
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 2011

Australian College of Applied Psychology	NSW College of Law
Australian Catholic University	NSW Police Academy
Avondale College of Higher Education	Raffles College of Design and Commerce
Board of Studies NSW	SAE Institute
Campion College	Southern Cross University
Catholic Institute of Sydney	Study Group Australia
Charles Sturt University	Sydney Institute of Traditional Chinese Medicine
Christian Heritage College	Tabor College
JMC Academy	THINK: Education Group
National Art School	Whitehouse Institute of Design
National Gallery of Australia	

BOARD OF DIRECTORS 2011

Prof. I Goulter – Chairman	Charles Sturt University
Mr. J Cameron	Australian Catholic University
Prof. P Drake	Independent
Ms F Lawton [from November]	Australian Catholic University
Mr. D Leith	Independent
Ms R Missingham [to July]	Department of Parliamentary Services
Ms S Oakley	Charles Sturt University
Mr. D Stewart	Southern Cross University
Ms J Volker	National Gallery of Australia
Ms R Wade	UNILINC Office

EXECUTIVE AND PLANNING COMMITTEE 2011

Prof. I Goulter, Mr. D Stewart and Ms R Wade

TECHNICAL COMMITTEE 2011

Ms A Schryver - Convenor	UNILINC Office
Ms A Bannerman	Southern Cross University
Ms I Evans	Charles Sturt University
Ms J Frawley	Australian Catholic University
Ms L Miller	NSW Police Academy
Mr. S Whelan	Australian Catholic University

CLIENT SERVICES GROUP 2011

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

**UNILINC OFFICE
as at 31 December 2011**

Executive Director & CEO	Rona Wade
Associate Director	Tony Cargnelutti (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 Hazell (p/t)
Library Support Consultant	Annette Schryver (p/t)
Network and System Administrator	Ismail Sumrain(p/t)
Authorities Librarian	Teesha Forgas
Consultants (p/t)	Fred Piper, Glenda Henderson, Tamara Sushkova
Contract Cataloguing (p/t)	Sue Baglin, Jana Huntley, Wai Fong Leung, Christine Miller, Richard Goodwin, Adele Ganschow, Magdalene Lai

Thirty four years of 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

The year 2011 was another successful year for the company with the implementation of the new discovery service, Primo, and its mega indexing service Primo Central and the redevelopment of the UNILINC website.

FINANCES AND AUDIT

Income in 2011 was \$2,455,744 (\$2,552,801 in 2010) with a deficit of \$55,726 (\$7,977 surplus in 2010) after the allocation of reserve funds for the redevelopment of the UNILINC web site and the receipt of an additional invoice from the previous auditors -the NSW Audit Office. Provision for depreciation was \$114,933. Cash reserves as at 31 December 2011 increased to \$1,742,382 (\$1,679,464 in 2010).

After an approach by UNILINC to NSW Treasury, the company was removed from the Schedule of the NSW Public Finance and Audit Act. The NSW Audit Office subsequently sought ASIC consent to resign as the auditors enabling UNILINC to appoint a commercial auditor. Quotes had been sought earlier and at a special Board meeting on 27 October Pitcher Partners were appointed Auditors of UNILINC subject to the approval of ASIC - such approval was subsequently forthcoming.

UNILINC also sought refreshed tax exemption which was notified in January 2012.

BOARD OF DIRECTORS

The Board met four times during 2011. The Company held its Thirty Third General Meeting on 9 May. At that time Ms Shirley Oakley retired in accordance with Section 28 of the Articles of Association and, having made herself available was duly re elected. In accordance with Section 29, Mr. Dean Leith and Ms Joye Volker, having been appointed to fill casual vacancies, were elected as Directors. At the following Board meeting Professor Ian Goulter and Mr. Des Stewart were elected Chair and Deputy Chair respectively.

THE SHARED SYSTEM

The Shared System is at the heart of UNILINC success and it remains the core activity of the company. As its name implies, the Shared System facilitates resource sharing between Member libraries. At the same time it delivers the full range of functionality required for effective library management. The software used to manage the administrative functions within the libraries is Aleph. The user interface is Primo.

A number of long term goals were achieved in 2011. These included implementing single sign-on for Primo for all systems and authentication via two of the major authentication systems, Shibboleth and LDAP including secure encryption. In addition, UNILINC staff succeeded in using the Aleph PDS for those Members without an authentication system.

A major focus early in the year was the successful separation of print and electronic versions of bibliographic records to enhance the display in Primo. This was a complex and protracted process which was undertaken incrementally to minimise disruption to users.

An ever increasing number of e-book files were converted and loaded onto the database.

UNILINC staff succeeded in developing views of Primo for use on mobile devices and in enabling the integration of QR codes within Primo for the creation of bibliographies and the display of shelf location on mobile devices.

UNILINC actively participated in the Regional Collaborative Partnership program for Alma the next generation library system being developed by ExLibris, the supplier of Aleph and Primo. Compared with the current situation where a number of systems are required to deliver the full suite of functionality required, Alma will bring together the management of print, electronic and digital resources into the one system. The resultant single integrated workflow promises improved efficiencies and faster through put. By being part of the collaborative program UNILINC is well positioned to help ensure this promise is delivered as well as ensuring regional requirements are incorporated. During 2011 UNILINC attended two meetings of the Partnership leading to the finalization of the list of regional software requirements.

HOSTED SYSTEM PROJECTS

SFX linking system: UNILINC supports six Member libraries in their use of ExLibris SFX which provides links to online journal articles and e-books.

Verde: The Australian Catholic University and Southern Cross University make use of 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.

DigiTool Institutional Repository: Charles Sturt University and the Australian Catholic University use DigiTool through UNILINC as a fully supported integrated research management system and repository which is fully compliant with the requirements of Excellence in Research for Australia (ERA) and Higher Education Research Data Collection (HERDC).

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 2011 included the National Library of Australia, State Libraries, major book suppliers and individual public, government and university libraries. The demand for cataloguing in Chinese, Japanese and Korean characters continued.

Training: In addition to training for Members in the use of the various systems offered by UNILINC, staff also provided courses for the National Library of Australia Document Delivery system for libraries from across NSW.

Discounts: Members benefited from a range of discounts on books and electronic resources.

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

THE OFFICE

At its Planning meeting in May the Board resolved to fund the redevelopment of the UNILINC website out of reserve funds. UNILINC was successful in attracting an additional web developer for six months and in engaging a consultant whose role it was to set up the structure of the new website using the Drupal Content Management System.

Every opportunity was taken to enable staff to participate in advanced training made available by ExLibris through the use of web training sessions.

A new lease for the premises at 210 Clarence Street was signed after successful negotiations.

Four new servers were purchased as part of the long term system stratagem embarked on in 2009 with the result that all systems [7 user systems and 3 administrative] can be backed up off-line in a single hour. Work commenced on developing fully automated SMS alerts across all systems and servers.

At the end of the year UNILINC took advantage of an offer of near new furniture, workstations and building materials at no cost from a former tenant in the building. Combined with new carpet and a complete upgrading of the lighting provided by the landlord at no cost the office underwent a major facelift resulting in improved working conditions for all staff, additional office space and reductions in electricity usage for lighting purposes.

CONCLUSION

Considerable administrative progress was achieved in 2011 relating to the change of auditors and the confirmation of the tax exempt status of the company.

The redevelopment of the UNILINC website will provide UNILINC with the means of extending and enhancing support services to Members. Key elements will be the development of online training support and a new tracking system for support requests.

As I have said in previous reports UNILINC operates without ongoing financial support from government or Member subsidies. This 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 2011**

**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 2011 and the state of affairs of the Company and its controlled entity as at that date.

Director Names

The names of the Directors in office during and up to 31 December 2011 and their qualifications are:

Ian C. Goulter	BE (Hons), MSC, PhD [Chairman]
John M. Cameron	MCom, CPA, AIMM
Peter J. Drake AM	BCom (Hons), PhD, FCPA
Fides D. Lawton	BSC, MLib, Grad.Dip.Mgt, AALIA
Dean V. Leith	BA, DipLib, MLib
Roxanne R. Missingham (to July 2011)	BSC, DipLib, MPA
Shirley D. Oakley	BA, Grad.Dip.Bus, MMgt (HRM), AALIA
Des R. Stewart	BA, Grad.Cert.Bus.Admin, AALIA
Joye D. Volker	BSC, MLS, AALIA
Rona D. Wade	BA, DipLib, MLib, AALIA [Company Secretary]

Company Objectives

The sole purpose and object of the Company being the advancement of education within and for the benefit of the community and of the public, is to establish, operate, maintain or participate in or join with others in establishing, operating, maintaining or participating in a library network or networks (with such deletions, alterations, amendments, improvements, refinements or additions as may, from time to time, be or appear to be required or desirable in any such network) for the use and benefit of those Members that are established as non-profit institutions for the provision and advancement of education within and for the benefit of the community.

Company Performance

Each year the company decides strategic initiatives above and beyond the existing service provision. In 2011 the company resolved to use reserve funds for the redevelopment of the organisations web site and the development of mobile applications for the Member systems.

The consolidated operating result of the Company and its controlled entity for the financial year was a deficit of (\$55,726) (2010 - \$7,977) after providing \$114,933 for depreciation.

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's wholly owned subsidiary, Web-Ezy Solutions Pty Ltd was deregistered.

29 MAY 2012

Information on Directors

Information on Directors is as follows:

- I. Goulter Vice-Chancellor. Charles Sturt University. First elected 2004.
- J. Cameron Pro Vice-Chancellor (Administration & Resources). Australian Catholic University. First elected 2004.
- P. Drake AM Consultant. First elected 1995.
- F. Lawton Director of Libraries. Australian Catholic University. Appointed 2011.
- D. Leith Executive Advisor to Managing Director. Australian Broadcasting Commission. Elected 2010.
- R. Missingham Parliamentary Librarian. First elected 2005.
- S. Oakley Deputy Vice-Chancellor & Vice- President (Administration), Charles Sturt University. First elected 2005.
- D. Stewart Director Library Services. Southern Cross University. First elected 2006.
- J. Volker Chief Librarian. National Gallery of Australia. Elected 2010.
- R. Wade Executive Director & CEO. UNILINC Limited. Ex Officio.

Meetings of Directors

For the year ended 31 December 2011, the number of meetings at which Directors were in attendance is as follows:

	No. of Meetings Held while in Office	Meetings Attended
Ian C. Goulter [Chairman]	5	5
John M. Cameron	5	2
Peter J. Drake AM	5	3 4 <i>pu</i>
Fides D. Lawton	0	0
Dean V. Leith	5	4
Roxanne M. Missingham	3	0
Shirley D. Oakley	5	4
Des R. Stewart	5	4
Joye D. Volker	5	3
Rona D. Wade [Company Secretary]	5	5

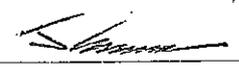
Members Guarantee

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 sixty dollars (\$460).

Auditor's Independence Declaration

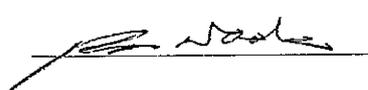
A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 is attached.

Signed at Sydney on 5 April for and on behalf of the Board in accordance with its Resolution.



J. Cameron

Director



R. Wade

Director

Information on Directors

Information on Directors is as follows:

I. Goulter	Vice-Chancellor. Charles Sturt University. First elected 2004.
J. Cameron	Pro Vice-Chancellor (Administration & Resources). Australian Catholic University. First elected 2004.
P. Drake AM	Consultant. First elected 1995.
F. Lawton	Director of Libraries. Australian Catholic University. Appointed 2011.
D. Leith	Executive Advisor to Managing Director. Australian Broadcasting Commission. Elected 2010.
R. Missingham	Parliamentary Librarian. First elected 2005.
S. Oakley	Deputy Vice-Chancellor & Vice- President (Administration). Charles Sturt University. First elected 2005.
D. Stewart	Director Library Services. Southern Cross University. First elected 2006.
J. Volker	Chief Librarian. National Gallery of Australia. Elected 2010.
R. Wade	Executive Director & CEO. UNILINC Limited. Ex Officio.

Meetings of Directors

For the year ended 31 December 2011, the number of meetings at which Directors were in attendance is as follows:

	No. of Meetings Held while in Office	Meetings Attended
Ian C. Goulter [Chairman]	5	5
John M. Cameron	5	2
Peter J. Drake AM	5	3
Fides D. Lawton	0	0
Dean V. Leith	5	4
Roxanne M. Missingham	3	0
Shirley D. Oakley	5	4
Des R. Stewart	5	4
Joye D. Volker	5	3
Rona D. Wade [Company Secretary]	5	5

Members Guarantee

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 sixty dollars (\$460).

Auditor's Independence Declaration

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

Signed at Sydney on 5 April for and on behalf of the Board in accordance with its Resolution.



Director

J. Cameron



Director

R. Wade

UNILINC LIMITED

ACN 001 643 367

AND ITS CONTROLLED ENTITY

DIRECTORS' DECLARATION for the year ended 31 December 2011

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 5 April for and on behalf of the Board in accordance with its Resolution.



Director

J. Cameron



Director

R. Wade

UNILINC LIMITED

ACN 001 643 367
AND ITS CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION as at 31 December 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,742,382	1,679,464
Trade and other receivables	7	85,485	95,988
Other current assets	8	<u>464,091</u>	<u>425,908</u>
TOTAL CURRENT ASSETS		<u>2,291,958</u>	<u>2,201,360</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>360,648</u>	<u>449,445</u>
TOTAL NON-CURRENT ASSETS		<u>360,648</u>	<u>449,445</u>
TOTAL ASSETS		<u>2,652,606</u>	<u>2,650,805</u>
CURRENT LIABILITIES			
Trade and other payables		209,309	178,778
Other current liabilities	10	1,425,624	1,421,038
Provisions	11	<u>143,206</u>	<u>124,944</u>
TOTAL CURRENT LIABILITIES		<u>1,778,139</u>	<u>1,724,760</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>4,148</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>4,148</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,782,287</u>	<u>1,724,760</u>
NET ASSETS		<u>870,319</u>	<u>926,045</u>
EQUITY			
Retained earnings		<u>870,319</u>	<u>926,045</u>
TOTAL EQUITY		<u>870,319</u>	<u>926,045</u>

UNILINC LIMITED

ACN 001 643 367
AND ITS CONTROLLED ENTITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2011

	Note	2011 \$	2010 \$
Revenues from ordinary activities	5	2,455,744	2,552,801
Strategic purchasing costs		[462,452]	[471,261]
Employee benefit expenses		[1,403,370]	[1,421,508]
Depreciation and amortisation expense		[114,933]	[150,652]
Auditor's remuneration		[39,800]	[15,500]
Electricity and outgoings		[26,899]	[28,413]
Rent		[142,498]	[141,319]
Maintenance		[167,881]	[174,518]
Telecommunications		[28,037]	[28,035]
Other expenses from ordinary activities		[125,600]	[113,618]
Operating surplus for the year		<u>[55,726]</u>	<u>7,977</u>
Total comprehensive income for the year		<u>[55,726]</u>	<u>7,977</u>

STATEMENT OF CASH FLOWS for the year ended 31 December 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,391,737	2,970,685
Interest received		79,096	53,960
Payments to suppliers and employees		<u>[2,381,721]</u>	<u>[2,629,288]</u>
Net cash generated from operating activities		<u>89,112</u>	<u>395,357</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for purchase of plant and Equipment		<u>[26,194]</u>	<u>[24,669]</u>
Net cash used in investing activities		<u>[26,194]</u>	<u>[24,669]</u>
Net increase in cash held		62,918	370,687
Cash at the beginning of the financial year		<u>1,679,464</u>	<u>1,308,777</u>
Cash at the end of the financial year	19	<u>1,742,382</u>	<u>1,679,464</u>

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2011

	2011 \$	2010 \$
Balance at 1 January	926,045	918,068
Surplus/(loss) attributable to the entity	<u>(55,726)</u>	<u>7,977</u>
Balance at 31 December	<u>870,319</u>	<u>926,045</u>

UNILINC LIMITED

ACN 001 643 367

AND ITS CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. Statement of Significant Accounting Policies

These financial statements are general purpose statements that have 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.

These financial statements cover the economic entity of 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 financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

AASB 1053 Application of Tiers of Australian Accounting Standards

The Company has early adopted AASB 1053 from 1 January 2011. This standard established a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The Company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

The financial statements have been prepared on an accrual basis and are prepared 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 statements have been authorised for issue by the directors of UNILINC Limited on 5 April 2012.

(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 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 and amortisation

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) Revenue

Revenue is recognised when the service is provided. Interest income is using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(e) Allowance for doubtful debts

No allowance 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.

(f) 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.

(g) Comparative Figures

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

(h) 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.

(1) 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 Statement of Financial Position are shown inclusive of GST.

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

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 2011 (2010 - \$440).
3. **Revenue Recognition**
Subscriptions. These comprise annual UNILINC member subscriptions. Twenty-two (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.
Interest. Interest is earned from bank term deposits.
4. **Parent information**
The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

	2011	2010
	\$	\$
Balance Sheet		
Current Assets		
Cash & cash equivalent	1,742,382	1,679,464
Trade and other receivables	85,485	95,988
Other current assets	464,091	425,908
Total Current Assets	<u>2,291,958</u>	<u>2,201,360</u>
Non-Current Assets		
Property, plant and equipment	360,648	449,445
	-	1
Total Non-Current Assets	<u>360,648</u>	<u>449,446</u>
Total Assets	<u>2,652,606</u>	<u>2,650,806</u>
Current Liabilities		
Trade and other payables	209,309	181,485
Other current liabilities	1,425,624	1,418,620
Provisions	147,354	124,944
Total Current Liabilities	<u>1,782,287</u>	<u>1,725,049</u>
Total Liabilities	<u>1,782,287</u>	<u>1,725,049</u>
Net Assets	<u>870,319</u>	<u>925,757</u>
Equity		
Retained earnings	870,319	925,757
Statement of Comprehensive Income		
Operating surplus/(deficit) for the year	[55,437]	8,072
Total comprehension income/(loss) for the year	<u>[55,437]</u>	<u>8,072</u>

	2011 \$	2010 \$
5. Revenue		
Computer services	1,633,980	1,699,045
Subscriptions	23,000	21,500
Strategic purchasing	727,330	778,296
Interest Income	71,434	53,960
	<u>2,455,744</u>	<u>2,552,801</u>
6. Cash and Cash Equivalents		
Cash on hand	500	500
Cash at bank	64,464	78,924
Cash on deposit	1,677,418	1,600,040
	<u>1,742,382</u>	<u>1,679,464</u>
7. Trade and Other Receivables		
Debtors	62,070	67,777
Accrued income	23,415	28,211
	<u>85,485</u>	<u>95,988</u>
8. Other Current Assets		
Prepayments	129,974	126,034
Strategic purchasing	334,117	299,874
	<u>464,091</u>	<u>425,908</u>
9. Property Plant and Equipment		
Buildings - at cost	69,494	69,494
Accumulated depreciation	(8,340)	(7,645)
	<u>61,154</u>	<u>61,849</u>
Office furniture & equipment - at cost	134,761	145,379
Accumulated depreciation	(118,657)	(127,177)
	<u>16,104</u>	<u>18,202</u>
Computer equipment - at cost	1,508,249	1,488,245
Accumulated depreciation and amortisation	(1,225,998)	(1,120,899)
	<u>282,251</u>	<u>367,346</u>
Software - at cost	12,700	12,700
Accumulated depreciation	(11,561)	(10,652)
	<u>1,139</u>	<u>2,048</u>
Leasehold improvements - at cost	50,684	50,684
Accumulated depreciation	(50,684)	(50,684)
	<u>-</u>	<u>-</u>
	<u>360,648</u>	<u>449,445</u>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of 2011 for the economic entity and parent entity.

2011	Building	Office Furniture Equipment	Computer Equipment Software	TOTAL
	\$	\$	\$	\$
Carrying amount - at 1 January	61,849	18,202	369,394	449,445
Additions	-	6,189	20,005	26,194
Disposals	-	(58)	-	(58)
Depreciation expense	(695)	(8,229)	(106,009)	(114,933)
Carrying Amount - End Of Financial Year	<u>61,154</u>	<u>16,104</u>	<u>283,390</u>	<u>360,648</u>

2010	Building	Office Furniture Equipment	Computer Equipment Software	TOTAL
	\$	\$	\$	\$
Carrying amount - at 1 January	62,544	19,298	493,585	575,427
Additions	-	6,498	18,172	24,670
Disposals	-	-	-	-
Depreciation expense	(695)	(7,594)	(142,363)	(150,652)
Carrying Amount - End Of Financial Year	61,849	18,202	369,394	449,445

	2011	2010
	\$	\$
10. Other Current Liabilities		
Fees in advance	1,425,624	1,418,620
Other	-	2,418
	<u>1,425,624</u>	<u>1,421,038</u>
11. Provisions		
Current Liabilities		
Employee benefits	<u>143,206</u>	<u>124,944</u>
Non-Current Liabilities		
Employee benefits	<u>4,148</u>	<u>-</u>

12. **Audit Fee.** The fee for audit of the consolidated financial statements is \$13,950 GST exclusive (2010 - \$39,800)

13. **Remuneration of Directors.** The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all key management personnel of the consolidated entity, directly or indirectly, by the company or by any related party: \$167,131 (2010 - \$165,925). The number of consolidated entity Directors whose income including superannuation received or receivable from the parent entity and any related parties was 2 (2010 - 2).

The names of directors who have held office during the year are:

Ian C. Goulter
 John M. Cameron
 Peter J. Drake AM
 Fides D. Lawton
 Dean V. Leith
 Roxanne M. Missingham
 Shirley D. Oakley
 Des R. Stewart
 Joye D. Volker
 Rona D. Wade

14. **Superannuation.** The economic entity paid \$142,149 in 2011 (2010 - \$142,645) to private insurance companies for its contribution for superannuation. There was no unfunded liability for employer contributions at 31 December 2011.

15. **Payments to Consultants.** The payments to consultants totalled \$15,000 during 2011 (2010 - \$Nil).

16. **Related Party Transactions.** UNLINC Limited has a 100% share holding in Web-Ezy 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 forgiven.

17. **Commitments Rental Lease.** Commitments (GST inclusive) for leased office accommodation not otherwise provided for in the accounts are:

	2011	2010
	\$	\$
Not later than 1 year	154,857	106,667
Later than 1 and not later than 5 years	602,724	-
	<u>757,581</u>	<u>106,667</u>

The above commitment includes GST of \$68,871 recoverable from Australian Taxation Office (2010 - \$9,697).

18. **Contingent Liabilities.** There were no contingent liabilities as at 31 December 2011 (2010 - \$nil).

	2011	2010
	\$	\$

19. **Note to Cash Flow Statement.**

Reconciliation of Cash

Cash on hand	500	500
Cash at bank	64,464	78,924
Cash on deposit	1,677,418	1,600,040
	<u>1,742,382</u>	<u>1,679,464</u>



PITCHER PARTNERS
ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 9223 1762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners, including Johnston Rorke,
is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane

UNILINC LIMITED AND CONTROLLED ENTITIES
ACN 001 643 367

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF UNILINC LIMITED

In relation to audit of UNILINC Limited for the year ended 31 December 2011, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

MARK GODLEWSKI
Partner
PITCHER PARTNERS

5 April 2012



PITCHER PARTNERS
ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 9223 1762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners, including Johnston Rorke,
is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane

UNILINC LIMITED AND CONTROLLED ENTITIES
ACN 001 643 367

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
UNILINC LIMITED

We have audited the accompanying financial report of UNILINC Limited, which comprises the statements of financial position as at 31 December 2011, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising entities it controlled at the year's end of from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion, the financial report of UNLINC Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

(b) other mandatory professional requirements in Australia.

MARK GODLEWSKI
PARTNER

5 April 2012

PITCHER PARTNERS
SYDNEY