
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.web-ezy.com>

Office hours: 9am - 5pm Monday - Friday

MEMBERS OF UNILINC as at 31 December 2008

- Australian College of Applied Psychology
- Australian International Conservatorium of Music
- Australian Catholic University
- Avondale College
- Billy Blue Group
- Board of Studies NSW
- Champion College
- Catholic Institute of Sydney
- Charles Sturt University
- Christian Heritage College
- Jansen Newman Institute
- JMC Academy
- National Gallery of Australia
- NSW Police Academy
- Raffles KVB Institute Limited
- Southern Cross University
- Study Group Australia
- Shore School
- Sydney Adventist Hospital Limited
- Tabor College
- Whitehouse Institute of Design

BOARD OF DIRECTORS 2008

- Prof. I. Goulter - Chairman
- Mr J. Cameron ✓
- Prof. P. Drake ✓
- Mr. B. McKenzie ✓
- Ms S. Oakley ✓
- Ms R. Missingham ✓
- Mr C. Sheargold
- Mr D. Stewart
- Ms R. Wade
- Charles Sturt University
- Australian Catholic University
- Independent
- Independent
- Charles Sturt University
- Department of Parliamentary Services
- Australian Catholic University
- Southern Cross University
- UNILINC Office

EXECUTIVE AND PLANNING COMMITTEE 2008

Prof. I. Goulter - Chairman, Mr C. Sheargold and Ms R. Wade

TECHNICAL COMMITTEE 2008

- Ms A Schryver - Convenor UNILINC Office
- Ms I Evans Charles Sturt University
- Ms J Frawley Australian Catholic University
- Ms L Miller NSW Police Academy

CLIENT SERVICES GROUP 2008

- Ms R Wade - Convenor UNILINC Office
- Mr S Oakshott Australian Catholic University
- Mr D Stewart Southern Cross University

**UNILINC OFFICE
as at 31 December 2008**

- Executive Director & CEO Rona Wade
- Associate Director Tony Cargnelutti
- Information Technology Services Manager Moh'd Moh'd
- Library Systems & Implementation Manager Bronwyn King
- Development Manager Tony Cargnelutti (p/t)
- Accounts Clerk Yuli Chan
- Web Developer Clare Decena
- 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 Ismail Sumrain(p/t)
- Authorities Librarian Teesha Forgas [p/t]
- Consultants (p/t) Fred Piper, Glenda Henderson
- Contract Cataloguing (p/t) Sue Baglin, Jana Huntley,
Adele Ganschow, Richard Goodwin,
Christine Miller, Junji Chang,
Michelle Jo, Wai Fong Leung ,
Tania Uqe, Shan Yang

UNILINC**30 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

2008 marked an important milestone for UNILINC being the thirtieth anniversary of the organisation. This significant event was celebrated with the announcement of the purchase of new search and retrieval system which will greatly enhance the resource discovery and access experience for users across the various UNILINC systems. Other highlights of the year include the development of a disaster recovery facility for Member systems, successful participation in the pilot for the Australian Research Council Education Research Australia (ERA), hosting a national seminar on library services in the indigenous context and the successful trial of the interlibrary loans module of the Shared System.

FINANCES

Income was steady at \$2,080,568 (\$2,085,043 in 2007) with a surplus after consolidation of \$37,182 (\$57,962 in 2007). Provision for depreciation was \$113,155. Cash reserves as at 31 December 2008 were \$1,288,650 (\$1,259,604 in 2007).

BOARD OF DIRECTORS

The Board met four times during 2008. The Company held its Thirtieth General Meeting on 15 May. At that time Mr John Cameron, Ms Shirley Oakley and Mr Chris Sheargold retired in accordance with Section 28 of the Articles of Association and, having made themselves available for re-election, were duly elected.

At the following Board meeting Professor Ian Goulter and Mr Chris Sheargold were elected Chair and Deputy Chair respectively.

On 26 August 2008 the Board engaged in a strategic planning session from which it was agreed to undertake a number of initiatives. These included investing in a new generation user interface, placing a renewed focus on marketing and promotion and developing and Open Source capability - progress is outlined later in this report.

NEW MEMBERS

There were no new Members doing the year however several existing Members opened new sites and or merged with other organisations thus increasing the number of libraries and enhancing the resource sharing potential of the network.

THE SHARED SYSTEM

The Shared System is at the heart of UNILINC success and it remains the core activity of the company as it facilitates resource sharing between Member libraries whilst also ensuring full autonomy in the operations of each library with the full range of functionality required for effective library management. The software used is Aleph [ExLibris] which is widely implemented in leading libraries and library consortia around the world.

Through 2008, new libraries were configured on the system for three Members requiring system reconfiguration and data conversion - these were completed on time and to the satisfaction of the Members concerned. Many projects were initiated aimed at improving services to users including Google book covers, RSS feeds, EDI orders and invoices and ongoing customisation of the library catalogues. Over the Christmas New Year period the office successfully undertook full scale index rebuilds.

During the year, UNILINC tested and implemented a disaster facility for the Shared System through ac3 which provides disaster and production systems services to government agencies and universities in NSW. Based at the Australian Technology Park, ac3 is a participant in AARNet and has the power redundancy, environmental monitoring, AS/NZ 7799 quality accreditation and professional management required by UNILINC.

SEARCH AND RETRIEVAL SYSTEM - PRIMO

After considerable investigation it was agreed that the best option for a search and retrieval system bringing web2.0 features and functionality across the UNILINC user based systems was Primo, a product of ExLibris. UNILINC negotiated a competitive price that recognised the existing commitments to major products and the need for a consortia based service model which could be expanded as the Membership grew and as libraries within the group developed and expanded their dependence on electronic resources.

HOSTED SYSTEM PROJECTS

Portal/linking system: UNILINC supports Southern Cross University, Charles Sturt University, the Australian Catholic University and Griffith University in their use of the ExLibris Metalib portal system and associated SFX linking service. During 2008 a disaster facility was implemented for these systems through ac3.

Verde: The Australian Catholic University and Southern Cross University uses this e-resource system as a fully supported service through UNILINC. Verde enables a library to manage the complexities of electronic subscriptions and associated licences in the one environment. ExLibris featured this collaborative implementation as a case study of significant interest to their international client base.

Institutional repository: The Charles Sturt University Research Outputs (CRO) facility was launched in December 2007 as a hosted service through UNILINC. This repository supports peer reviewed, pre-publication manuscripts as part of the University's higher education research data collection (HERDC) needs.

OTHER ACTIVITIES AND PROJECTS

Web-ezy: The Web-ezy information literacy software continues to be developed to meet the needs of client libraries.

Contract cataloguing: Clients in 2008 included the National Library of Australia, State Libraries, major book suppliers and individual public, government and university libraries. The demand for cataloguing in languages other than English, including use of Chinese, Japanese and Korean characters, continued.

Discount arrangements: Members benefited from a range of discounts on books and electronic resources ordered through the Shared System.

Reciprocal borrowing: The Reciprocal Borrowing Scheme and Interlibrary Lending Scheme continued to bring benefits to those participating Members.

Open source library software: Koha an open source library software package will soon be available through UNILINC for small libraries which have no need for resource sharing.

THE OFFICE

Staffing was stable through the year. A new three year lease for the office accommodation was signed on favourable terms after considerable negotiation.

In November 2008 UNILINC organised and hosted a national seminar on library services in the indigenous context with a focus on the role of protocols in library service delivery, collection development and in the digitisation of cultural and related material. It was fully attended with participants coming from all over Australia. For an outline of the presentations please see http://www.unilinc.edu.au/events/seminar_presentation.html

CONCLUSION

It was another successful year for the organisation. Existing systems and services continued to grow and provide relevant solutions for Members and clients and key systems were made more secure through the implementation of stand by disaster systems.

The thirtieth anniversary provided an opportunity for the company to make a strategic investment in the future through the purchase of the Primo search, discovery and delivery software solution. This initiative was warmly welcomed by the network Members.

As I have said in previous reports UNILINC operates without ongoing financial support from government or Member subsidies which is a unique achievement amongst cooperative endeavours in the education sector. It has been made possible by a supportive membership, responsible Directors, committed and skilled staff in member libraries and the UNILINC Office and has been underpinned by prudent financial management and a focus on service, value and innovation.

I wish to thank all Members for their continued support.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008 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. C. Goulter	BE (Hons), MSC, PhD. Chairman
J. M. Cameron	MCom, CPA, AIMM
P. J. Drake AM	BCom (Hons), PhD, FCPA
B. W. McKenzie	BEC
R. M. Missingham	BSC, DipLib, MPA
C. W. Sheargold	BA, AALIA
S. D. Oakley	BA, Grad.Dip.Bus, MMgt (HRM), AALIA
D. R. Stewart	BA, Grad.Cert.Bus.Admin, 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 \$37,182 (2007 - \$57,962) after providing \$113,155 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 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 2008 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.

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 payments 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 four hundred dollars (\$460).

For the year ended 31 December 2008, the number of meetings at which Directors were in attendance is as follows:

Name of Director	No. of Meetings Held while in Office	Meetings Attended
J. Cameron	4	4
P. Drake	4	4
I. Goulter	4	4
R. Missingham	4	2
S. Oakley	4	4
C. Sheargold	4	3
D. Stewart	4	4
R. Wade	4	4
B. McKenzie	4	3

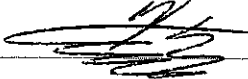
During the financial year the Company insured all of the Directors against liabilities for costs and expenses in any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

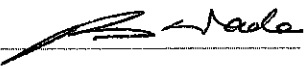
During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Declaration of Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 is attached.

Signed at Sydney on 9 April for and on behalf of the Board in accordance with its Resolution.


Director
I. Goulter


Director
R. Wade



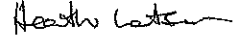
GPO BOX 12
Sydney NSW 2001

To the Directors
UNILINC Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNILINC Limited for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.


Heather Watson
Director, Financial Audit Services
8 April 2009
SYDNEY

UNILINC LIMITED

ACN 001 643 367

AND ITS CONTROLLED ENTITY

**STATEMENT BY MEMBERS OF THE BOARD
for the year ended 31 December 2008**


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 the Company and its controlled entity as at 31 December 2008 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 9 April for and on behalf of the Board in accordance with its Resolution.


I. Goulter Director

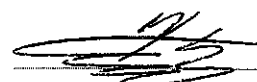

R. Wade Director

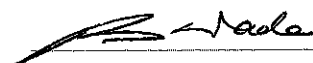
**DIRECTORS' DECLARATION
for the year ended 31 December 2008**

In the opinion of the Directors of UNILINC Limited:

- 1) The financial statements and notes thereto comply with Australian Accounting Standards.
- 2) The financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the consolidated entity.
- 3) At the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable and that the controlled entity will have the continued support of the Company.
- 4) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporation Act 2001.

Signed at Sydney on 9 April for and on behalf of the Board in accordance with its Resolution.


I. Goulter Director


R. Wade Director

UNILINC LIMITED

ACN 001 643 367

AND ITS CONTROLLED ENTITY

**BALANCE SHEET
as at 31 December 2008**

Note	Consolidated		Parent Entity		
	2008	2007	2008	2007	
	\$	\$	\$	\$	
CURRENT ASSETS					
Cash and cash equivalents	5	1,288,650	1,259,604	1,288,650	1,259,604
Trade and other receivables	6	53,289	52,813	52,864	52,511
Other Current assets	7	355,728	337,025	355,728	337,025
TOTAL CURRENT ASSETS		1,697,667	1,649,442	1,697,242	1,649,140
NON-CURRENT ASSETS					
Property, plant and equipment	8	427,897	515,065	427,897	515,065
Investment in subsidiary	9	-	-	1	1
TOTAL NON-CURRENT ASSETS		427,897	515,065	427,898	515,066
TOTAL ASSETS		2,125,564	2,164,507	2,125,140	2,164,206
CURRENT LIABILITIES					
Trade and other payables		156,852	230,616	156,852	230,615
Other current liabilities	10	968,449	979,235	968,449	979,235
Provisions	11	114,968	106,543	114,968	106,543
TOTAL CURRENT LIABILITIES		1,240,269	1,316,394	1,240,269	1,316,393
TOTAL LIABILITIES		1,240,269	1,316,394	1,240,269	1,316,393
NET ASSETS		885,295	848,113	884,871	847,813
EQUITY					
Retained earnings		885,295	848,113	884,871	847,813
TOTAL EQUITY		885,295	848,113	884,871	847,813

UNILINC LIMITED

ACN 001 643 367
AND ITS CONTROLLED ENTITY

INCOME STATEMENT for the year ended 31 December 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenues from ordinary activities	4	2,080,568	2,085,043	2,087,301	2,090,898
Strategic purchasing costs		[373,766]	[448,610]	[373,766]	[448,610]
Employee benefit expenses		[1,130,464]	[1,026,424]	[1,130,464]	[1,026,424]
Depreciation and amortisation expense		[113,155]	[122,146]	[113,155]	[122,146]
Other expenses from ordinary activities		[426,001]	[429,901]	[432,858]	[443,783]
Operating profit/(loss) from ordinary activities		37,182	57,962	37,058	49,935

STATEMENT OF CASHFLOWS for the year ended 31 December 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,241,516	2,409,738	2,201,908	2,376,562
Interest received		65,633	54,105	65,633	54,105
Payments to suppliers and employees		[2,252,116]	[2,176,717]	[2,252,116]	[2,176,717]
Net cash generated from operating activities	19b	55,033	287,126	15,425	253,950
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of plant		-	-	-	-
Payment for purchase of plant and equipment		[25,987]	[56,912]	[25,987]	[56,912]
Net cash used in investing activities		[25,987]	[56,912]	[25,987]	[56,912]
CASH FLOWS FROM FINANCING ACTIVITIES					
Advance from subsidiary		-	-	39,608	33,176
Net cash generated from (used in) financing activities		-	-	39,608	33,176
Net increase/(decrease) in cash held		29,046	230,214	29,046	230,214
Cash at the beginning of the financial year		1,259,604	1,029,390	1,259,604	1,029,390
Cash at the end of the financial year	19a	1,288,650	1,259,604	1,288,650	1,259,604

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2008

	Note	Consolidated Retained Earning		Parent Entity Retained Earning	
		2008	2007	2008	2007
		\$	\$	\$	\$
Balance at 1 January		848,113	790,151	847,813	797,878
Profit attributable to the entity		37,182	57,962	37,058	49,935
Balance at 31 December		885,295	848,113	884,871	847,813

UNILINC LIMITED

ACN 001 643 367
AND ITS CONTROLLED ENTITY

NOTES TO THE FINANCIAL REPORT for the year ended 31 December 2008

1. Statement of Significant Accounting Policies

This financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity if UNILINC Limited and its wholly owned subsidiary Web-Ezy Solutions Pty Ltd. UNILINC Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report have been authorised for issue by the directors of UNILINC Limited on 9 April 2009.

(a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Estimated Useful Life
Furniture and fittings	5 Years
Office equipment and software	3 to 10 Years
Leasehold improvements	10 Years
Major system hardware and software	8 to 10 Years
Buildings	100 Years

(b) Employee Benefits

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.

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

(c) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cashflow expires or the assets is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit and loss in the period which they arise.

ii) Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and are subsequently measured at amortised costs using the effective interest rate method.

iii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Revenue

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

(f) Provisions

No provision for doubtful debts was made as all debts are considered collectable. Loans to the subsidiary company to fund its operations are fully provided for in the parent entity as the subsidiary company has insufficient sources of income to repay the loan.

(g) Income tax

No provision for income tax has been raised as the parent entity is exempt from income tax under Division 50 of the Income tax Assessment Act 1997. Web-Ezy Solution Pty Ltd is a wholly owned subsidiary, is not exempt from income tax, and will accrue an income tax liability if and when they fall due.

(h) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(i) Foreign Currency Translation

All foreign currency translations 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 the date. Exchange differences are recognised in the Income Statement in the period in which they arise.

(j) Good and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST incurred is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cashflows are presented in the Cashflow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) New Australian Accounting Standards Issued but not Effective

The company did not early adopt any new accounting standards that are not yet effective. The company has assessed the impact of these new accounting standards and interpretations and consider the impact to be insignificant.

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 four hundred and sixty dollars (\$460) as at 31 December 2008 (2007 - \$400).

3. **Revenue Recognition Subscriptions.** These comprise annual UNILINC member subscriptions. Twenty (23) 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.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
4. Revenue				
Computer services	1,387,911	1,415,164	1,348,179	1,373,961
Subscriptions	23,000	23,000	23,000	23,000
Strategic purchasing	598,920	593,321	598,920	593,321
Interest received	70,737	53,558	70,737	53,558
Management fee - related party	-	-	46,465	47,058
	<u>2,080,568</u>	<u>2,085,043</u>	<u>2,087,301</u>	<u>2,090,898</u>
5. Cash and Cash Equivalents				
Cash on hand	500	500	500	500
Cash at bank	162,441	246,906	162,441	246,906
Cash on deposit	<u>1,125,709</u>	<u>1,012,198</u>	<u>1,125,709</u>	<u>1,012,198</u>
	<u>1,288,650</u>	<u>1,259,604</u>	<u>1,288,650</u>	<u>1,259,604</u>
6. Trade and Other Receivables				
Debtors	41,951	48,456	41,951	48,456
Other debtors	425	302	-	-
Accrued income	<u>10,913</u>	<u>4,055</u>	<u>10,913</u>	<u>4,055</u>
	<u>53,289</u>	<u>52,813</u>	<u>52,864</u>	<u>52,511</u>

	\$	\$	\$	\$
19. Note to Cash Flow Statement.				
(a) Reconciliation of Cash				
Cash on hand	500	500	500	500
Cash at bank	162,441	246,906	162,441	246,906
Cash on deposit	1,125,709	1,012,198	1,125,709	1,012,198
	1,288,650	1,259,604	1,288,650	1,259,604
(b) Reconciliation of Operating Profit to Net Cash Provided /(used in) Operating Activities				
Operating result	37,182	57,962	37,058	49,935
Depreciation	113,155	122,146	113,155	122,146
Loss on disposal of non-current assets	-	-	-	-
Bad debts written off	-	237	-	237
Management fee recovery	-	-	[46,465]	[47,058]
Increase/(decrease) in payables	[75,764]	41,938	[75,764]	41,938
Increase/(decrease) in fees in advance	[8,786]	97,541	[8,786]	105,660
Increase/(decrease) in provisions	8,425	[5,303]	15,282	8,579
Decrease/(increase) in receivable	[9,874]	[23,876]	[9,750]	[23,968]
Decrease/(increase) in prepayments	[9,305]	[3,519]	[9,305]	[3,519]
Net Cash Provided by /(used in) Operating Activities	55,033	287,126	15,425	253,950

20. **Segment Reporting.** The economic entity operates predominantly in one geographic segment being Australia.

21. **Prior Period Adjustments**

During the financial year the carry value of the loan to Web-Ezy Solutions Pty Ltd (subsidiary) was reassessed as to any impairment. A review of the recoverability of the loan was conducted and it was determined that the ability of the subsidiary to repay the loan is doubtful.

The impact of the retrospective restatement of figures as a result of correcting prior year balances is as follows:

	Previously disclosed in the 2007 financial report	Adjustment	Adjusted 2007 financial report
Opening accumulated retained earnings 1 January 2006	928,682	[130,804]	797,878
Impairment expense	-	[13,882]	[13,882]
Operating profit or loss from ordinary activities	63,817	[13,882]	49,935
Provision for impairment of loan	-	[144,687]	[144,687]

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. Interest rates and the effective average interest rates on classes of financial assets and financial liabilities, is outlined in the following table:

Financial Instruments	2008				2007				Weighted average effective interest rate*
	Floating interest rate		Fixed interest rate		Floating interest rate		Fixed interest rate		
	1 year or less	Over 1 to 5 yrs	1 year or less	Over 1 to 5 yrs	1 year or less	Over 1 to 5 yrs	1 year or less	Over 1 to 5 yrs	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash	162,441	-	-	162,941	2,707(1)	246,906	-	500	247,406
Investments	494,347	-	-	1,125,709	5,067(2)	-	-	-	1,012,198
Receivables	-	-	-	53,289	-	-	-	52,813	52,813
Total Financial Assets	656,788	631,362	631,362	1,341,939	246,906	1,012,198	1,012,198	53,313	1,312,417
Financial Liabilities									
Creditors	-	-	-	156,852	-	-	-	230,616	230,616
Total Financial Liabilities	-	-	-	156,852	-	-	-	230,616	230,616

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 of amounts of the financial assets in the financial statements. Credit Risk by classification of counterparty is as follows:

	2008			2007		
	Govt.	Banks	Other	Govt.	Banks	Other
Financial Assets						
Cash	-	162,441	-	-	246,906	-
Investments	-	1,125,709	-	-	1,012,198	-
Receivables	-	-	53,289	-	-	52,813
Total Financial Assets	-	1,288,150	53,289	-	1,259,104	52,813
Financial Liabilities						
Creditors	-	-	156,852	-	230,616	-
Total Financial Liabilities	-	-	156,852	-	230,616	-



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT
UNILINC Limited and Controlled Entity

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

I have audited the accompanying financial report of UNILINC Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Company and the consolidated entity. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2008 and of their performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

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

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act 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 of New South Wales are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of UNILINC Limited on 8 April 2009, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Heather Watson,
Director, Financial Audit Services

SYDNEY
16 April 2009