

OLD SYDNEIANS' UNION

(A COMPANY LIMITED BY GUARANTEE)
(A.B.N. 83 000 207 438)

*Originally known as the Sydney Grammar School Old Boys' Union
which was founded at the School on 22 September 1893.*



FORTY-EIGHTH ANNUAL REPORT

*TO BE PRESENTED AT THE FORTY-EIGHTH ORDINARY GENERAL MEETING
ON TUESDAY, 6 DECEMBER 2005 AT 6.00pm*

*IN ROOM SB9, IMMEDIATELY ABOVE THE
LOWER SCHOOLMASTER'S STUDY
SYDNEY GRAMMAR SCHOOL
COLLEGE STREET*

PAST PRESIDENTS

1893-97 A.B. WEIGALL	1958-60 SIR RONALD GRIEVE
1897-1901 EDMUND BARTON	1960-62 G.J. CROUCH
1901-05 THE RIGHT HONOURABLE SIR EDMUND BARTON	1962-64 G.K. HERRING
1905-20 THE HON R.J. BLACK	1964-66 J.D. LESLIE
1920-22 H.A. RUSSELL	1966-68 C.W.L. BOYD
1922-24 DR E.A. BREARLEY	1968-70 SIR LIONEL COPPLESON
1924-26 ROBERT VICARS	1970-72 JAMES CRAWFORD
1926-28 SIR JAMES FAIRFAX, KBE	1972-74 J.N. BRIDGLAND
1928-30 SIR SAMUEL HORDERN	1974-76 BRIGADIER J.A. GILCHRIST, ED.
1930-32 GENERAL SIR HARRY CHAUVEL	1976-78 J.A. BARNETT
1932-34 R.S. MURRAY-PRIOR	1978-80 F.M. BUCKLE
1934-36 THE HON E.M. MITCHELL	1980-82 R.A. BRADSHAW
1936-38 NORMAN L. COWPER	1982-84 J.M. DEZARNAULDS
1938-40 F.F. BUCHANAN	1984-86 J.C. EDWARDS
1940-42 ORWELL PHILLIPS	1986-88 J.A. BARNETT
1942-44 R.E. LUDOWICI	1988-90 N.G. LAYTON
1944-46 L.L. ROBERTSON	1990-92 W.J.C. DIVE
1946-48 NORMAN L. COWPER	1992-94 J.P. EVANS
1948-50 THE HON. MR JUSTICE L.J. HERRON	1994-97 N.S. VIDA
1950-52 HIS HONOUR JUDGE A.S. LLOYD, ED, QC	1997-99 O.P. PHILLIPS
1952-54 W.E.R. FRANCIS	1999-01 N.S. VIDA
1954-56 LYLE H. MOORE	2001-04 D.G. FAIRLIE
1956-58 W.E.R. FRANCIS	2004 – A.F. CRAWFORD

OFFICE-BEARERS AS AT 11 OCTOBER 2005

Patron: THE HONOURABLE SIR ANTHONY MASON, AC, KBE.

<i>President:</i>	A.F. CRAWFORD	<i>London Branch President:</i>	K.R. DEANE
<i>Immediate Past President:</i>	D.G. FAIRLIE	<i>Victorian Branch Chairman:</i>	T.C. HEALEY
<i>Committee – Ex Officio</i>		<i>Queensland Branch Chairman:</i>	S.H. SMITH
<i>Chairman of Trustees:</i>	MR. D.M. GONSKI AO	<i>ACT Branch Chairman:</i>	A.P.L. KING
<i>Headmaster:</i>	DR J.T. VALLANCE	<i>Hong Kong Branch Chairman:</i>	D.W. LAW

	<i>Committee – Elected</i>	
J.J. BARKELL	D.G. FAIRLIE	W.A.C. SERVICE
N.A. COTMAN	J.E. MASON	L.M. SHOHELIAN
W.J.C. DIVE	P.S. MAYSON	N.S. VIDA
J.C. EDWARDS	B.M.L. POTTER	

Hon. Secretary
E.A. SANDERS

Hon. Treasurer
R. D. GOODMAN

OFFICE: Old Sydneians' Union, c/- Sydney Grammar School, College Street, Darlinghurst, 2010. Telephone: 9332-5888.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting of the Old Sydneians' Union (a company limited by guarantee) will be held in Room SB9, immediately above the Lower Schoolmaster's Study, Sydney Grammar School, College Street, Sydney, on Tuesday, 6 December 2005 at 6.00 pm.

BUSINESS:

1. To receive and, if thought fit, to adopt the Forty-Eighth Financial Report, Directors Report, and Auditors Report for the year ended 30 June, 2005.
2. To re-elect the Patron of the Union for the ensuing year.
3. To elect the Committee for the ensuing year.

O.S.U. Office
Telephone 9332-5888

11 October 2005

By Order of the Committee
E.A. SANDERS *Hon. Secretary*

Nominations Forms for candidates for the Committee may be obtained from the OSU Office. Nomination Forms MUST be lodged at the OSU office by 4.00pm Wednesday 30 November 2005.

OLD SYDNEIANS' UNION

President's Report 2005

I have pleasure in presenting the OSU's annual report for the year ended 30 June 2005.

It has been a busy year by any measure. Notably, however, it was the first, for over a decade, where we have not had the able support of Gary Furlong who retired in December 2004. I would like, therefore, to take this opportunity to publicly thank Gary for his tireless support of the OSU over the last 11 years in his role as Executive Officer. In that time he has played a pivotal role in promoting the OSU's objectives of fostering and strengthening friendship and goodwill among its members and maintaining their connection with the School. We wish him every success with his future endeavours.

I would also like to take this opportunity of thanking my predecessor, David Fairlie, for his leadership during his three year term as President. David's term concluded with a most successful Garden Party in November which was held in the Great Hall at Sydney University to commemorate the 150th anniversary of the incorporation of the School. Our Patron, Sir Anthony Mason spoke on behalf of the OSU, and the President presented the Headmaster with the OSU's interim sesquicentenary gift to the School, a new heraldically correct School flag.

The OSU's scholarship for 2005 was awarded to Lachlan Renshaw. Lachlan's many contributions to the life of the School were recognised at the Scholar's Dinner held in May 2005. Particular mention was made of Lachlan's considerable achievements as an athlete. His outstanding record includes the GPS Open 800 metre championship for the last four years!

Those who have not accessed our website recently will see a new style to OSU communications. A new innovation on the website, 'Alligator Online' invites Old Sydneian's to keep in contact with the School and update their details. Another initiative, 'Postcards' also encourages Old Boys to keep us posted as to their achievements. I am pleased to report that the feedback on both initiatives has been extremely positive.

The Anzac assembly and lunch on Friday 29 April was a major event for the year. It marked the 90th anniversary of the Gallipoli campaign and the end of World War 2. It was well attended with 63 Old Boy veterans present at the special assembly in Big School and the lunch which followed. Dr Bruce Gaunson's address featured the legendary Old Sydneian Tibby Cotter who enlisted in the 12th Light Horse in 1915 and, after seeing action at Gallipoli, rode in the famous charge at Beersheba.

The year has also been a big one for reunions – with 11 reunions taking place. Four of these were major events held at the School marking 50, 45, 35 and 30 year reunions.

During the year, the OSU sponsored two new awards for boys at the School. The first, the Marc Freedman Prize is in memory of Marc who tragically died in January 2005 while mountain climbing in New Zealand. The prize will be awarded for the first time in 2006 to a boy in the 6th form who exhibits outstanding qualities of self reliance and personal courage. The second, the Alan Walker Trophy, honours the achievements of Alan Walker (1943) who represented Australia in both rugby and cricket. The trophy will be awarded each year to a boy in 6th form who has excelled in both a Summer and Winter sport.

Finally, I would like to thank the members of the Committee for their support during the year, Dr Vallance for his continuing support of the OSU and especially Erica Aronsten (Director of Development) who, with Wendy Scotter's able assistance, has taken over Gary's responsibilities of coordinating OSU's activities.

Tony Crawford
President
11 October 2005

OLD SYDNEIANS' UNION
(A.B.N. 83 000 207 438)

STATUTORY REPORT OF THE COMMITTEE

The Committee herewith submits the Financial Report for the year ended 30 June 2005 and reports as follows:

The Committee at the date of this report is as shown below.

J.J. BARKELL	Solicitor	
N.A. COTMAN	Barrister	
A.F. CRAWFORD	Solicitor	<i>President</i>
W.J.C. DIVE	Surveyor	
J.C. EDWARDS	Real Estate Agent and Registered Valuer	
D.G. FAIRLIE	Solicitor	
V.G. FERNANDES	Student	
D.M. GONSKI AO (Ex Officio)	Chairman of Trustees	
R.D. GOODMAN	Accountant	<i>Hon. Treasurer</i>
J.E. MASON	Teacher	
P.S. MAYSON	Student	
B.M.L. POTTER	Company Director	
E.A. SANDERS	Commercial Director	<i>Hon. Secretary</i>
W.A.C. SERVICE	Company Director	
L.M. SHOHMELIAN	Student	
Dr. J.T. VALLANCE (Ex Officio)	Headmaster	
N.S. VIDA	Company Director	

The Old Sydneians' Union is a company limited by guarantee and accordingly, every member of the Union, including each of the Committee Members, holds one share. No Committee member has any interest in a contract or proposed contract, being an interest which has not been declared at a Committee Meeting in accordance with sub-section 191(1) of the Corporations Act, 2001.

The principal activity of the Union is maintaining an association among the Old Boys of Sydney Grammar School.

The result of the Company for the year was an operating profit of \$81,561.

The review of operations is as set out in the President's Report on page 2.

There has been no significant change in the state of affairs of the Company during the financial year.

There are no likely developments in the operations of the Company which are anticipated to materially affect the results of the operations as compared to the current year.

Since the end of the previous financial year no Committee Member has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Committee members shown in the accounts, or the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Committee Member or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Committee,

Sydney
11 October 2005

A.F. CRAWFORD *President*
R.D. GOODMAN *Hon. Treasurer*

OLD SYDNEIANS' UNION
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DIRECTORS' DECLARATION

In accordance with a resolution of the Committee of the Old Sydneians' Union, in the opinion of the Directors:

- (i) the financial report of the Company is drawn up so as to give a true and fair view of the performance of the Company for the year ended 30 June 2005 and the financial position as at that date; and
- (ii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The financial report has been made out in accordance with applicable Accounting Standards and Corporations Regulations.

SYDNEY
11 October 2005

A.F. CRAWFORD
President
R.D. GOODMAN
Hon. Treasurer

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
INCOME			
Subscriptions		48,160	47,600
Distribution from Managed Funds		962	-
Dividends		6,924	6,774
Interest		3,715	5,327
Reunions and Functions		66,617	51,165
Sale of Goods		2,788	12,000
Profit on Sale of Investments		23,992	-
Unrealised Gain on Managed Funds		<u>26,897</u>	<u>-</u>
		<u>180,055</u>	<u>122,866</u>
EXPENSES			
Affiliation Fees - GPS Old Boys' Union		150	150
Auditor's Remuneration - Audit		1,500	1,500
-Other Services		5,200	4,150
Bank Charges & Card Fees		1,736	1,651
Membership and Sports Ties		3,544	17,891
General		1,136	1,023
OSU Scholarship		5,000	5,000
Postage		2,832	465
Printing and Stationery		4,956	4,338
Reunions and Functions		70,380	52,556
Software		-	5,000
Website		<u>2,060</u>	<u>988</u>
		<u>98,494</u>	<u>94,712</u>
OPERATING PROFIT before income tax		81,561	28,154
Income tax expense	2	-	-
Retained Profits – 1 July 2004		<u>225,304</u>	<u>197,150</u>
Retained Profits - 30 June 2005		<u>\$306,865</u>	<u>\$225,304</u>

OLD SYDNEIANS' UNION
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Notes	2005 \$	2004 \$
CURRENT ASSETS			
Cash at Bank.		1,045	6,682
Cash on Deposit (NAB 5.3%; UBS 4.4%)		104,735	47,025
Inventories, at Cost		14,414	7,595
Prepayments		636	136
GST Recoverable		981	4,721
TOTAL CURRENT ASSETS		<u>121,811</u>	<u>66,159</u>
NON-CURRENT ASSETS			
Investments in Equities	3	49,752	50,900
Investments in Managed Funds	4	138,302	111,405
TOTAL NON-CURRENT ASSETS		<u>188,054</u>	<u>162,305</u>
TOTAL ASSETS		<u>309,865</u>	<u>228,464</u>
CURRENT LIABILITIES			
Creditors		3,000	3,160
TOTAL CURRENT LIABILITIES		<u>3,000</u>	<u>3,160</u>
NET ASSETS		<u>\$306,865</u>	<u>\$225,304</u>
RESERVES			
Retained Profits		306,865	225,304
TOTAL RESERVES		<u>\$306,865</u>	<u>\$225,304</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

		2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Subscriptions, Functions and Reunions		114,777	98,755
Interest Received		2,172	5,327
Dividends/Distributions Received		7,886	6,774
Sales Revenue		2,788	12,000
Payments to Suppliers		(95,690)	(102,748)
Scholarship		(5,000)	(5,000)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>26,933</u>	<u>15,108</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Managed Funds (UBS)	4	-	(100,000)
Sale of Equities (BHP 2,000)		25,140	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		<u>25,140</u>	<u>(100,000)</u>
NET INCREASE/(DECREASE) IN CASH HELD		52,073	(84,892)
Cash – 1 July 2004		53,707	138,599
CASH – 30 June 2005		<u>\$105,780</u>	<u>\$53,707</u>
Comprised as:-			
Cash at Bank		1,045	6,682
Cash Management Account (UBS)		18,192	47,025
Cash on Deposit (NAB)		86,543	-
CASH – 30 June 2005		<u>\$105,780</u>	<u>\$53,707</u>

The accompanying notes form an integral part of these statements.

OLD SYDNEIANS' UNION
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NOTES TO THE REPORT

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The report has been prepared on the basis of historical costs and, except where stated, do not take into account current valuations of equity investments.

(a) Investments in equities

Investments are recorded at the lower of aggregate cost and market value. Dividend income is recorded when received.

(b) Investments in managed funds

Investments are recorded at the market value at year end. Distributions received are reinvested unless paid out in cash and are recorded when received.

2005	2004
\$	\$

2. INCOME TAX

The prima facie tax on operating profit is reconciled to the income tax provided in the accounts as follows:

Prima facie tax payable at 30% of operating profit	24,468	8,446
Tax effect of:		
Unrealised gain not taxable	(8,069)	-
Capital gain not taxable	(7,198)	-
Income not taxable	(35,269)	(33,229)
Expenses not deductible	<u>26,068</u>	<u>24,783</u>
Income Tax Expense	<u>-</u>	<u>-</u>

3. INVESTMENTS IN EQUITIES

At Cost	<u>49,752</u>	<u>50,900</u>
Aggregate Market Value	<u>149,783</u>	<u>154,500</u>

(a) Comprised as follows:

	COST	MARKET @ 30th June 2005
BHP Billiton (2,130)	-	38,532
Bluescope (826)	-	6,790
GPT (8,750)	19,775	32,375
Onesteel (500)	1,320	1,315
Telstra (5,000)	24,700	25,100
Westpac (2,287)	<u>3,957</u>	<u>45,671</u>
	<u>49,752</u>	<u>149,783</u>

4. INVESTMENTS IN MANAGED FUNDS

At Cost	<u>111,405</u>	<u>111,405</u>
Aggregate Market Value	<u>138,302</u>	<u>110,719</u>

(a) Comprised as follows:

	COST	MARKET @ 30th June 2005
CFS - Future Leaders (2,696)	11,405	11,936
UBS - Property (32,294)	50,000	62,205
- Australian Shares (25,020)	<u>50,000</u>	<u>64,161</u>
	<u>111,405</u>	<u>138,302</u>

5. RELATED PARTIES

The members of the Committee receive no remuneration.

OLD SYDNEIANS' UNION
(A.B.N. 83 000 207 438)

AUDITORS REPORT TO THE MEMBERS OF THE OLD SYDNEIANS' UNION

SCOPE

I have audited the financial report of the Old Sydneians' Union as set out on pages 3 to 6.

The Union's office-bearers are responsible for the preparation and presentation of this financial report. I have conducted an independent audit of it in order to express an opinion to the members of the Union.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the Accounting Standards and statutory requirements in Australia so as to present a view which is consistent with my understanding of the Union's financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

QUALIFICATION

As is common for organisations of this type, it is not practicable for the Old Sydneians' Union to maintain an effective system of internal control over reunions, functions and sale of goods until their entry in the accounting records. Accordingly my audit in relation to income was limited to the amounts recorded.

OPINION

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of the Old Sydneian's Union is in accordance with:

(a) the Corporations Act 2001 including:

- (i) giving a true and fair view of the Company's financial position as at 30 June, 2005 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations; and

(b) other mandatory professional reporting requirements.

G.D. WOOD F.C.A.
Chartered Accountant

NORTH SYDNEY
11 October 2005

AUDITOR'S INDEPENDENCE DECLARATION

As auditor of the Old Sydneians Union for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of the Old Sydneians Union.

G.D.WOOD F.C.A.
Registered Company Auditor 4479
Liability is limited by the Accountant's Scheme
under the Professional Standards Act 1994 (NSW)

NORTH SYDNEY
11 October 2005.