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</tr>
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UNILINC LIMITED
ACN 001 643 367
Level 8, 210 Clarence St, Sydney Australia 2000
Tel: (61-2) 9283 1488 Fax: (61-2) 9267 9247
www.unilinc.edu.au
Office hours: 9am - 5pm Monday - Friday

MEMBERS OF UNILINC
as at 31 December 1998

Australian Catholic University
Avondale College
Board of Studies NSW
Charles Sturt University
National Gallery of Australia
NSW Department of Corrective Services
NSW Department of Education & Training

NSW Police Service
Southern Cross University
Study Group Australia
Sydney Church of England Grammar School
University of Sydney
University of Technology, Sydney

BOARD OF DIRECTORS 1998

Mr B Milligan - Chairman
Prof B E Conygham
Prof J J Drake
Mr R Holloway-Tregear
Ms G Ireland
Ms M Macpherson
Mr J O'Brien
Mr B O'Donnell
Ms A Ransome
Ms M Shaw (from 15.12.98)
Mr Chris Sheargold (from 25.5.98)
Ms R Wade

Southern Cross University
Australian Catholic University
Charles Sturt University
University of Western Sydney
Charles Sturt University
Southern Cross University
National Gallery of Australia
Australian Catholic University
UNILINC Office

EXECUTIVE AND PLANNING COMMITTEE 1998

Mr B Milligan - Chairman
Mr G Ireland
Ms M Macpherson

Mr J O'Brien
Ms R Wade

TECHNICAL COMMITTEE 1998

Ms M Macpherson - Convenor
Ms F Burton
Ms J Clarke
Ms B Franklin
Ms D Hawryszkiewycz
Ms C Stevens (to 31.7.98)
Ms V Swan
Ms M Wagstaff

Charles Sturt University
University of Western Sydney, Nepean
University of Western Sydney, Macarthur
NSW Department of Corrective Services
Australian Catholic University
NSW Department of Education & Training
Charles Sturt University
UNILINC Office

CLIENT SERVICES GROUP 1998

Ms M Wagstaff - Convenor
Ms M Dains
Ms J Lloyd
Ms M Macaulay
Mr S Okshott
Mr V Sharma
Mr D Stewart

UNILINC Office
University of Western Sydney, Macarthur
Avondale College
Charles Sturt University
Australian Catholic University
NSW Department of Corrective Services
Southern Cross University

UNILINC OFFICE
as at 31 December 1998

Executive Director & CEO
Manager - Marketing & Client Services
Manager - Information Technology Services
Office & Subscriptions Manager
Receptionist
Accounts Clerk
Authorities Librarian & Cataloguing Consultant
Library Systems & Projects Coordinator
Library Support Coordinator
Library Support Coordinator
Training & OPAC Coordinator
System Consultant
Network Administrator
UNIX Manager

Rona Wade
Marilyn Wagstaff
Mob'd Mob'd
Jennifer Sta-Maria
Kareli Garce
Yuli Chao
Glenda Henderson (p/t)
Bronwyn King
Yvonne Long (acting)
Andrew Main
Helen Leoski (p/t)
Annette Schryver (p/t)
Luke Harris
Vanessa Tsacos

* 2 *

* 3 *
CHAIRMAN’S STATEMENT

INTRODUCTION

It gives me considerable pleasure to make my third report as Chair of UNILINC. The last twelve months have again served to reinforce my belief in the value of collaborative effort in innovative and resource intensive public services such as libraries. This has become even more apparent as UNILINC members develop their resource based learning initiatives and come to understand the challenges and opportunities of course delivery. UNILINC is playing a vital role in supporting the libraries in their contribution to this effort and plans are underway to extend this work further in 1999.

I appreciate the support I have had from my colleagues on the Board and the efforts that staff at all levels have made to ensure the success of our operations.

1998 was a year that saw significant enhancement to the value of member services. The buying power of the group and the use of the single Shared System enabled UNILINC to negotiate excellent discounts and service benefits from a number of the major suppliers for books purchased through the Shared System. UNILINC undertook a Year 2000 audit and also put in place plans for a disaster facility for the Shared System, both initiatives of considerable benefit to the membership. The year also saw growth and consolidation in some of UNILINC’s new services such as contract cataloguing, consultancy services and training activities.

Highlights for the year include:

• addition of two new members, the NSW Police Service and Study Group Australia; completion of the Year 2000 audit and adoption of a plan for compliance;
• successful completion of five consultancies;
• negotiations of discounts for books ordered through the Shared System; and
• renewal of the facilities management contract with Ovid Technologies.

FINANCES

Income for the year was $2,463,835 ($3,116,398 in 1997). The result was in line with the budget which anticipated a reduction in income flowing from the departure of Bankstown City Council. There was resultant reduction in costs which together with a review of all existing overhead costs allowed UNILINC a small surplus of $207. The budget had allowed for a loss as the surplus almost small was a pleasing result. Part of the reduced expenditure resulted from the renegotiations of the lease for the premises occupied by UNILINC Office. Cash reserves as at 31 December 1998 stood at $1,085,851 ($980,817 in 1997).

In line with the business plan, an increasing percentage of revenue was derived from sources outside the membership and from services other than the Shared System.

NEW MEMBERS

Study Group Australia (SGA) signed the Memorandum of Agreement on the 26 October 1998 and the NSW Police Service signed on 1 December.

SGA operates out of five cities through eight campuses. Its programs span ELICOS and vocational training and include international programs delivered through Charles Sturt University. Upon SGA joining UNILINC Office staff catalogued the collection of the Sydney library on to the Shared System. The library is 2000 volumes at this stage.

The NSW Police Service library is part of the Academic Support Directorate. The main library is the J K Avery Resource Centre at the Police Academy at Goulburn. The primary client group of the Academy Library comprises students undertaking a pre-service Diploma of Policing award. The course is jointly run by Charles Sturt University and the Police Service and staff of both organisations are users of the Academy Library. By joining UNILINC, the Police Service will maximise the benefits of this partnership with Charles Sturt University. The collection comprises of approximately 40,000 items with strengths in the areas of criminology and policing and sizeable collections in psychology, sociology and management. The NSW Police Service library will bring valuable resources to the UNILINC database which already has excellent coverage in relevant areas due to the participation of the NSW Department of Corrective Services, Charles Sturt University and Southern Cross University.

BOARD OF DIRECTORS

The Board met four times and the Executive Committee twice during 1998. The company held its Twentieth Annual General Meeting on 25 May. At that time two Directors, Professor Peter Drake and Graham Ireland, retired in accordance with Section 28 of the Articles of Association. Both Directors made themselves available for re-election and were duly elected. Vincent Delany retired from the Board after ten years. His outstanding contribution to the company was outlined in a Testimonial Minute which was warmly endorsed. Mr Chris Sheargold from the Australian Catholic University was elected to fill this vacancy.

THE SHARED SYSTEM

The provision of the one shared integrated library management system and bibliographic database remains the core activity for UNILINC. The Shared System uses the Data Research Associates (DRA) software for its major library functions and operates on a Digital Alpha 2100 multiprocessor computer. Libraries are connected to the system via dedicated high speed data links backed up by a dedicated UNILINC connection to the Internet.

Activity on the system showed a decrease as shown by the following key indicators.

<table>
<thead>
<tr>
<th>Loans</th>
<th>1997</th>
<th>1998</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,167,450</td>
<td>2,028,580</td>
<td>6.55%</td>
<td></td>
</tr>
</tbody>
</table>

The decrease in the figure for loans is largely a result of one UNILINC library implementing a non renewal policy for loans which had the effect of reducing loans considerably. Copies added to the Shared System reflect the amount of cataloguing undertaken by member libraries. The decline in this activity results from a reduction in the intake of donations and special collections at one of the member institutions. To some extent it also reflects the diversion of funds into electronic resources.

The system again proved itself to be very reliable with 99.9% uptime.

A single bibliographic database underpins the Shared System. The number of bibliographic records as at 31 December 1998 was 2,417,444. The UNILINC database supports the cataloguing activities of member libraries and allows the re use of records brought in from outside sources under favourable pricing arrangements negotiated by UNILINC as well as the re use of existing records previously input by members. The quality of the headings in the database receives ongoing attention as a result of the authority's work-project. The number of authority records increased by 23,502.

One exciting new initiative aimed at maximising the value of participating in the Shared System was a plan for vendor partnerships. The libraries that use the Shared System order close to $10 million worth of books and serials each year. 1997 saw all
but two of the libraries ordering through the Shared System and the time was right for UNILINC to approach book suppliers on behalf of member libraries in an effort to negotiate advantageous pricing. By the end of 1998 five major suppliers had responded with offers of substantial discounts for UNILINC libraries.

**ELECTRONIC DATABASE SERVICE**

UNILINC member libraries are able to take out institutional subscriptions to a wide range of electronic databases at considerable cost saving. These are mounted on high-speed servers at UNILINC Office and accessed via the same leased lines as the Shared System as well as the Internet. Access is via Ovid web and telnet software.

The use of the databases grew by 500% in 1988. UNILINC undertook a major hardware upgrade to satisfy the demand for this popular service. Seven new databases were added to the service including the American Theological Library Association indexes, the Ulrich's International Periodicals Directory and the Evidence Based Medicine Reviews. New software features enabled libraries to make the most of web technology. Oneweb software, known as URL JumpStart, was added to the system not only by those UNILINC institutions well advanced in offering courses via the web, JumpStart allows hypertext links to be made between course material and relevant journal articles.

**YEAR 2000 AUDIT**

The audit for Year 2000 compliance was completed in September 1998. Annette Schryver finalised the work originally commenced in early 1997. The audit covered some 112 items of computer hardware, operating and applications software, freeware and shareware, office equipment, office supplies, building services and miscellaneous products. Included in the audit is an action plan for these items for which compliance was an issue and a budget to cover the cost of compliance. The total cost was estimated at $15,250. Members were notified of the company's plans and provided with advice about local hardware and software upon which they depend to connect to UNILINC's systems and services.

In association with the audit, work began on upgrading the UNILINC network and network services. In conjunction with Telstra a plan was developed to upgrade all existing lines from Microlink to OnRamp which would enable better servicing by Telstra and hence improve performance. In addition, the eight year old Sun computer that has provided UNILINC's network management services will be replaced by a two small high-speed servers in early 1999. These will provide added security.

**CONSULTANCY SERVICES**

The Western Australian Group of University Libraries (WAGUL). In early 1998 the Executive Director and Glenda Henderson were asked to complete follow up studies to the 1997 WAGUL study at two of the universities, Curtin University of Technology and Edith Cowan University. In both cases, the libraries had either fully implemented or almost fully implemented the consultants' recommendations for improvements in cataloguing and related procedures. The results of the follow up study showed that both libraries had reduced their cataloguing costs by 52% and Edith Cowan 52%. In addition, the major recommendation for WAGUL as a whole, a joint purchasing arrangement for book supply, had been implemented with major expected savings for all four libraries.

At the end of the year WAGUL issued a tender for a consultancy to review models of library consortia around the world and to recommend future strategies and structures for WAGUL. UNILINC was successful in its response and the report was submitted in December.

**Curtin University of Technology.** UNILINC was invited to advise upon technical services operations at the Kalgoorlie campus library. The Executive Director visited the library in early May. UNILINC was again invited to undertake a review for the university library in October, this time the Systems and Technology Services. The Executive Director and Annette Schryver visited the library in October and conducted interviews with relevant sections of the library. The report, containing recommendations for future initiatives and changes to current practices was submitted 13 November. Finally UNILINC was invited to advise upon and manage the conversion of data to systems previously used by the Kalgoorlie campus to the DMS system as used by the University. Bronwyn King successfully completed this project.

**FACILITIES MANAGEMENT**

UNILINC continued to provide system support, networking and help desk services to Ovid Technologies Pty Ltd in support of the Ovid Australia Service. Some thirty-six electronic databases are made available nationwide from the facilities managed by UNILINC. Almost all of the Australian universities use this service to access the premier resource of Current Contents through an arrangement negotiated by CAUL with Ovid and the Institute for Scientific Information, the publishers of this valuable database. In addition, an increasing number of organisations are looking to outsource their database services as the cost of support continues to increase. We cannot keep up with increasing demands. As a result more libraries are looking to Ovid and UNILINC for these services. This was reflected in a 30% increase in the number of subscribers to the Ovid Australia Service.

**OTHER SERVICES**

**Wincat.** The WinCat software was developed in 1997 to meet UNILINC's specifications for its own CD ROM catalogue but it soon became apparent that there was a demand for it amongst Australian libraries. The new software is jointly owned by UNILINC and Connect 4 an Australian software and database developer. In 1998 UNILINC undertook a marketing campaign for their catalogue production services for the WinCat software.

**Strategic Purchasing.** Some $681,812 worth of databases on CD ROM ($942,916 in 1997) was made available to members at discount rates. This decrease from the previous year resulted partly from libraries moving more to web-based products and also from the inclusion in 1997 of large one-off items.

**Contract Cataloguing and Training.** UNILINC continued to carry out cataloguing for the NSW Department of Public Works and Services and the College of Law. It also undertook the retrospective cataloguing for Study Group Australia. Discussions with book vendors as to their use of UNILINC's cataloguing services began to yield results and projects were undertaken for Southern Scene and Instant Holdings. Curtin University contracted with UNILINC to carry out cataloguing work for its library at Muresk whilst Edith Cowan University contracted for Chinese cataloguing.

In November, UNILINC was approached by the NSW Government Central Corporate Services Unit to provide cataloguing training, followed in the new year with a request to provide contract cataloguing services. Finally Glenda Henderson was successful in being appointed as a Designated Training Agent for the new software to be used by the National Library of Australia for its national bibliographic database, cataloguing and document delivery service (formerly ABN now Kinetics). Courses in Kinetics are scheduled through to mid 1999.

**Facilities Hire.** UNILINC has regular and reliable corporate clients for its Electronic Training Facility. Some 803,298 ($41,096 in 1997) in revenue was earned in 1998. Income was reduced early in the year due to two of the Internet trainers who had been major clients changing their business focus. However, as a result of an approach to new tenants in the building Housley Communications has become a regular client.
PROMOTIONAL AND MARKETING ACTIVITIES

The monthly Newsletter remained in regular production. The work in 1997 on revamping the corporate image bore fruit with the production of a range of brochures and other marketing material as well as new letterhead and related stationery.

Work commenced on implementing the Marketing Plan as adopted by the Board in September 1997. The main areas to receive attention were services to current members and clients and specific services and products of potential relevance to new clients. These specific products and services were contract cataloguing, consultancy services, training and the WINCAT software.

COMMUITIES AND STAFFING

The Technical Committee met four times through the year. The major work initiative for the year was the development of a comprehensive policy for the management of web-based and other electronic resources especially serials. Arising from the Strategic Planning initiative in 1997, the Board resolved to establish a Client Services Group whose role would be to encourage the best use of UNILINC's systems and services, to explore new opportunities for collaborative effort in client services and to market initiatives in the area. The Group was due to have its first meeting in March 1999.

One new staff member was appointed to UNILINC Office. Luke Harris joined UNILINC as Network and System administrator. Voula Glypis, a Systems Administrator who had been with UNILINC for ten years, resigned in November. In March the Executive Director was notified that she had been accepted as a Fellow of the Australian Institute of Company Directors. Staff attended courses in network routing, web design, DRA report writing and web set up. UNILINC continued to fund participation in a degree in computing for Jennifer Sta-Marla. Two staff attended the DRA Users Group meeting in St. Louis in February at which Broseys King was elected as a member of the DRA Software Improvements Request Committee.

CONCLUSION

1998 was a challenging year for UNILINC. In a tight budget climate, UNILINC succeeded in maintaining a high quality of service and professional leadership in its field. It continued to exploit opportunities for technological innovations and improved service delivery to members and clients generally.

The company's success in 1998 was due to the energy, enterprise and hard work of the staff of member libraries and of the Executive Director and her enthusiastic and committed staff in the UNILINC Office. On behalf of the Board I wish to congratulate all concerned.

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1998

UNILINC LIMITED
ACN 061 643 367
A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

The Directors submit the statutory report in respect of the results of the Company for the financial year ended 31 December 1998 and the state of the Company's affairs as at that date.

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

B. Milligan, Director and Chairman, BA (Hons), MA, Dip Ed.
B. E. Cumyningham, Director, MA (Hons), DMus., Cert, Post Doc Studes
P. J. Drake, Director, BComm, PhD
R. Holloway-Tregear, Director, BE
G. R. Ireland, Director, LLB
M. H. Macpherson, Director and Deputy Chairman, BA, DipLib, AALIA
J. L. O'Brien, Director, BA, MS
B. R. O'Donnell, Director, DipEd, MCom
A. M. Ransome, Director, BA (Hons), DipLib, MA, AALIA
C. W. Sheargold, Director, BA (Syd) AALIA
J. M, Shaw, Director, BA (Hons), DipLib, AALIA
R. D. Wade, Managing Director and Company Secretary, BA, DiplLib, MLib, AALIA

The principal activities of the Company in the course of the financial year were library reference services. There was no change in the nature of these activities during the financial year.

The Company is a non-profit organisation which complies with the terms of Section 23(6) of the Income Tax Assessment Act 1936 as amended. Consequently, it is not necessary to provide for income tax or dividends.

The operating result of the Company's activities for the financial year was a surplus of $207 after providing $255,928 for depreciation.
No matter or circumstance has arisen subsequent to the end of the financial year and to the date of this report that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years. The company's activities in 1998 are discussed in the Chairman's Statement in the Annual Report.

There are no significant developments in the Company's operations which have been proposed for the immediate future.

During and since the end of the financial year, no Director of the Company has received, or has become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and the fixed salary of a full-time employee of the Company, because of a contract made by the Company, or a related company with a firm of which the Director is a member, or an entity of which the Director has a substantial financial interest.

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time that it is a member or within one year of ceasing to be a member, for payment of debts and liabilities contracted before the time at which it ceased to be a member to the extent of $20. The total guarantee in favour of the Company stands at two hundred and sixty dollars ($260.00).

For the year ended 31 December 1998, the number of Meetings at which Directors were in attendance is as follows:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>No. of Meetings Held while in Office</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>B Coyngham</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>V Delany (to 25.5.98)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>F Drake</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>C Grimson</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>G Ireland</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>M Macpherson</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>B Milligan</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>J O'Brien</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>H O'Donnell</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>A Ransome</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>C Sheargold (from 25.5.98)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>M Shaw (from 15.12.98)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>R Holloway-Tregear</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>R Wade</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

During the financial year the Company insured all of the Directors against liabilities for costs and expenses in any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the company.

Signed at Sydney on 16 March 1999 for and on behalf of the Board in accordance with its Resolution.

UNILINC LIMITED
ACN 001 643 367

STATEMENT BY MEMBERS OF THE BOARD
for the year ended 31 December 1998

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and in accordance with a resolution of the Board of UNILINC Limited, we declare on behalf of the Board of the Directors that in our opinion:

(a) The accompanying financial statements exhibit a true and fair view of the financial position of UNILINC Limited as at 31 December 1998 and transactions for the year then ended.

(b) The financial statements have been prepared in accordance with the Provisions of the Public Finance and Audit Act 1983 as amended, and its accompanying Regulations.

Further we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or materially inaccurate.

Signed at Sydney on 16 March 1999 for and on behalf of the Board in accordance with its Resolution.

Director

B Milligan

R Wade

* 10 *

* 11 *
UNILINC LIMITED
ACN 001 643 367

DIRECTORS' DECLARATION
for the year ended 31 December 1998

In the opinion of the Directors of UNILINC Limited:

1) The financial statements and notes comply with accounting standards.
2) The financial statements and notes give a true and fair view.
3) At the date of this statement there are reasonable grounds to believe UNILINC Limited will be able to pay its debts as and when they become due and payable.
4) The financial statements and notes are in accordance with the law.

Signed at Sydney on 16 March 1999 for and on behalf of the Board in accordance with its Resolution.

\[\text{Director} \quad \text{Director}\]

B Milligan \quad R Wade

---

UNILINC LIMITED
ACN 001 643 367

BALANCE SHEET
as at 31 December 1998

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td><strong>CURRENT LIABILITIES</strong></td>
</tr>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>893,917</td>
<td>Current Assets</td>
</tr>
<tr>
<td>217,536</td>
<td>Receivables (note 4)</td>
</tr>
<tr>
<td>58,292</td>
<td>Prepayments</td>
</tr>
<tr>
<td><strong>1,169,605</strong></td>
<td><strong>913,312</strong></td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
</tr>
<tr>
<td><strong>1,162,152</strong></td>
<td><strong>913,312</strong></td>
</tr>
<tr>
<td><strong>PROPERTY, PLANT AND EQUIPMENT</strong></td>
<td><strong>CREDITORS AND BORROWINGS</strong></td>
</tr>
<tr>
<td><strong>1,162,152</strong></td>
<td><strong>913,312</strong></td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
</tr>
<tr>
<td><strong>2,331,757</strong></td>
<td><strong>2,357,133</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>TOTAL LIABILITIES</strong></td>
</tr>
<tr>
<td><strong>2,331,757</strong></td>
<td><strong>1,205,899</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td><strong>1,125,858</strong></td>
</tr>
<tr>
<td><strong>1,125,858</strong></td>
<td><strong>1,125,858</strong></td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL AND RETAINED EARNINGS</strong></td>
<td><strong>1,125,858</strong></td>
</tr>
</tbody>
</table>

* 12 *

* 13 *
### INCOME AND EXPENDITURE STATEMENT
for the year ended 31 December 1998

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>S</td>
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</tbody>
</table>

#### INCOME
- 2,036,290 Computer Services
- 44,928 Interest
- 13,000 Subscriptions (note 3)
- 1,008,798 Strategic Purchasing
- 13,972 Amortisation of Rent Incentive (note 13)

**Total Income:** 3,116,968

#### EXPENDITURE
- 405,315 Computer Operations
- 838,020 Salaries
- 245,019 Depreciation (note 1b) (note 11)
- 190,754 Rent and Electricity
- 218,715 General Expenses
- 40,567 Interest (note 10)
- 942,916 Strategic Purchasing
- 1104 Provision for Long Service Leave (note 5b)
- 14,191 Provision for Annual Leave (note 5a)
- 58,755 Superannuation (note 9)
- 2,258 Bad Debts Written Off

**Total Expenditure:** 2,966,634

**Operating Surplus:** 150,354

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### NET INCOME
207

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Retained Earnings at the Beginning of the Financial Year
- 975,504

#### Total Available for Appropriation
- 1,125,858

#### Retained Earnings at the End of the Financial Year
- 1,126,065

---

### STATEMENT OF CASH FLOWS
for the year ended 31 December 1998

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM OPERATING ACTIVITIES
- (832,188) Wages and Salaries
- (2,021,883) Payments to Suppliers
- (40,037) Interest Paid
- 2,037,994 Computer Services
- 44,928 Interest Received
- 13,000 Subscriptions Received
- 1,008,798 Strategic Purchasing

**Net Cash Provided by Operating Activities (note 19b):** 584,265

#### CASH FLOWS FROM INVESTING ACTIVITIES
- (200) Proceeds from Sale of Plant
- (771,295) Payments for Purchase of Plant and Equipment
- (116,325) Lease Payments

**Net Cash used in Investing Activities (note 19b):** (997,220)

<table>
<thead>
<tr>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Net Increase(Decrease) in Cash Held
- (677,058)

#### Cash at Beginning of the Financial Period (note 19a)
- 1,570,875

#### Cash at the End of the Financial Period (note 19a)
- 1,185,817

**Operating Surplus:** 150,354

---

**14**
UNILINC LIMITED
ACN 001 643 367

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 1998

1. Statement of Significant Accounting Policies

a) The accounts have been prepared on an accrual basis and in accordance with historical cost principles and have not been adjusted to record either changes in the general purchasing power of the dollar or changes in the prices of specific assets. The statements have been prepared in accordance with the Corporations Law and Section 41 (9) of the Public Finance and Audit Act 1983 and Regulations for a reporting entity and are a general purpose financial report.

b) The prime cost method of depreciation has been used based on the anticipated useful life of assets owned. This resulted in a depreciation expense of $255,928.

The expected useful lives are as follows:

<table>
<thead>
<tr>
<th>Class of Fixed Asset</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture &amp; Fitting</td>
<td>20%</td>
</tr>
<tr>
<td>Office equipment/software</td>
<td>20%</td>
</tr>
<tr>
<td>Networking equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>10%</td>
</tr>
<tr>
<td>Major systems</td>
<td>10-12.5%</td>
</tr>
</tbody>
</table>

c) The Company is exempt from paying income tax under the provisions of section 21(6) of the Income Tax Assessment Act 1936 as amended.

d) The Company is exempt from paying payroll tax under the provisions of section 10 (1)(a) of the Payroll Tax Act 1971.

e) Applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have been adhered to in preparing the financial statements.

f) No provision for doubtful debts was made as all debts are considered collectable.

g) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the Company or its counterparty and a financial liability (or equity instrument) of the other party. For the Company these include cash at bank, receivables, creditors and finance lease.

In accordance with AASB1033 "Presentation and Disclosure of Financial Instruments" information is disclosed in Note 21, in respect of the credit risk and interest rate risk of financial instruments. All such amounts are carried in the accounts at net fair value unless otherwise stated. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise: cash, receivables, finance lease and creditors.

Classes of instruments recorded at market value comprise: Nil

Classes of instruments recorded at other than cost or market valuation comprise: Nil

All financial instruments including revenue, expenses or other cash flows arising from instruments are recognised on an accrual basis.

2. Member's Guarantee

The Company is one limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the time it is a member or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which it ceases to be a member and of the costs, charges and expenses of winding up the same and for adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding twenty dollars ($20.00).

The total guarantee in favour of the Company stands at two hundred and sixty dollars ($260.00) as at 31 December 1998.

3. Subscriptions

Subscriptions income comprises annual members subscriptions. Thirteen subscriptions were received in the period. Thirteen institutions were members as at 31 December 1998.

4. Receivables comprise:

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$395,171</td>
<td>$308,970</td>
</tr>
<tr>
<td></td>
<td>395,171</td>
<td>308,970</td>
</tr>
<tr>
<td>Debtors</td>
<td>395,171</td>
<td>308,970</td>
</tr>
<tr>
<td></td>
<td>216,301</td>
<td>86,464</td>
</tr>
<tr>
<td>Less Unpaid Invoices</td>
<td>216,301</td>
<td>86,464</td>
</tr>
<tr>
<td></td>
<td>1,185</td>
<td>39,751</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>1,185</td>
<td>39,751</td>
</tr>
<tr>
<td></td>
<td>217,536</td>
<td>126,215</td>
</tr>
</tbody>
</table>

5. Provisions for Employee Entitlements

a) The provision for employee Annual Leave (inclusive of leave loading) at 31 December 1998 was $56,008 ($51,006 in 1997) and is shown as Current Liabilities.

b) The provision for employee Long Service Leave at 31 December 1998 was $50,308 ($46,113 in 1997) and is shown as Non-Current Liabilities. Long Service Leave accrual begins from the employment date of each new employee and is payable when the employee completes 7 years of service.
11. Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Furniture and Fittings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35,088</td>
<td>35,088</td>
<td></td>
</tr>
<tr>
<td>32,794</td>
<td>34,314</td>
<td></td>
</tr>
<tr>
<td><strong>2,304</strong></td>
<td><strong>2,304</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Office Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>371,740</td>
<td>757,433</td>
<td></td>
</tr>
<tr>
<td>404,211</td>
<td>458,265</td>
<td></td>
</tr>
<tr>
<td><strong>187,529</strong></td>
<td><strong>209,166</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Major Computer Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,544,217</td>
<td>2,562,383</td>
<td></td>
</tr>
<tr>
<td>1,580,583</td>
<td>1,770,049</td>
<td></td>
</tr>
<tr>
<td><strong>963,634</strong></td>
<td><strong>792,334</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>63,085</td>
<td>121,281</td>
<td></td>
</tr>
<tr>
<td>57,034</td>
<td>64,670</td>
<td></td>
</tr>
<tr>
<td><strong>11,119</strong></td>
<td><strong>185,951</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Leasehold Improvements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>53,684</td>
<td>53,684</td>
<td></td>
</tr>
<tr>
<td>30,150</td>
<td>34,292</td>
<td></td>
</tr>
<tr>
<td><strong>23,534</strong></td>
<td><strong>19,392</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1,162,152</strong></td>
<td><strong>1,168,279</strong></td>
<td></td>
</tr>
</tbody>
</table>

The market value of non-currents assets is considered by the Directors to approximate the written down value at which these assets are carried in the accounts of the Company. No computer/office equipment was written off during 1998 ($24,502 in 1997).

12. Leased Assets - Computer Upgrade

Part of the UNILINC Shared System has been acquired with a finance lease arrangement. The lease liability is allocated between current (due within one year) and non-current components. The total commitment is payable as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Lease Commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>157,006</td>
<td>178,867</td>
<td></td>
</tr>
<tr>
<td>175,867</td>
<td>175,867</td>
<td></td>
</tr>
<tr>
<td><strong>432,873</strong></td>
<td><strong>354,734</strong></td>
<td></td>
</tr>
<tr>
<td><strong>332,873</strong></td>
<td><strong>332,873</strong></td>
<td></td>
</tr>
<tr>
<td><strong>295,002</strong></td>
<td><strong>295,002</strong></td>
<td></td>
</tr>
<tr>
<td><strong>164,826</strong></td>
<td><strong>164,826</strong></td>
<td></td>
</tr>
<tr>
<td><strong>295,002</strong></td>
<td><strong>295,002</strong></td>
<td></td>
</tr>
</tbody>
</table>
13. Amortisation of Rental Incentive

No capital items were purchased through the rent incentive in 1997. Previously purchased items amortised/written off during the year totalled $8,180. The written down value at the end of the year was $14,873 (20,053 in 1997).

14. Payments to Consultants

There were no payments to consultants during 1998 ($26,175 in 1997).

15. Rental Incentive

In 1992, a rental incentive totalling $300,000 was successfully negotiated with the landlord of the premises at 210 Clarence Street. No monies were used from the rental subsidy during 1998. In December 1998, the Company signed a new and extended lease at a much reduced rental, as a result the rental incentive came to an end.

The fixtures, fittings and office equipment purchased in previous years from proceeds of the incentive have been brought to account at cost. The incentive relating to these items has been amortised in the current year so as to offset the related depreciation expense and to reflect the expected period of realisation of the benefit (refer note 18).

16. Related Parties

There were no transactions conducted with related parties during the year.

17. Rental Lease Commitment as at 31 December 1998 not otherwise provided for in the accounts.

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>0-1 years</td>
<td>178,708</td>
<td>138,760</td>
</tr>
<tr>
<td>1-2 years</td>
<td>173,246</td>
<td>158,760</td>
</tr>
<tr>
<td>2-5 years</td>
<td>259,889</td>
<td>407,994</td>
</tr>
<tr>
<td></td>
<td>611,833</td>
<td>735,414</td>
</tr>
</tbody>
</table>

18. Contingent Liabilities

There were no contingent liabilities as at 31 December 1998.

19. Note to Cash Flow Statement

a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows and the Balance Sheet is $1,082,861 ($800,817 in 1997).

20. Segment Reporting

The Company operates predominantly in one geographic segment being Australia.
23. Financial Instruments

(a) Interest rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance date are as follows:

<table>
<thead>
<tr>
<th>Financial Instruments</th>
<th>Floating Interest Rate</th>
<th>Market rate at the end of 1997</th>
<th>Non-interest bearing</th>
<th>Total carrying amount as per financial statements</th>
<th>Weighted average effective interest rate*</th>
<th>Floating Interest Rate</th>
<th>Market rate at the end of 1998</th>
<th>Non-interest bearing</th>
<th>Total carrying amount as per financial statements</th>
<th>Weighted average effective interest rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>609,817</td>
<td>-</td>
<td>2</td>
<td>609,817</td>
<td>6.37%</td>
<td>-</td>
<td></td>
<td>-</td>
<td>1,058,851</td>
<td>7.42%</td>
</tr>
<tr>
<td>Receivables</td>
<td>217,636</td>
<td>7,111,283</td>
<td>-</td>
<td>7,328,920</td>
<td>5.82%</td>
<td>-</td>
<td>327,002</td>
<td>5.82%</td>
<td>1,161,283</td>
<td>7.42%</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>827,453</td>
<td>7,328,920</td>
<td>-</td>
<td>8,137,733</td>
<td>6.05%</td>
<td>-</td>
<td>327,002</td>
<td>5.82%</td>
<td>1,161,283</td>
<td>7.42%</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>827,453</td>
<td>7,328,920</td>
<td>-</td>
<td>8,137,733</td>
<td>6.05%</td>
<td>-</td>
<td>327,002</td>
<td>5.82%</td>
<td>1,161,283</td>
<td>7.42%</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>767,960</td>
<td>775,887</td>
<td>-</td>
<td>1,543,847</td>
<td>6.05%</td>
<td>126,215</td>
<td>1,212,086</td>
<td>7.42%</td>
<td>491,745</td>
<td>9.42%</td>
</tr>
</tbody>
</table>

*1(1) Weighted average effective interest rate was computed on a monthly basis.
*2(2) Weighted average effective interest rate was computed on an annual basis.

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets in the financial statements. Credit risk is classified by counterparty.

<table>
<thead>
<tr>
<th>Governments</th>
<th>Banks</th>
<th>Other</th>
<th>Total</th>
<th>Governments</th>
<th>Banks</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>893,817</td>
<td>217,636</td>
<td>1,111,283</td>
<td>1,058,851</td>
<td>1,212,086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>893,817</td>
<td>217,636</td>
<td>1,111,283</td>
<td>1,058,851</td>
<td>1,212,086</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INDEPENDENT AUDIT REPORT
UNILINK LIMITED
To Members of the New South Wales Parliament and Members of Unilink Limited
The preparation and presentation of the financial statements consisting of the accompanying balance sheet, income and expenditure statement, statement of changes in equity and notes to the financial statements are the responsibility of the company's management. The company's financial statements have been audited in accordance with the requirements of Australian Accounting Standards and are to be presented in accordance with the Companies Law for the Financial Year ending 31 December 1994.

Auditor Opinion
In my opinion, the financial statements of Unilink Limited for the year ended 31 December 1994, and the notes and other documents forming part thereof, present fairly in accordance with Australian Accounting Standards, the financial position of the company at the balance date and the results of the company's operations for the period then ended.

S.Y. Lipton
Assistant Auditor-General
9 May 1995

9 May 1995

(9 May 1995 is the date of issue of the Audit Report by the Assistant Auditor-General.)