



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.*



FIFTIETH ANNUAL REPORT

*TO BE PRESENTED AT THE FIFTIETH ORDINARY GENERAL MEETING
ON TUESDAY 4 DECEMBER 2007 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 16 OCTOBER 2007

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

<i>President:</i>	A.F. CRAWFORD	<i>London Branch President:</i>	DR 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. BEAR
<i>Chairman of Trustees:</i>	MR. D.M. GONSKI AO	<i>ACT Branch Chairman:</i>	M. WATTS
<i>Headmaster:</i>	DR J.T. VALLANCE	<i>Hong Kong Branch Chairman:</i>	D.W. LAW

Committee – Elected

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

Hon. Secretary
A.J. LIM

Hon. Treasurer
G.D. WOOD

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 Fiftieth 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 4 December 2007 at 6.00 pm.

BUSINESS:

1. To receive and, if thought fit, to adopt the Fiftieth Financial Report, Directors Report, and Auditors Report for the year ended 30 June, 2007.
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

16 October 2007

By Order of the Committee
A.J. LIM *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 29 November, 2007.

OLD SYDNEIANS' UNION

President's Report 2007

I have pleasure in presenting the OSU's annual report for the year ending June 2007.

The year was highlighted by a number of events. Our Annual Dinner, on Saturday 19 August 2006 at The American Club, proved to be a huge success and showcased the talents of some outstanding Old Sydneians. The Guest speaker was award winning journalist Tim Palmer (Gold Walkley) and we were entertained by the Chaser team, Chas Licciardello and Dominic Knight, and *Back in Black*, the acclaimed a cappella singing group.

The OSU Great Debate held in Big School on Tuesday 12 September 2006 was another crowd pleaser, with Big School filled to capacity to hear a lively debate on a testing topic – "that the HSC should be abolished". In the role of moderator was The Hon. John Aquilina MP with OSU committee member, Nigel Cotman SC as convener. The School team came up against the considerable talents of Paul Fletcher (OS 1962), Professor David Celermajer (OS 1978) and Patrick Bateman (OS 2005).

In 2007 the School celebrated the sesquicentenary of the arrival of the first boys in 1857. To mark the occasion the OSU has donated \$300,000 to the School's capital appeal for the refurbishment of the Weigall pavilion. The donation will be paid by way of an initial payment this year of \$150,000 and the balance by way of five annual instalments of \$30,000 each. The OSU will be recognised for this contribution in the naming of the main function room in the refurbished pavilion.

To mark this historic occasion, the OSU also made it possible for the School to publish a book of photographs by two of our famous old boys, Max Dupain and Rex Dupain. Max Dupain left Grammar in 1930 and went on to become one of Australia's best loved photographers. Rex Dupain left Grammar in 1972 and has built a career as one of the leading photographers at work in Australia. In 2004, he was asked as a Visiting Fellow, to compile a photographic portrait of daily life at Grammar. The result is a unique collection of very personal images in the life of several generations of Sydney Grammar.

The Anzac Assembly and lunch held on 27 April 2007 proved to be a memorable occasion as we reflected on the journey taken by the boys in April to the battlefields of the First World War where they paid tribute to fallen Old Sydneians. Head of History, David Patrick led a tour of the World War I battlefields during the Easter holidays.

The School has honoured notable Old Sydneians from the past with a unique panel display which features 33 old boys drawn from diverse backgrounds including the law, business, media, sport and the arts. This display was created as part of the School's sesquicentenary celebrations.

The OSU scholarship for 2007 was awarded to Jason Pho. In addition to his high academic achievement, Jason has maintained an impressive level of involvement with extra curricular activities at the School. His contribution to the life of the School was recognised at a scholars' dinner held on 1 May 2007.

In addition to our annual events, six reunions were held during the year, all of which were well supported. We are especially encouraged with the response to reunions such as the 2002, five - year reunion, which attracted 81 attendees.

It has also been pleasing to see renewed activity in both the ACT and Queensland OSU branches with the appointment of Matthew Watts (ACT) and Robert Johnson (Queensland) as Chairman. We look forward to maintaining closer contact with Old Sydneians from those states in the future. The Victorian branch continues to be active under the leadership of Tim Healey. Their annual dinner was held on 5 October 2006 at the traditional venue, The Athenaeum Club. The London and UK Branch held their Annual Dinner on 20 October 2006 and are kept in contact with the School through the Headmaster's video postcards. Adrian Jack is the new President and James Aitken has been appointed Secretary. We are very grateful for the significant contribution that their predecessors, Kenneth Deane and Ian Wyness have made to the London branch over many years.

There were several changes to the main Committee during the past year. Due to ill health, Ralph Goodman stepped down as Treasurer and was replaced by Doug Wood. Andrew Lim replaced Ed Sanders as Secretary. I would like to take the opportunity to thank Ralph and Ed for their valuable contribution to the Committee. In addition, we welcome Robert Chiu and Andrew Buckley as new members to the committee.

I will be stepping down as President when my three year term comes to an end in December 2007 and I would like to take this opportunity of thanking all the members of the Committee for their great support over those years. I would also like to thank Dr Vallance for his continuing support of the OSU during that time. And finally we continue to enjoy the tireless support of Erica Aronsten (Director of Development) and Wendy Scotter, for which we are extremely grateful.

Tony Crawford

President

16 October, 2007

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 2007 and reports as follows:

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

J.J. BARKELL	Solicitor	
A.A. BOSKOVITZ	Councillor	
A. BUCKLEY	Student	
P.R. CHIU	Finance	
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	
A.J. LIM	Management Consultant	<i>Hon. Secretary</i>
J.E. MASON	Teacher	
B.M.L. POTTER	Company Director	
L.W. RENSHAW		
W.A.C. SERVICE	Company Director	
L.M. SHOHMELIAN	Student	
Dr. J.T. VALLANCE (Ex Officio)	Headmaster	
N.S. VIDA	Company Director	
G.D. WOOD	Chartered Accountant	<i>Hon. Treasurer</i>

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 loss after tax of \$11,426.

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 except for \$9,400 of bookkeeping services performed by the Treasurer's accounting partnership, Foster Raffan.

For and on behalf of the Committee,

Sydney
16 October, 2007

A.F. CRAWFORD *President*
G.D. WOOD *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 2007 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
16 October, 2007

A.F. CRAWFORD
President
G.D. WOOD
Hon. Treasurer

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
INCOME			
Subscriptions		47,553	50,680
Distribution from Managed Funds		2,729	8,218
Dividends		4,503	8,026
Interest		13,857	6,599
Reunions and Functions		26,007	60,424
Sale of Goods		-	909
Profit on Sale of Investments		78,714	-
Unrealised Gain on Managed Funds (UBS)		45,353	18,543
Unrealised Gain on Equity (BHP)		<u>63,900</u>	-
		<u>282,616</u>	<u>153,399</u>
EXPENSES			
Affiliation Fees - GPS Old Boys' Union		-	150
Auditor's Remuneration		2,000	1,600
Bookkeeping		9,400	6,800
Bank Charges		1,130	2,424
Donations	3	150,250	1,654
Membership and Sports Function Ties		13,178	8,384
General		1,175	160
OSU Scholarship		5,000	5,000
Photographs		-	2,100
Printing and Stationery		2,664	3,155
Reunions and Functions		41,561	60,093
Trophy		-	1,309
Website		<u>1,000</u>	<u>2,486</u>
		<u>227,358</u>	<u>95,315</u>
OPERATING PROFIT before income tax		55,258	58,084
Income tax expense	2	(66,684)	(15,628)
OPERATING (LOSS)/PROFIT after income tax		(11,426)	42,456
Retained Profits – 1 July 2006		<u>349,321</u>	<u>306,865</u>
Retained Profits - 30 June 2007		<u>\$337,895</u>	<u>\$349,321</u>

OLD SYDNEIANS' UNION
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BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash at Bank		43,702	20,647
Cash on Deposit (NAB 6.45%; UBS 5.29%)		227,102	131,167
Inventories, at Cost		12,163	9,454
Prepayments		2,725	3,500
Dupain project	4	29,884	530
GST Recoverable		<u>712</u>	<u>1,426</u>
TOTAL CURRENT ASSETS		<u>316,288</u>	<u>166,724</u>
NON-CURRENT ASSETS			
Investment in Equities	5	63,900	49,752
Investments in Managed Funds	6	<u>196,761</u>	<u>163,499</u>
TOTAL NON-CURRENT ASSETS		<u>260,661</u>	<u>213,251</u>
TOTAL ASSETS		<u>576,949</u>	<u>379,975</u>
CURRENT LIABILITIES			
Creditors		13,200	15,026
Provision for Weigall donation	3	150,000	-
Deferred tax	6	48,170	15,628
Income tax	2	<u>27,684</u>	-
TOTAL CURRENT LIABILITIES		<u>239,054</u>	<u>30,654</u>
NET ASSETS		<u>\$337,895</u>	<u>\$349,321</u>
RESERVES			
Retained Profits		337,895	349,321
TOTAL RESERVES		<u>\$337,895</u>	<u>\$349,321</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Subscriptions, Functions and Reunions	73,560	111,104
Interest Received	13,857	6,599
Dividends/Distributions Received	7,232	16,243
Sales Revenue	-	909
Payments to Suppliers (including Dupain)	(96,161)	(83,821)
Scholarship	(5,000)	(5,000)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	<u>(6,512)</u>	<u>46,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Equities	<u>125,502</u>	-
NET CASH INFLOW FROM INVESTING ACTIVITIES	<u>125,502</u>	<u>-</u>
NET INCREASE IN CASH HELD	118,990	46,034
Cash – 1 July 2006	<u>151,814</u>	<u>105,780</u>
CASH – 30 June 2007	<u>\$270,804</u>	<u>\$151,814</u>
Comprised as:-		
Cash at Bank	43,702	20,647
Cash Management Account (UBS)	107,962	19,026
Cash on Deposit (NAB)	<u>119,140</u>	<u>112,141</u>
CASH – 30 June 2007	<u>\$270,804</u>	<u>\$151,814</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 market value at year end (2006 – at cost). This change in accounting policy has resulted in an after tax profit increase of \$44,730 in the current year. 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. The unrealised gain is subjected to tax and disclosed as deferred tax in the balance sheet (note 6).

	2007	2006
	\$	\$

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	16,577	17,425
Tax effect of:		
Deferred tax on unrealised gains (notes 5 & 6)	32,542	15,628
Unrealised gain not taxable	(32,776)	(5,563)
Capital gain taxable	27,944	-
Income not taxable	(47,633)	(56,101)
Expenses not deductible	64,298	28,611
Underprovision in prior year	<u>5,732</u>	-
Income Tax Expense	<u>66,684</u>	<u>-</u>

3. DONATION RE WEIGALL PAVILION

During the 17 October 2006 Committee meeting it was unanimously resolved to divest numerous shareholdings in public companies under the guidance of UBS and transfer the proceeds to the cash management account. The funds are being held awaiting remittance to the School in support of the Unions commitment to assist in funding of a new Pavilion at Weigall. It was unanimously resolved by the Committee to commit \$300,000 to this project to be paid by way of initial payment of \$150,000 and the balance in 5 equal instalments of \$30,000 during the financial years 2008 to 2012. At year end and at the date of this report the School had not requested the initial payment.

4. DUPAIN PROJECT

The Dupain Project "Inside Sydney Grammar School" has been an ongoing commitment during the financial year.

Expenditure deferred	60,380	530
Less: Proceeds from book sales prior to launch	(30,496)	-
Deferred at 30 June 2007	<u>29,884</u>	<u>530</u>

On 13 September, 2007 the official launch of the book took place and sales subsequent to year end in excess of \$30,000 have been achieved. Future sales in excess of \$29,884 will be brought to account as revenue in the year the sale occurs.

5. INVESTMENT IN EQUITIES

At Market Value	<u>63,900</u>	<u>183,280</u>
At Cost	<u>-</u>	<u>49,752</u>

Unrealised gain is on BHP Billiton (2,130 shares) of \$63,900 (2006 -\$Nil). The deferred capital gains tax liability of \$19,170 (2006- \$Nil) has been recognised in Note 2.

6. INVESTMENTS IN MANAGED FUNDS

Aggregate Market Value	<u>196,760</u>	<u>163,499</u>
UBS - Property Securities Fund (39,953)	94,841	72,032
- Australian Share Fund (33,742)	101,920	79,376
CFS - Future Leaders	-	<u>12,091</u>
	<u>196,761</u>	<u>163,499</u>

Unrealised gain of \$96,760, (2006 - \$52,094). The deferred capital gains tax liability of \$29,000 (2006 - \$15,628) has been recognised in note 2.

7. RELATED PARTIES

The members of the Committee receive no remuneration.

OLD SYDNEIANS' UNION
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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 7.

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, 2007 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.

P.C. WILLIAMS
Registered Company Auditor 3261

CHATSWOOD
16 October, 2007.

AUDITOR'S INDEPENDENCE DECLARATION

As auditor of the Old Sydneians Union for the year ended 30 June 2007, 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.

P.C. WILLIAMS
Registered Company Auditor 3261
Liability is limited by the Accountant's Scheme
under the Professional Standards Act 1994 (NSW)

CHATSWOOD
16 October, 2007.