UNILINC LIMITED
ACN 091 643 367 ARN 41 766 886 766
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 2009

- Australian College of Applied Psychology
- Australian International Conservatorium of Music
- Australian Catholic University
- Avondale College
- Board of Studies NSW
- Campion College
- Catholic Institute of Sydney
- Charles Sturt University
- Christian Heritage College
- JMC Academy
- National Gallery of Australia
- NSW College of Law
- NSW Police Academy
- Raffles KVB Institute Limited
- SAIC Institute
- Southern Cross University
- Study Group Australia
- Shore School
- Sydney Adventist Hospital Limited
- Tabor College
- THINK: Education Group
- Whitehouse Institute of Design

BOARD OF DIRECTORS 2009

- Prof. I. Goulter - Chairman
- Mr J. Cameron
- Prof. P. Drake
- Mr. B. McKenzie
- Ms S. Oakley
- Ms R. Missingham
- Mr C. Sheargold - Deputy Chair
- 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 2009

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

-1-
TECHNICAL COMMITTEE 2009

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

CLIENT SERVICES GROUP 2009

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

UNILINC OFFICE as at 31 December 2009

- Executive Director & CEO Ross Wade
- Associate Director Tony Cargnelli (p/t)
- Information Technology Services Manager Moh'd Moh'd
- Library Systems & Implementation Manager Bronwyn King
- 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 Hassel (p/t)
- Library Support Consultant Annette Schryver (p/t)
- Network and System Administrator Ismail Surrainip (p/t)
- Authorities Librarian Teahla Forgas (p/t)
- Consultants (p/t) Fred Piper, Glenda Henderson
- Shelf Ready services staff Sue Bagnall, Jana Huntley, Wal Pang Leung, Christine Miller, Richard Goodwin, Adele Ganschow, Tanis Uge Magdulene Lai, Shui Yang

CHAIRMAN'S STATEMENT

I am pleased to report that 2009 was another fruitful and successful year for the company and the network with the addition of a new Member and significant new systems developments. These new developments will ensure the organisation can continue to deliver services that are relevant to today and that anticipate future needs for library and information services.

FINANCES

Income increased by 19% to $2,474,261 ($2,080,586 in 2008) with a surplus after consolidation of $32,777 ($37,183 in 2008). Provision for depreciation was $134,073. Cash reserves as at 31 December 2009 were $1,388,777 ($1,286,650 in 2008).

BOARD OF DIRECTORS

The Board met four times during 2009. The Company held its Thirty First General Meeting on 20 May. At that time Professor Peter Drake, Professor Ian Goulter and Mr. Des Stewart retired in accordance with Section 28 of the Articles of Association and, having made themselves available for re-election, were duly re-elected.

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

NEW MEMBERS

The SA Institute became a Member and Think: Education Group signed on behalf of two previous Members which are now part of the Group. In addition, existing Members opened new sites 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. The Shared System facilitates resource sharing between Member libraries and at the same time ensures full autonomy in the operations of each library with the full range of functionality required for effective library management. The software used in the Shared System is Aleph which is widely implemented in leading libraries and library consortia around the world.

Through 2009, the Interlibrary Loan module was implemented in four libraries and testing began to enable the system to interoperate with the National Library's Document Delivery system. The SA Institute was implemented in the system for six of its libraries across Australia. This involved data conversion from two existing systems. The Sydney Adventist Hospital library merged with that of Avedo College resulting in the need to bring the two collections together in the system. Many other projects aimed at improving services to users were initiated including developing an interface to the Mainframe finance system, the automatic loading of vendor data and converting and loading an ever increasing number of e-book files. The latter part of the year was taken up with testing and preparing for the implementation of Version 20 of the Aleph software. Libraries went live with the system in early December as scheduled and have benefited from improved functionality in all aspects of the system.

During the year Ex Libris announced plans to develop the next generation integrated library system aimed at eventually replacing Aleph. UNILINC was pleased to be invited to participate in three of the international focus groups formed to work with Ex Libris on specifying the new system - the universal resource management system (URMI).

SEARCH AND RETRIEVAL SYSTEM - PRIMO

The search and retrieval system Primo was made available to Members in November as a test system to enable libraries to plan for how they want the system to eventually look and work in their environments. The system will not go live until mid 2010 when Version 3 of the software becomes available. UNILINC was pleased when Ex Libris invited Bronwyn King from UNILINC to Israel to help them test the new version of the software. This was an accolade for Bronwyn and a testimony to the expertise that UNILINC has in a range of complex library systems.

HOSTED SYSTEM PROJECTS

Metalib portal/SFX linking system: UNILINC supports Southern Cross University, Charles Sturt University and Griffith University in their use of the Ex Libris Metalib portal system and associated SFX journal article and e-book linking service.

Verde electronic resources management system: The Australian Catholic University and Southern Cross University make use of this e-resource system as a fully supported service though UNILINC. Verde enables a library to manage the complexities of electronic subscriptions and associated licences in the one environment.
OTHER ACTIVITIES AND PROJECTS

Web-e: The Web-e information literacy software continues to be developed to meet the needs of clients and libraries.


Training: In addition to training for members in the use of the Shared System and in areas related to the hosted systems offered by UNILINC, staff also provided courses for the National Library of Australia Document Delivery System for the staff of libraries from across NSW.

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.

THE OFFICE

Staffing was stable throughout the year. Additional resources were committed to marketing as part of the ongoing strategic planning set in place by the Board in 2008. UNILINC was an exhibitor at the major Information Online 2009 conference in Sydney and presented at and helped to organise the Australian New Zealand Regional eXLibris Users Group annual regional seminar.

In addition to web training opportunities made available by eXLibris, UNILINC staff also attended the eXLibris international systems seminar in Tel Aviv in March.

As part of the ongoing upgrade program aimed at anticipating growth and changing needs, progress was made on standardising to the one hardware and system software platform. This includes all UNILINC systems - production, test and development versions.

CONCLUSION

In addition to bringing another successful year for the organisation, 2009 was important in setting the future direction for the services offered by UNILINC.

The implementation of an interlibrary loan system that not only facilitates resource sharing within the network but also nationally is a realisation of a long held aspiration and ensures that the users of member libraries have ready access to library resources beyond their library. On the electronic front the purchase and implementation of Primo will provide UNILINC Member libraries with an all-encompassing system for searching and accessing electronic resources whether they be in subscription journals or e-books or freely available published sources, whether they are identified in the local catalogue or any catalogues in the world and whether they be in local research repositories or in open access repositories anywhere.

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 2009

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 2009 and the state of affairs of the Company and its controlled entity at that date.

The names of the Directors in office during and up to 31 December 2009 and their qualifications are:

- Ian C. Goulter, BE (Hons), MSC, PhD [Chairman]
- Chris W. Sheargold, BA, AALIA [Deputy Chairman]
- John M. Cameron, MCom, CPA, ALIA
- Peter J. Drake AM, BCom (Hons), PhD, FCPA
- Bruce W. McKenzie, BSc
- Rozanne M. Missingham, BSC, DipLib, MPA
- Shirley D. Oakley, BA, Grad.Dip.Bus, MMgt (HRM), AALIA
- Des R. Stewart, BA, Grad.Cert.Bus, Admin, AALIA
- Ron D. Wade, BA, DipLib, MLib, AALIA [Company Secretary]

The principal activities of the Company in the course of the financial year were library system 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-e 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 $32,773 (2008: $37,182) after providing $19,075 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 2009 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 and forty dollars ($440).
For the year ended 31 December 2009, the number of meetings at which Directors were in attendance is as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of Meetings</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan C. Goulter [Chairman]</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Chris W. Sheargold [Deputy Chairman]</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>John M. Cameron</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Peter J. Drake AM</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Bruce W. McKenzie</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Rozanne M. Missingham</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Shirley D. Oakley</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Des R. Stewart</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Rose D. Wade [Company Secretary]</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Information on Directors is as follows:

C. Sheargold. Associate Vice-Chancellor (Melbourne) and Director of Libraries. Australian Catholic University. First elected 1998.
S. Oakley. Executive Director. Library Services & Executive Director. Student Service Centre. Charles Sturt University. First elected 2003
D. Stewart. Director Library Services. Southern Cross University. First elected 2006
R. Wade. Executive Director & CEO. UNILINC Limited. Ex Officio

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

During the financial year the Company incurred 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 willful 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 by 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 21 April 2010 for and on behalf of the Board in accordance with its Resolution.

______________________________
Director

______________________________
Director

I. Goulter

R. Wade
UNILINCO LIMITED
ACN 001 643 367
AND ITS CONTROLLED ENTITY

STATEMENT BY MEMBERS OF THE BOARD
for the year ended 31 December 2009

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 UNILINCO 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 2009 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 21 April 2010 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 2009

In the opinion of the Directors of UNILINCO 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 21 April 2010 for and on behalf of the Board in accordance with its Resolution.

I. Goulter
Director

R. Wade
Director

UNILINCO LIMITED
ACN 001 643 367
AND ITS CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION
as at 31 December 2009

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<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
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</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5 1,308,777</td>
<td>1,288,650</td>
<td>1,308,777</td>
<td>1,288,650</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6 77,984</td>
<td>33,389</td>
<td>78,071</td>
<td>52,884</td>
</tr>
<tr>
<td>Other Current assets</td>
<td>7 388,469</td>
<td>335,728</td>
<td>385,499</td>
<td>335,728</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>1,775,230</td>
<td>1,697,467</td>
<td>1,778,317</td>
<td>1,697,242</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8 575,427</td>
<td>427,897</td>
<td>575,427</td>
<td>427,897</td>
</tr>
<tr>
<td>Investment in subsidiary</td>
<td>9 -</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>575,427</td>
<td>427,897</td>
<td>575,428</td>
<td>427,898</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>3,350,657</td>
<td>2,125,364</td>
<td>3,353,745</td>
<td>2,125,140</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>10 146,351</td>
<td>156,852</td>
<td>149,543</td>
<td>156,852</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>11 1,786,143</td>
<td>968,449</td>
<td>1,775,721</td>
<td>968,449</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>1,432,588</td>
<td>1,240,269</td>
<td>1,433,060</td>
<td>1,240,269</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,432,588</td>
<td>1,240,269</td>
<td>1,433,060</td>
<td>1,240,269</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>918,069</td>
<td>885,095</td>
<td>917,685</td>
<td>884,871</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>918,069</td>
<td>885,095</td>
<td>917,685</td>
<td>884,871</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>918,069</td>
<td>885,095</td>
<td>917,685</td>
<td>884,871</td>
</tr>
</tbody>
</table>
### UNILINC LIMITED
ACN 001 643 367
AND ITS CONTROLLED ENTITY

#### STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

<table>
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<tr>
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<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenues from ordinary activities</td>
<td>4,744,261</td>
<td>3,080,568</td>
<td>4,744,261</td>
<td>3,087,301</td>
</tr>
<tr>
<td>Strategic purchasing costs</td>
<td>[477,709]</td>
<td>[373,700]</td>
<td>[477,709]</td>
<td>[373,700]</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>[1,272,557]</td>
<td>[1,130,464]</td>
<td>[1,272,557]</td>
<td>[1,130,464]</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>[126,970]</td>
<td>[113,155]</td>
<td>[126,970]</td>
<td>[113,155]</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>[557,146]</td>
<td>[486,091]</td>
<td>[557,146]</td>
<td>[483,858]</td>
</tr>
<tr>
<td>Operating profit for the year</td>
<td>32,773</td>
<td>37,183</td>
<td>32,814</td>
<td>37,084</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>32,773</td>
<td>37,183</td>
<td>32,814</td>
<td>37,084</td>
</tr>
</tbody>
</table>

#### STATEMENT OF CASHFLOWS
for the year ended 31 December 2009

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
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</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>2,875,322</td>
<td>2,441,516</td>
<td>2,802,471</td>
<td>2,201,908</td>
</tr>
<tr>
<td>Interest received</td>
<td>6,266</td>
<td>6,692</td>
<td>6,266</td>
<td>6,692</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>[2,856,242]</td>
<td>[2,225,118]</td>
<td>[2,846,733]</td>
<td>[2,225,118]</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>19a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for purchase of plant and equipment</td>
<td>[281,669]</td>
<td>[25,987]</td>
<td>[281,669]</td>
<td>[25,987]</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>[281,669]</td>
<td>[25,987]</td>
<td>[281,669]</td>
<td>[25,987]</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance from subsidiary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash generated from (used in) financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase/(decrease) in cash held</td>
<td>20,127</td>
<td>29,046</td>
<td>20,127</td>
<td>29,046</td>
</tr>
<tr>
<td>Cash at the beginning of the financial year</td>
<td>1,288,650</td>
<td>1,296,604</td>
<td>1,288,650</td>
<td>1,296,604</td>
</tr>
<tr>
<td>Cash at the end of the financial year</td>
<td>1,308,777</td>
<td>1,325,650</td>
<td>1,308,777</td>
<td>1,325,650</td>
</tr>
</tbody>
</table>

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

#### NOTES TO THE FINANCIAL REPORT
for the year ended 31 December 2009

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

The financial report covers the economic entity of UNILINC Limited and its wholly owned subsidiary Web-Ray 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. 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 21 April 2010.

(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.

(b) **Depreciation**
   The carrying amount of property, 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.

(c) **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 interest.

(d) **Financial Instruments**
   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 transaction 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 expressed in profit or loss immediately. Financial instruments are classified and measured as noted out below.

Derecognition

Financial assets are derecognized where the contractual rights to receive of cash flows 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 derecognized where the related obligations are 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 recognized in profit or loss.

Classification and Subsequent Measurement

Financial assets at fair value through profit or 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 is managed by separate management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realized and unrealized gains and losses arising from changes in fair value are included in profit and loss in the period which they arise.

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 amortized cost using the effective interest rate method.

Non-financial Liabilities

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

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.

Revenue

Revenue is recognized when the service is provided. Income from the outside operating activities includes interest, strategic purchases, subscriptions and equipment sales to members. Interest income is recognized when it accrues.

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 insufficiency sources of income to repay the loan.

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-Eny 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.

Comparative Figures

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

Foreign Currency Translation

All foreign currency transactions during the year are brought 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 recognized in the income statement in the period to which they arise.

Good and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In those circumstances the GST incurred is recognized as part of the cost of acquisition of the asset or 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.

Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of UNILINC Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes in the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company’s financial statements.

Disclosure Impact

Terminology changes – the revised version of AASB 101 contains a number of terminology changes. Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, their capacity as owners, to be presented separately from non-owner changes in equity. Owners changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income.

Statement of Comprehensive Income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company’s financial statements now contain a statement of comprehensive income. Other comprehensive income – The revised version of AASB 101 introduces the concept of ‘other comprehensive income’ which comprises of income and expenses that are not recognized in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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 of and 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). The total guarantee in favour of the Company stands at four hundred and forty dollars ($440) as at 31 December 2005/2006 ($460).

3. Revenue Reconciliation

Subscriptions. Those comprise annual UNILINC member subscriptions. Twenty (20) subscriptions were received in the period.

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

Interest income: Interest revenue is recognized using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

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

Consolidated Parent Entity

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,474,291</td>
<td>2,080,668</td>
<td>3,474,291</td>
<td>2,087,201</td>
</tr>
</tbody>
</table>

- 12 -
6. Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>92,419</td>
<td>102,441</td>
<td>92,419</td>
<td>102,441</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>1,215,428</td>
<td>1,225,709</td>
<td>1,210,816</td>
<td>1,132,799</td>
</tr>
<tr>
<td></td>
<td>1,308,777</td>
<td>1,288,650</td>
<td>1,308,777</td>
<td>1,288,650</td>
</tr>
</tbody>
</table>

6. Trade and Other Receivables

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>60,064</td>
<td>41,951</td>
<td>60,064</td>
<td>41,951</td>
</tr>
<tr>
<td>Other debtors</td>
<td>425</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income</td>
<td>17,429</td>
<td>19,522</td>
<td>17,429</td>
<td>19,522</td>
</tr>
<tr>
<td></td>
<td>77,948</td>
<td>93,429</td>
<td>78,071</td>
<td>93,484</td>
</tr>
</tbody>
</table>

7. Other Current Assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>106,538</td>
<td>87,333</td>
</tr>
<tr>
<td>Strategic purchasing</td>
<td>281,931</td>
<td>208,484</td>
</tr>
<tr>
<td></td>
<td>388,469</td>
<td>355,723</td>
</tr>
</tbody>
</table>

8. Property Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings - at cost</td>
<td>69,494</td>
<td>69,494</td>
<td>69,494</td>
<td>69,494</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(6,596)</td>
<td>(6,295)</td>
<td>(6,596)</td>
<td>(6,295)</td>
</tr>
<tr>
<td>Office furniture &amp; equipment - at cost</td>
<td>62,344</td>
<td>63,339</td>
<td>62,344</td>
<td>63,339</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>141,733</td>
<td>141,067</td>
<td>141,733</td>
<td>141,067</td>
</tr>
<tr>
<td>Computer equipment - at cost</td>
<td>(125,438)</td>
<td>(115,059)</td>
<td>(125,438)</td>
<td>(115,059)</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>19,394</td>
<td>26,628</td>
<td>19,394</td>
<td>26,628</td>
</tr>
<tr>
<td>Software - at cost</td>
<td>1,203,950</td>
<td>1,234,320</td>
<td>1,203,950</td>
<td>1,234,320</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,013,322)</td>
<td>(2,089,566)</td>
<td>(2,013,322)</td>
<td>(2,089,566)</td>
</tr>
<tr>
<td>Total Property Plant and Equipment</td>
<td>420,638</td>
<td>334,764</td>
<td>490,658</td>
<td>334,764</td>
</tr>
</tbody>
</table>

9. Investment in Subsidiary

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares in subsidiary - at cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WBD-ETH Solutions Pty Ltd - 100% owned incorporated in Australia</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Other Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees in advance</td>
<td>1,175,721</td>
<td>967,029</td>
</tr>
<tr>
<td>Other</td>
<td>2,421</td>
<td>1,420</td>
</tr>
<tr>
<td></td>
<td>1,178,142</td>
<td>968,449</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>108,096</td>
<td>114,958</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>108,096</td>
<td>114,958</td>
</tr>
</tbody>
</table>


13. Remuneration of Directors. The number of parent entity Directors whose income including superannuation received or receivable from the parent entity and any related parties was within the specified bands of $0 to $9,599 - 1 (2008 - 1), $100,000 to $100,000 - 1 (2008 - 1). The total income including superannuation received or receivable by all Directors from the parent entity and its related parties was $149,309 (2008 - $143,221).

14. Superannuation. The economic entity paid $166,578 in 2009 (2008 - $170,333) to private insurance companies for its contribution for superannuation. There was no unallocated benefit for employer contributions at 31 December 2009.

15. Payments to Consultants. There were no payments to consultants during 2009 (2008 - $Nil).

16. Related Party Transactions. UILINC Limited incurred certain expenses in relation to the operations of Web-Eye Solutions Pty. Ltd. UILINC Limited recovered these costs by way of a management fee for the year of $36,481 (2008 - $46,485).

UILINC Limited has a 100% share holding in Web-Eye Solutions Pty Ltd which is incorporated in Australia. A review of the recoverability of the loan was conducted and it was determined that the subsidiary to repay the loan is doubtful. The full amount of the debt has been provided for.
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:

<table>
<thead>
<tr>
<th>Financial Instruments</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Floating Interest Rate</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>25,415</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>129,482</td>
<td>500,000</td>
</tr>
<tr>
<td>Receivables</td>
<td>29,963</td>
<td>50,000</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>270,877</td>
<td>600,000</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Weighted average effective interest rate was computed on a *3* 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:

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>$</td>
</tr>
<tr>
<td>Cash</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>1,255,482</td>
</tr>
<tr>
<td>Receivables</td>
<td>78,505</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>1,336,977</td>
</tr>
</tbody>
</table>

END OF AUDITED FINANCIAL STATEMENTS
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 statements of UNILINC Limited (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 statements:

- are 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 2009 and of their performance for the year ended on that date;
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- are in accordance with section 416 of the Public Finance and Audit Act 1998 (the PFBA 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 Statements

The Directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PFBA Act and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 PFBA 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 roles 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 19 April 2010, 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
22 April 2010
SYDNEY