



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-NINTH ANNUAL REPORT

*TO BE PRESENTED AT THE FORTY-NINTH ORDINARY GENERAL MEETING
ON TUESDAY, 5 DECEMBER 2006 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 – 06 A.F. CRAWFORD

OFFICE-BEARERS AS AT 10 OCTOBER 2006

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

Committee – Elected

J.J. BARKELL	D.G. FAIRLIE	W.A.C. SERVICE
A.A. BOSKOVITZ	A.J. LIM	L.M. SHOHMELIAN
N.A. COTMAN	J.E. MASON	N.S. VIDA
W.J.C. DIVE	B.M.L. POTTER	
J.C. EDWARDS	L.W. RENSHAW	

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-Ninth 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, 5 December 2006 at 6.00 pm.

BUSINESS:

1. To receive and, if thought fit, to adopt the Forty-Ninth Financial Report, Directors Report, and Auditors Report for the year ended 30 June, 2006.
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

10 October 2006

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 Thursday 30 November 2006.

OLD SYDNEIANS' UNION

President's Report 2006

I have pleasure in presenting the OSU's annual report for the year ended 30 June 2006.

The year was marked by three significant events. On 9 September 2005 our Annual Dinner was held in the Strangers Dining Room at Parliament House. The evening was hosted by Andrew Tink MP, Shadow Attorney General and Member for Epping (OS 1971). Our special guest and famous Old Boy, was Charles 'Bud' Tingwell AM, who left Grammar in 1940. Bud had little difficulty in regaling those present with an array of anecdotes from his career of over 60 years as one of Australia's most loved actors.

As this year's ANZAC Assembly and Veterans' lunch marked the 40th anniversary of the battle of Long Tan, the occasion paid special tribute to those who fought in Vietnam. The luncheon address was given by Ian Mackay (OS 1950) who saw active service in Vietnam commanding B Company 6th battalion.

The OSU's scholarship for 2005 was awarded to Andrew Haymet. His contribution to the life of the School was recognised at a Scholar's Dinner held in Big School in May 2006. Andrew was in good company this year as his award was made in the presence of 34 previous recipients who attended the dinner with their partners and members of the Committee to help celebrate the occasion. Unfortunately the oldest living scholar, Humfrey Deck (OS 1935) could not join us for the evening as he now lives in Scotland. However, a reading of his message of congratulations to Andrew and his support for the School was warmly received.

Nine reunions were held during the year. Three, in particular, were well attended events in Big School for the leavers in 1965, 1975 and a combined event for the 1960 and 1961 leavers. The OSU and a good number of its members also gave their support to a tribute dinner, hosted by the Foundation, to the great commentator, Alan McGilvray (OS 1928). The event was attended by a number of the McGilvray family, including Alan's son Ross (OS1955-56).

Two new awards in memory of two Old Boys were presented to the School during the year. The first, sponsored by the OSU, is the Boy Charlton Trophy, for the senior swimming champion of the School. The first recipient was Michael Goldstein in Year 12. The second trophy was presented to the School by John Ulm (OS 1938) in memory of his father, Charles Ulm, and will be awarded to an air force cadet who displays outstanding ability with respect to flying training.

As will be seen from the accompanying accounts, the OSU continues to enjoy a sound financial position. Over the last few years we have been extremely fortunate to have had available to us Ralph Goodman's expertise as our Honorary Treasurer. Unfortunately Ralph has been unable to continue on the Committee due to ill health and we wish him all the best for a speedy recovery.

I would also like to take this opportunity of thanking the other members of the Committee for their support during the year, particularly Ed Day, Paul Mayson and Viv Fernandes who retired from the Committee during the year and to our most recent members, Lachlan Renshaw, Andrew Lim and Anthony Boskovitz. My thanks too to the Headmaster, Dr Vallance, for his continuing support of the Union and, of course, Erica Aronsten (Director of Development) and Wendy Scotter, who have been tireless in their support and administration of our activities during another busy year.

Tony Crawford
President
September 2006

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 2006 and reports as follows:

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

J.J. BARKELL	Solicitor	
A.A. BOSKOVITZ	Student	
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	
D.M. GONSKI AO (Ex Officio)	Chairman of Trustees	
R.D. GOODMAN	Accountant	<i>Hon. Treasurer</i>
A.J. LIM	Management Consultant	
J.E. MASON	Teacher	
B.M.L. POTTER	Company Director	
L.W. RENSHAW	Student	
E.A. SANDERS	Commercial Director	<i>Hon. Secretary</i>
W.A.C. SERVICE	Company Director	
L.M. SHOHELIAN	Solicitor	
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 after tax of \$42,456.

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
10 October 2006

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

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

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 2006 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
10 October 2006

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

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
INCOME			
Subscriptions		50,680	48,160
Distribution from Managed Funds		8,218	962
Dividends		8,026	6,924
Interest		6,599	3,715
Reunions and Functions		60,424	66,617
Sale of Goods		909	2,788
Profit on Sale of Investments		-	23,992
Unrealised Gain on Managed Funds		<u>18,543</u>	<u>26,897</u>
		<u>153,399</u>	<u>180,055</u>
EXPENSES			
Affiliation Fees - GPS Old Boys' Union		150	150
Auditor's Remuneration - Audit		1,600	1,500
-Other Services		6,800	5,200
Bank Charges & Card Fees		2,424	1,736
Donations		1,654	-
Membership and Sports Ties		8,384	3,544
General		160	1,136
OSU Scholarship		5,000	5,000
Photographs		2,100	-
Postage		-	2,832
Printing and Stationery		3,155	4,956
Reunions and Functions		60,093	70,380
Trophy		1,309	-
Website		<u>2,486</u>	<u>2,060</u>
		<u>95,315</u>	<u>98,494</u>
OPERATING PROFIT before income tax		58,084	81,561
Income tax expense	2/4	(15,628)	-
Retained Profits – 1 July 2005		<u>306,865</u>	<u>225,304</u>
Retained Profits - 30 June 2006		<u>\$349,321</u>	<u>\$306,865</u>

OLD SYDNEIANS' UNION
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BALANCE SHEET AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash at Bank.		20,647	1,045
Cash on Deposit (NAB 5.5%; UBS 4.56%)		131,167	104,735
Inventories, at Cost		9,454	14,414
Prepayments		4,030	636
GST Recoverable		<u>1,426</u>	<u>981</u>
TOTAL CURRENT ASSETS		<u>166,724</u>	<u>121,811</u>
NON-CURRENT ASSETS			
Investments in Equities	3	49,752	49,752
Investments in Managed Funds	4	<u>163,499</u>	<u>138,302</u>
TOTAL NON-CURRENT ASSETS		<u>213,251</u>	<u>188,054</u>
TOTAL ASSETS		<u>379,975</u>	<u>309,865</u>
CURRENT LIABILITIES			
Creditors		15,026	3,000
Deferred tax	5	<u>15,628</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>30,654</u>	<u>3,000</u>
NET ASSETS		<u>\$349,321</u>	<u>\$306,865</u>
RESERVES			
Retained Profits		<u>349,321</u>	<u>306,865</u>
TOTAL RESERVES		<u>\$349,321</u>	<u>\$306,865</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Subscriptions, Functions and Reunions	111,104	114,777
Interest Received	6,599	2,172
Dividends/Distributions Received	16,243	7,886
Sales Revenue	909	2,788
Payments to Suppliers	(83,821)	(95,690)
Scholarship	<u>(5,000)</u>	<u>(5,000)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>46,034</u>	<u>26,933</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Equities (BHP 2,000)	<u>-</u>	<u>25,140</u>
NET CASH INFLOW FROM INVESTING ACTIVITIES	<u>-</u>	<u>25,140</u>
NET INCREASE IN CASH HELD	46,034	52,073
Cash – 1 July 2005	<u>105,780</u>	<u>53,707</u>
CASH – 30 June 2006	<u>\$151,814</u>	<u>\$105,780</u>
Comprised as:-		
Cash at Bank	20,647	1,045
Cash Management Account (UBS)	19,026	18,192
Cash on Deposit (NAB)	<u>112,141</u>	<u>86,543</u>
CASH – 30 June 2006	<u>\$151,814</u>	<u>\$105,780</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. The unrealised gain is subjected to tax and disclosed as deferred capital gains tax in the balance sheet.

(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.

2006	2005
\$	\$

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	17,425	24,468
Tax effect of:		
Unrealised gain not taxable	(7,559)	(8,069)
Capital gain not taxable	-	(7,198)
Income not taxable	(38,477)	(35,269)
Expenses not deductible	<u>28,611</u>	<u>26,068</u>
Income Tax Expense	<u>-</u>	<u>-</u>

3. INVESTMENTS IN EQUITIES

At Cost	<u>49,752</u>	<u>49,752</u>
Aggregate Market Value	<u>183,280</u>	<u>149,783</u>

(a) Comprised as follows:

	COST	MARKET @ 30th June 2006
BHP Billiton (2,130)	-	61,770
Bluescope (826)	-	6,567
GPT (8,750)	19,775	37,975
Onesteel (500)	1,320	5,372
Telstra (5,000)	24,700	18,400
Westpac (2,287)	<u>3,957</u>	<u>53,196</u>
	<u>49,752</u>	<u>183,280</u>

Telstra is the only holding where cost exceeds year end market value. Due to the current uncertainty re the future of T3, the directors do not believe the deficiency is permanent.

4. INVESTMENTS IN MANAGED FUNDS

At Cost	<u>111,405</u>	<u>111,405</u>
Aggregate Market Value	<u>163,499</u>	<u>138,302</u>

(a) Comprised as follows:

	COST	MARKET @ 30th June 2006
CFS - Future Leaders (2,729)	11,405	12,091
UBS - Property (37,900)	50,000	79,376
- Australian Shares (32,028)	<u>50,000</u>	<u>72,032</u>
	<u>111,405</u>	<u>163,499</u>

Unrealised gain of \$52,094, a deferred capital gains tax liability of \$15,628 has been charged in the Income statement.

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, 2006 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
10 October 2006

AUDITOR'S INDEPENDENCE DECLARATION

As auditor of the Old Sydneians Union for the year ended 30 June 2006, 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
10 October 2006