

---

## UNILINC LIMITED

ACN 001 643 367 ABN 41 766 556 766

---

Level 9, 210 Clarence St, Sydney Australia 2000  
Tel: (61-2) 9283 1488 Fax: (61-2) 9267 9247

[www.unilinc.edu.au](http://www.unilinc.edu.au)

<http://www.web-ezy.com>

Office hours: 9am - 5pm Monday - Friday

---

### MEMBERS OF UNILINC as at 31 December 2004

---

- Australian College of Applied Psychology
- Australian Institute of Music
- Australian Catholic University
- Avondale College
- Billy Blue Group
- Board of Studies NSW
- College of Law
- Charles Sturt University
- Jansen Newman Institute
- National Gallery of Australia
- NSW Dept. of Corrective Services
- NSW Police Academy
- Southern Cross University
- Study Group Australia
- Shore School
- Tabor College
- University of Sydney
- Whitehouse Institute of Design

---

### BOARD OF DIRECTORS 2004

---

- Prof. J Rickard - Chairman (to May) Southern Cross University
- Prof. I Goulter - Chairman [from May] Charles Sturt University
- Mr. J Cameron [from May] Australian Catholic University
- Prof. P Drake
- Mr G Ireland [to May]
- Ms S Oakley Charles Sturt University
- Ms A Ransome Southern Cross University
- Ms M Shaw National Gallery of Australia
- Mr C Sheargold Australian Catholic University
- Ms R Wade UNILINC Office

---

### EXECUTIVE AND PLANNING COMMITTEE 2004

---

Prof. I Goulter - Chairman [from May], Ms M Shaw and Ms R Wade

---

**TECHNICAL COMMITTEE 2004**

---

- Ms G Henderson - Convenor UNILINC Office
- Ms G Currie National Gallery of Australia
- Ms I Evans Charles Sturt University
- Ms J Frawley Australian Catholic University
- Ms L Miller NSW Police Academy

---

**CLIENT SERVICES GROUP 2004**

---

- Ms G Henderson - Convenor UNILINC Office
- Ms J Lloyd Avondale College
- Ms M Macaulay Charles Sturt University
- Mr S Oakshott Australian Catholic University
- Mr D Stewart Southern Cross University

---

**UNILINC OFFICE  
as at 31 December 2004**

---

- Executive Director & CEO Rona Wade
- Manager - Contract Cataloguing Glenda Henderson [p/t]
- Manager - Information Technology Services Moh'd Moh'd
- Accounts Clerk Yuli Chan
- Special Projects & Systems Administrator Bronwyn King
- Library Support Coordinator Helen Loosli (p/t)
- Library Support Coordinator Jenny Clarke (p/t)
- Library Support Coordinator Wendy Hazell (p/t)
- Library Support Consultant Annette Schryver (p/t)
- Network and System administrator Brian Kadomi
- Web-ezy Developer Trevor Unwin (p/t)
- Authorities Librarian Teesha Forgas [p/t]
- Contract Cataloguers Sue Baglin, Richard Goodwin,  
Jana Huntley, Junji Chang [p/t]

**UNILINC  
26 years serving libraries**

**To provide quality products and services at a lower  
cost than members can achieve independently.**

**To stimulate and promote cooperative activities  
between member libraries.**

---

**CHAIRMAN'S STATEMENT**

---

It gives me considerable pleasure to make my first report as Chair of UNILINC.

2004 was very much a year of consolidation for the future. The company signed a new five year lease for its premises and undertook a major upgrade to the software for the Shared System. Other highlights include a new Member (Billy Blue) joining the company, continued success of the contract cataloguing business and Griffith University joining the UNILINC portal linking project.

---

**FINANCES**

---

Income for the year was \$1,856,311 (\$1,784,774 in 2003). There was a small surplus after consolidation, of \$700 (\$35,095 loss in 2003). Cash reserves as at 31 December 2004 stood at \$636,527 (\$529,866 in 2003).

---

**BOARD OF DIRECTORS**

---

The Board met three times during 2004. The Company held its Twenty Sixth Annual General Meeting on 24 May. At that time Professor Peter Drake retired in accordance with Section 28 of the Articles of Association and, having made himself available for re election, was duly elected. Professor Ian Goulter and Mr John Cameron, who had been appointed to fill casual vacancies, were elected to the Board.

Professor Ian Goulter was elected to the Chair at the following Board meeting.

---

**NEW MEMBER**

---

UNILINC welcomed a new member in 2004, the Billy Blue Group. With advice and support from UNILINC, a Librarian was appointed at the Billy Blue Group and a new library service developed to meet the needs of the staff and students.

---

**THE SHARED SYSTEM**

---

The provision of the one shared library management system remains the core activity for UNILINC. A single bibliographic database of 2 million items underpins the Shared System ensuring efficiencies and facilitating resource sharing between member libraries. The software used by the Shared System is Aleph.

Aleph was first implemented in 2002 and although UNILINC had the benefit of software enhancements since that time, there had been no major software upgrade available until 2004. The first six months were dedicated to preparing for the upgrade which took place in July and which brought improvements for a shared system such as UNILINC and opportunities for standards based collaboration.

---

**OTHER MEMBER PROJECTS**

---

Members benefited from a range of deals on electronic access to Ovid, Informit, Dialog and the National Library's Kinetica service.

A number of suppliers continued to supply discounts on books and serials ordered through the Shared System.

The Reciprocal Borrowing Scheme and Interlibrary Lending Scheme continued to bring benefits to all participants.

---

**LIBRARY PORTAL AND LINKING PROJECT (METALIB/SFX)**

---

In 2003, three members implemented portal software in a consortium arrangement negotiated by UNILINC. Metalib offers unified web and catalogue searching and, through SFX, provides context sensitive links to licensed and other electronic resources. The three libraries involved - Southern Cross University, Charles Sturt University and the Australian Catholic University - share the one implementation,

each with its own version of the software allowing maximum security and access for authenticated users.

Griffith University joined the project in August and by the end of the year had SFX services available to staff and students and work had begun on Metalib.

---

#### WEB-EZY

---

The Web-ezy information literacy software enables a library to offer an all encompassing program tailored to their specific needs at a fraction of the cost of inhouse development with the added advantages of it being fully interactive. By its design it is a shell within which all of a library's particular needs can be accommodated. The software is fully supported by UNILINC and clients may commission additional customisation and design work. Clients include the National Library of Australia, Shore School, six universities (Australian Catholic University, Charles Sturt, Deakin, La Trobe, Southern Cross and Tasmania), the Dubai Colleges of Higher Education and Canberra Institute of Technology.

---

#### CONSULTANCY SERVICES

---

UNILINC has developed a methodology for the review of library operations along with a model for best practice. Since 1998, UNILINC has been engaged to apply this methodology by many major libraries in Australia, New Zealand and Canada. In 2004, McGill University Libraries invited UNILINC to assist with the implementation of key recommendations from the review conducted by UNILINC the previous year.

---

#### CONTRACT CATALOGUING

---

UNILINC was one of the first providers of contract cataloguing in Australia. Clients in 2004 included the State Library of NSW, the Library and Information Service of WA, Southern Scene (book supplier), The Book House (book supplier), the Federal Courts, NSW Health and City of Sydney among others.

---

#### COMMITTEES AND STAFFING

---

The Technical Committee is responsible for advising upon the applicability of standards for the UNILINC database which underpins the Shared System. The Committee met once in 2003 as part of the planning for the Aleph upgrade.

Staffing was stable through the year. Glenda Henderson retired from the position of Manager, Marketing and Client Services but continued on a part time contract basis managing the Contract Cataloguing.

---

#### CONCLUSION

---

UNILINC has operated now for more than twenty five years without any ongoing financial support from government or from member subsidies; a unique achievement amongst cooperative endeavours in the education sector. There are many factors that have contributed - a supportive membership, good governance, responsible Directors, committed and skilled staff in member libraries and UNILINC Office, prudent financial management and a focus on service and meeting member needs.

The past twelve months have served to provide a strong base for the future with security of accommodation, a well supported software base for the Shared System and steady progress with other cooperative projects and revenue raising businesses.

There are significant changes taking place in education in Australia; even more so in the higher education sector. UNILINC has a track record of being responsive to changing circumstances and it is the Board's objective to ensure that UNILINC is in a position to take up opportunities offered by these changes to the benefit of members.

2003 marked the first quarter century for UNILINC, I am looking forward to working with UNILINC as it progresses through the next twenty five years.

---

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

---

### UNILINC LIMITED

ACN 001 643 367

### AND ITS CONTROLLED ENTITY

---

#### DIRECTORS' REPORT

---

The Directors submit the statutory report in respect of the results of the Company and its controlled entity for the financial year ended 31 December 2004 and the state of affairs of the Company and its controlled entity as at that date.

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

I. Goulter	BE (Hons), MSC, PhD. Chairman
J. Cameron	MCom, CPA, AIMM
P. J. Drake AM	BCom (Hons), PhD, FCPA
S. Oakley	BA, MMgt, AALIA
A. M. Ransome	BA (Hons), DipLib, MA, AALIA
J. M. Shaw	BA (Hons), DipLib, AALIA
C. W. Sheargold	BA, AALIA
R. D. Wade	BA, DipLib, MLib, AALIA. Company Secretary

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 sections 50-55 of the Income Tax Assessment Act 1997. Consequently, it is not necessary to provide for income tax or dividends. The Company has incorporated a subsidiary Web-Ezy Solutions Pty. Ltd. to market and develop products developed by the Company.

The consolidated operating result of the Company and its controlled entity for the financial year was a surplus of \$700 after providing \$130,652 for depreciation (2003-Loss of \$35,095).

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 and its controlled entity, the result of those operations or the state of affairs of the Company and its controlled entity in subsequent financial years. The activities of the Company and its controlled entity in 2004 are discussed in the Chairman's Statement in the Annual Report. There are no significant developments which have been proposed for the immediate future.

During and since the end of the financial year, no Director of the Company or its controlled entity 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.

**UNILINC LIMITED**  
ACN 001 643 367  
AND ITS CONTROLLED ENTITY

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash assets		284,080	109,373	284,080	109,373
Receivables	5	102,317	110,739	221,651	213,002
Other financial assets	6	352,447	420,493	352,447	420,493
Other	7	212,884	231,017	212,884	231,017
<b>TOTAL CURRENT ASSETS</b>		<b>951,728</b>	<b>871,622</b>	<b>1,071,062</b>	<b>973,885</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	8	798,564	907,077	798,564	907,077
Other financial assets	9	-	-	1	1
<b>TOTAL NON-CURRENT ASSETS</b>		<b>798,564</b>	<b>907,077</b>	<b>798,565</b>	<b>907,078</b>
<b>TOTAL ASSETS</b>		<b>1,750,292</b>	<b>1,778,699</b>	<b>1,869,627</b>	<b>1,880,963</b>
<b>CURRENT LIABILITIES</b>					
Payables		199,931	214,475	199,931	214,475
Other		672,220	692,593	663,496	681,509
Provisions	10	31,452	22,591	31,452	22,591
<b>TOTAL CURRENT LIABILITIES</b>		<b>903,603</b>	<b>929,659</b>	<b>894,879</b>	<b>918,575</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	10	87,979	91,030	87,979	91,030
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>87,979</b>	<b>91,030</b>	<b>87,979</b>	<b>91,030</b>
<b>TOTAL LIABILITIES</b>		<b>991,582</b>	<b>1,020,689</b>	<b>982,858</b>	<b>1,009,605</b>
<b>NET ASSETS</b>		<b>758,710</b>	<b>758,010</b>	<b>886,769</b>	<b>871,358</b>
<b>EQUITY</b>					
Retained earnings	11	758,710	758,010	886,769	871,358
<b>TOTAL EQUITY</b>		<b>758,710</b>	<b>758,010</b>	<b>886,769</b>	<b>871,358</b>

The attached notes form an integral part of these accounts.

**UNILINC LIMITED**  
ACN 001 643 367  
AND ITS CONTROLLED ENTITY

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 December 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Revenues from ordinary activities	4	1,856,296	1,784,774	1,871,008	1,795,034
Strategic purchasing costs		(372,322)	(466,476)	(372,322)	(466,476)
Employee benefit expenses		(923,468)	(788,247)	(923,468)	(788,247)
Depreciation and amortisation expense		(130,652)	(130,011)	(130,652)	(130,011)
Other expenses from ordinary activities		(429,154)	(435,135)	(429,155)	(435,135)
<b>Operating profit/(loss) from ordinary activities</b>		<b>700</b>	<b>(35,095)</b>	<b>15,411</b>	<b>(24,835)</b>
<b>Total change in equity other than those resulting from transactions with owners as owners.</b>		<b>700</b>	<b>(35,095)</b>	<b>15,411</b>	<b>(24,835)</b>

**STATEMENT OF CASHFLOWS**  
for the year ended 31 December 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		2,002,791	1,907,270	1,963,837	1,848,683
Interest received		18,176	13,911	18,176	13,911
Payments to suppliers and employees		(1,892,167)	(1,914,136)	(1,892,811)	(1,908,596)
<b>Net Cash provided by/(used in) Operating Activities</b>	19b	<b>128,800</b>	<b>7,045</b>	<b>89,202</b>	<b>(46,002)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of plant		-	-	-	-
Payment for purchase of plant and Equipment		(22,139)	(29,735)	(22,139)	(29,735)
<b>Net cash provided by/(used in) Investing Activities</b>		<b>(22,139)</b>	<b>(29,735)</b>	<b>(22,139)</b>	<b>(29,735)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advance to subsidiary		-	-	39,598	53,047
<b>Net Cash provided by/(used in) Financing Activities</b>	8	<b>-</b>	<b>-</b>	<b>39,598</b>	<b>53,047</b>
Net increase/(decrease) in cash held		106,661	(22,690)	106,661	(22,690)
Cash at the beginning of the financial year		529,866	552,556	529,866	552,556
<b>Cash at the End of the Financial Year</b>	19a	<b>636,527</b>	<b>529,866</b>	<b>636,527</b>	<b>529,866</b>

The attached notes form an integral part of these accounts.

**UNILINC LIMITED**  
ACN 001 643 367  
**AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL REPORT**  
**for the year ended 31 December 2004**

**1. Statement of Significant Accounting Policies**

(a) The financial report has been prepared on an accrual basis and in accordance with historical cost principles. The financial report has been prepared in accordance with the Corporations Act 2001 and Section 41 (B) of the Public Finance and Audit Act 1983 and Regulations for a reporting entity and is a general purpose financial report. Applicable Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus views) and other authoritative pronouncements of the Australian Accounting Standard Board have been adhered to in preparing the financial report.

(b) The consolidated financial report has been prepared by combining the accounts of all the entities that comprise the economic entity, being UNILINC Limited and its controlled entity, Web-Ezy Solutions Pty Ltd as defined in Accounting Standard AASB 1024 Consolidated Accounts. All inter-entity balances and transactions are eliminated in full.

(c) The prime cost method of depreciation has been used based on the anticipated useful life of assets owned. Property, plant and equipment is shown in the accounts at cost less provision for depreciation. This resulted in a depreciation expense of \$130,652. The expected useful lives are as follow:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	20%
Office equipment and software	10-33%
Leasehold improvements	10%
Major system hardware and software	10-12.5%
Buildings	1%

(d) UNILINC Limited is exempt from paying income tax under the provisions of sections 50-55 of the Income Tax Assessment Act 1997.

(e) UNILINC Limited is exempt from paying payroll tax under the provisions of section 10 (1)(k) of the Payroll Tax Act 1971.

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

(g) The economic entity recognises income from computer services when invoices are raised. Income from outside operating activities includes interest, strategic purchasing, subscriptions and equipment sales to members. Interest income is recognised as it accrues.

(h) Where necessary, comparative figures have been adjusted to conform with changes in presentation to the current year. The reclassifications have no effect on the operating result (or the financial position) of the parent entity.

(i) Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amount expected to be paid when the liability is settled, plus on-costs. A provision is made in the balance sheet for accruing long service leave under the heading "non-current liabilities" notwithstanding that a proportion may be payable in the coming year.

Contributions made to employee defined contribution superannuation fund are expensed when incurred.

(j) Financial instruments give rise to positions that are a financial asset of either the economic entity or its counterparty and a financial liability (or equity instrument) of the other party. For the economic entity these include cash at bank, receivable and creditors. In accordance with AASB1033 "Presentation and Disclosure of Financial Instruments" information is disclosed in Note 22 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. Trade accounts receivables are carried at amount due. Bad debts are written off in the period in which they are identified. Trade accounts payable are recognised when the economic entity becomes obliged to make future payments as a result of purchases. Trade accounts are usually settled within 30 days.

(k) All foreign currency transactions during the year are bought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. Exchange differences are recognised in the Statement of Financial Performance in the period in which they arise.

(l) Goods and Services Tax. Amounts relating to the Goods and services tax have been recognised in accordance with the requirements of UIG 31.

(m) International Financial Reporting Standards (IFRS). The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements from the year ending 31 December 2006. Any adjustments required on transition to IFRS will be made, retrospectively, against retained earnings as at 1 January 2005.

**2. Member's Guarantee.** UNILINC Limited is limited by guarantee. Each member 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 contributors among themselves, such amount as may be required not exceeding twenty dollars (\$20). The total guarantee in favour of the Company stands at three hundred and sixty dollars (\$360) as at 31 December 2004 (2003 - \$340).

**3. Revenue Recognition**  
**Subscriptions.** These comprise annual UNILINC member subscriptions. Eighteen (18) subscriptions were received in the period.

**Charges in Advance.** UNILINC provides a library system to members on a fee for service basis. Some fees are invoiced 12 months in advance and income is brought to account on a progressive basis.

**Strategic Purchasing.** UNILINC acts as an intermediary in the purchase of database products to achieve economies of scale and recovers costs from respective members.

**4. Revenue**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Computer services	1,373,835	1,203,264	1,332,521	1,151,524
Subscriptions	18,500	15,501	18,500	15,501
Strategic purchasing	446,140	551,072	446,140	551,072
Interest received	17,821	14,937	17,821	14,937
Management fee - related party	-	-	56,026	62,000
	<b>1,856,296</b>	<b>1,784,774</b>	<b>1,871,008</b>	<b>1,795,034</b>

**5. Receivables**

Debtors	98,136	84,731	98,136	84,731
Other debtors	363	1,006	-	-
Loan to subsidiary	-	-	119,697	103,269
Accrued income	3,818	25,002	3,818	25,002
	<b>102,317</b>	<b>110,739</b>	<b>221,651</b>	<b>213,002</b>

**6. Other Financial Assets**

Negotiable certificates of deposit - at cost	352,447	420,493	352,447	420,493
--	---------	---------	---------	---------

**7. Other Assets**

Prepayments	35,953	40,051	35,953	40,051
Strategic purchasing	176,931	190,966	176,931	190,966
	<b>212,884</b>	<b>231,017</b>	<b>212,884</b>	<b>231,017</b>

22. **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 exposure of the Company and its controlled entity 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:

Financial instruments	2004				2003				Weighted average effective interest rate*		
	Floating interest rate	Fixed interest rate maturing in 2005		Non-interest bearing	Total carrying amount as per financial statements	Weighted average effective interest rate*	Fixed interest rate maturing in 2004			Non-interest bearing	Total carrying amount as per financial statements
		1 year or less	Over 1 to 5 years				1 year or less	Over 1 to 5 years			
<b>Financial Assets</b>											
Cash	284,080	-	-	284,080	2.62*(1)	109,373	-	-	-	109,373	3.10*(1)
Investments	-	352,447	-	352,447	5.23*(2)	-	420,493	-	-	420,493	4.72*(2)
Receivables	-	-	102,316	102,316	N/A	-	-	110,739	-	110,739	N/A
<b>Total Financial Assets</b>	<b>284,080</b>	<b>352,447</b>	<b>102,316</b>	<b>738,843</b>		<b>109,373</b>	<b>420,493</b>	<b>110,739</b>	<b>110,739</b>	<b>640,605</b>	
<b>Financial Liabilities</b>											
Creditors	N/A	-	-	199,931	N/A	-	-	-	214,475	214,475	N/A
<b>Total Financial Liabilities</b>				<b>199,931</b>					<b>214,475</b>	<b>214,475</b>	

Weighted average effective interest rate was computed on a \*(1) monthly basis \*(2) 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 maximum exposure of the Company and its controlled entity to credit risk is represented by the carrying amounts of the financial assets in the financial statements. Credit Risk by classification of counterparty is as follows:

	2004			2003		
	Govt. \$	Banks \$	Other \$	Govt. \$	Banks \$	Other \$
<b>Financial Assets</b>						
Cash	-	284,080	-	-	109,373	-
Investments	-	352,447	-	-	420,493	-
Receivables	-	-	102,316	-	-	110,739
<b>Total Financial Assets</b>		<b>636,527</b>	<b>102,316</b>		<b>529,866</b>	<b>110,739</b>
<b>Financial Liabilities</b>						
Creditors	-	-	199,931	-	-	214,475
<b>Total Financial Liabilities</b>			<b>199,931</b>			<b>214,475</b>

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12  
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

UNILINC Limited

To Members of the New South Wales Parliament and Members of UNILINC Limited

**Audit Opinion**

In my opinion, the financial report of UNILINC Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of UNILINC Limited's and consolidated entity's financial position as at 31 December 2004 and financial performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- (b) other mandatory financial reporting requirements in Australia, and
- (c) section 41B of the *Public Finance and Audit Act 1983*.

My opinion should be read in conjunction with the rest of this report.

**The Directors' Role**

The financial report is the responsibility of the company's directors. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows, the accompanying notes and the directors' declaration for UNILINC Limited and the consolidated entity. The consolidated entity comprises UNILINC Limited and the entities controlled at the year's end, or during the financial year.

**The Auditor's Role and the Audit Scope**

As required by the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of UNILINC Limited that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the company's directors had not fulfilled their reporting obligations.



My opinion does *not* provide assurance:

- about the future viability of the company or its controlled entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

**Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The *Public Finance and Audit Act 1983* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



P J Boulous, CA  
Acting Assistant Auditor-General

SYDNEY  
19 April 2005