (increase) in inventories		-	-
Decrease (increase) in trade debtors		34,000	(34,000)
Decrease (increase) in other receivables		29,972	26,349
		213,421	16,882
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
		213,421	16,882

This report should be read in conjunction  
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au DOMAIN ADMINISTRATION

[A Company Limited by Guarantee]

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th June 2001

		2000
	\$	\$
<b>INCOME</b>		
Grant - NOIE	-	30,000
Subscriptions received	11,182	2,000
Interest Received	4,529	-
Licence Fees	725,042	89,152
Other Income	119	35
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	740,872	121,187
<b>EXPENSES</b>		
Auditors Remuneration - Fees	2,800	795
AGM Meeting Expenses	3,056	-
Bank Charges	935	137
Contract - CEO	-	37,903
Depreciation	29,862	882
Directors Fees	20,416	-
Directors Expenses	38,927	-
Directors Meeting Expenses	-	35,381
Entertainment	2,924	-
Insurance	6,259	-
Legal Costs	109,841	7,621
License Fee-ICAAAN/CCTLD	56,321	-
Meeting Costs	7,536	-
Office Expenses	1,193	-
Panel Expenses	25,844	-
Printing & Stationery	4,889	4,764
Room Hire	16,357	-
Recruitment	-	17,714
Salaries	246,620	7,774
Staff Amenities	776	-
Staff recruitment	27,902	-
Technical Support	19,028	-
Telephone	7,227	-

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Travelling Expenses	36,258	-
<b>TOTAL EXPENSES</b>	<u>664,971</u>	<u>112,971</u>
<b>OPERATING SURPLUS/(DEFICIT) NON-OPERATING INCOME AND EXPENSES</b>	<u>75,901</u>	<u>8,216</u>
<b>Non Operating Expenses</b>		
Loss on Sale of Fixed Assets	-	7,709
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INCOME TAX</b>	<u>75,901</u>	<u>507</u>
Income Tax Expense	27,753	7,698
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<u>48,148</u>	<u>(7,191)</u>
<b>OPERATING SURPLUS/(DEFICIT) AFTER EXTRAORDINARY ITEMS</b>	<u>48,148</u>	<u>(7,191)</u>
Retained Funds at July 1	12,014	19,205
<b>SURPLUS/(DEFICIT) AVAILABLE FOR APPROPRIATION</b>	<u>60,162</u>	<u>12,014</u>
<b>RETAINED FUNDS</b>	<u><u>60,162</u></u>	<u><u>12,014</u></u>