



OLD SYDNEIANS' UNION

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

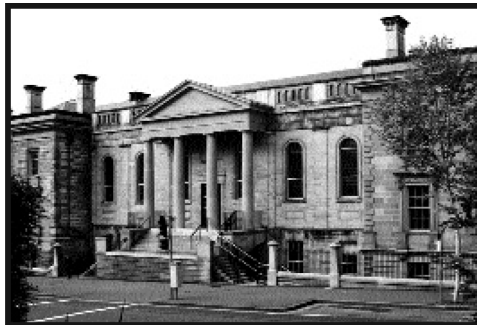
*Originally known as the Sydney Grammar School Old Boys' Union
which was founded at the School on 22 September 1893.*



FIFTY-FIRST ANNUAL REPORT

*TO BE PRESENTED AT THE FIFTY-FIRST ORDINARY GENERAL MEETING
ON TUESDAY 2 DECEMBER 2008 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. BRIDLAND
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, AC	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	2004-07 A.F. CRAWFORD
	2007- L.M.SHOHMELIAN

OFFICE-BEARERS AS AT 16 OCTOBER 2008

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

<i>President:</i>	L.M. SHOHMELIAN	<i>London Branch President:</i>	A.L.R. JACK
<i>Immediate Past President:</i>	A.F. CRAWFORD	<i>Victorian Branch Chairman:</i>	DR T.C. HEALEY
<i>Committee – Ex Officio</i>		<i>Queensland Branch Chairman:</i>	R.S. JOHNSON
<i>Chairman of Trustees:</i>	MR. D.M. GONSKI AC	<i>ACT Branch Chairman:</i>	M.J.M. WATTS
<i>Headmaster:</i>	DR J.T. VALLANCE	<i>Hong Kong Branch Chairman:</i>	D.W. LAW

Committee – Elected

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

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 Fifty-First 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 2 December 2008 at 6.00 pm.

BUSINESS:

1. To receive and, if thought fit, to adopt the Fifty-First Financial Report, Directors Report, and Auditors Report for the year ended 30 June, 2008.
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

14 October 2008

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 27 November, 2008.

OLD SYDNEIANS' UNION
President's Report 2008

I have pleasure in presenting the OSU's annual report for the year ended 30 June 2008 and delivering my first President's Report.

The year was marked by many significant events. The first, our Annual Dinner, marked a celebration of the School's sesquicentenary – the 150th anniversary of the arrival of the first boys to College Street. The Dinner was held in The Strangers' Dining Room at NSW Parliament House. Over 350 Old Sydneians were in attendance to hear from a prominent old boy, The Hon. Malcolm Turnbull MP (OS 1972), the current Federal Opposition Leader.

Dinners to celebrate the School's sesquicentenary were also held in Brisbane, Melbourne and London.

As this year's ANZAC Assembly marked the 90th anniversary of the battle of Villiers-Bretonneux and the ending of the First World War, the occasion paid special tribute to those who fought in that battle. The address was given by Mr David Patrick, Head of History at the School, who reflected on the personal stories of five Old Sydneians who fought in that battle.

The OSU's Scholarship for 2008 was awarded to David Southwood. His contribution to the life of the School, which includes rugby, peer support and the arts, was recognised at a Scholar's Dinner held at the Headmaster's residence in May 2008. We wish David all the best in his future endeavours and look forward to hearing of his many successes.

This year's Great Debate attracted a large number of high profile attendees and was chaired by our Patron, The Hon. Sir Anthony Mason AC KBE (OS 1941-42). Representing the OSU and arguing the point that "the 20/20 was a waste of time" were Dr Douglas Golding (OS 1948), Mr Mark Tedeschi QC (OS 1969) and Mr Paul Karp (OS 2007).

Many reunions were held during the year and, as always, these continue to be a critical part of the OSU's activities. Big School has become the venue of choice for many of our reunion organisers and I encourage the responsible use of that and other School facilities in organising future reunions.

This year marked the selection of an old boy and OSU Committee member as an Australian Olympian. Lachlan Renshaw (OS 2005) was selected to run in the Men's 800m event at the Beijing Olympics.

As will be seen from the accompanying accounts, the OSU continues to enjoy a sound financial position despite today's challenging financial climate. We have now accounted for \$180,000 of our \$300,000 commitment to the School for the refurbishment of the Weigall Pavilion and we can now announce the refurbished function room in the pavilion will be called *The Old Sydneians' Room*.

On this note, I would like to thank our Honorary Treasure, Doug Wood, for his efforts throughout the year, and also Andrew Lim, our Honorary Secretary, as well as all our committee members.

My sincere thanks also goes 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.

Leon Shohmelian
President
October 2008

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 2008 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	
R.P. CHIU	Finance	
N.A. COTMAN	Barrister	
A.F. CRAWFORD	Solicitor	
W.J.C. DIVE	Surveyor	
J.C. EDWARDS	Real Estate Agent and Registered Valuer	
N. EVANS	Company Director	
D.G. FAIRLIE	Solicitor	
A.J. LIM	Management Consultant	<i>Hon. Secretary</i>
J.E. MASON	Solicitor	
B.M.L. POTTER	Company Director	
L.W. RENSHAW	Student	
W.A.C. SERVICE	Company Director	
L.M. SHOHELIAN	Solicitor	<i>President</i>
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 profit after tax of \$47,118.

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 \$9,100 of bookkeeping and taxation services performed by the Treasurer's accounting partnership, Foster Raffan. At the 3 June 2008 Committee meeting it was unanimously resolved to gift Mr L.W. Renshaw, a Committee member, \$4,000 in recognition of his selection in the Australian Olympic team for the Beijing Games.

For and on behalf of the Committee,

Sydney
14 October, 2008

L.M. SHOHELIAN *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 2008 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
14 October, 2008

L.M. SHOHMELIAN
President
G.D. WOOD
Hon. Treasurer

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
INCOME			
Subscriptions		55,500	47,553
Distribution from Managed Funds		28,570	2,729
Dividends		1,397	4,503
Donations		1,250	-
Interest		16,386	13,857
Reunions and Functions		110,280	26,007
Sale of Goods/Books		42,020	-
Profit on Sale of Investments		-	78,714
Unrealised (Loss)/Gain on Managed Funds (UBS)		(90,421)	45,353
Unrealised Gain on Equity (BHP)	5	<u>29,181</u>	<u>63,900</u>
		<u>194,163</u>	<u>282,616</u>
EXPENSES			
Affiliation Fees - GPS Old Boys' Union		636	-
Auditor's Remuneration		2,000	2,000
Bookkeeping/Tax services		9,100	9,400
Bank Charges		1,930	1,130
Donations	3	34,250	150,250
Membership and Sports Ties		4,712	13,178
General		115	1,175
OSU Scholarship		5,000	5,000
Printing and Stationery		6,719	2,664
Reunions and Functions		84,833	41,561
Website		<u>5,200</u>	<u>1,000</u>
		<u>154,495</u>	<u>227,358</u>
OPERATING PROFIT before income tax		39,668	55,258
Income tax credit/(expense)	2	<u>7,450</u>	<u>(66,684)</u>
OPERATING PROFIT/(LOSS) after income tax		47,118	(11,426)
Retained Profits – 1 July 2007		<u>337,895</u>	<u>349,321</u>
Retained Profits - 30 June 2008		<u>\$385,013</u>	<u>\$337,895</u>

OLD SYDNEIANS' UNION
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BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash at Bank		17,256	43,702
Cash on Deposit (NAB 7.75%; UBS 6.63%)		318,378	227,102
Inventories, at Cost		14,454	12,163
Prepayments		4,806	2,725
Dupain project	4	34,820	29,884
GST Recoverable		<u>-</u>	<u>712</u>
TOTAL CURRENT ASSETS		<u>389,714</u>	<u>316,288</u>
NON-CURRENT ASSETS			
Investment in Equities	5	93,081	63,900
Investments in Managed Funds	6	<u>134,909</u>	<u>196,761</u>
TOTAL NON-CURRENT ASSETS		<u>227,990</u>	<u>260,661</u>
TOTAL ASSETS		<u>617,704</u>	<u>576,949</u>
CURRENT LIABILITIES			
Creditors		14,294	13,200
Provision for Weigall donation	3	180,000	150,000
Deferred tax	5&6	38,397	48,170
Income tax	2	<u>-</u>	<u>27,684</u>
TOTAL CURRENT LIABILITIES		<u>232,691</u>	<u>239,054</u>
NET ASSETS		<u>\$385,013</u>	<u>\$337,895</u>
RESERVES			
Retained Profits		<u>385,013</u>	<u>337,895</u>
TOTAL RESERVES		<u>\$385,013</u>	<u>\$337,895</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	167,030	73,560
Interest Received	16,386	13,857
Dividends Received	1,397	7,232
Sales Revenue	42,020	-
Payments to Suppliers	(157,003)	(96,161)
Scholarship	<u>(5,000)</u>	<u>(5,000)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>64,830</u>	<u>(6,512)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Equities	<u>-</u>	<u>125,502</u>
NET CASH INFLOW FROM INVESTING ACTIVITIES	<u>-</u>	<u>125,502</u>
NET INCREASE IN CASH HELD	64,830	118,990
Cash – 1 July 2007	<u>270,804</u>	<u>151,814</u>
CASH – 30 June 2008	<u>\$335,634</u>	<u>\$270,804</u>
Comprised as:-		
Cash at Bank	17,256	43,702
Cash Management Account (UBS)	128	107,962
Cash on Deposit (NAB)	<u>318,250</u>	<u>119,140</u>
CASH – 30 June 2008	<u>\$335,634</u>	<u>\$270,804</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 where stated take into account current valuations of equity investments.

(a) Investments in equities

Investments are recorded at the market value at year end. 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.

(c) Deferred income tax

The unrealised gains are subjected to tax and disclosed as deferred tax in the balance sheet (notes 5 and 6).

	2008	2007
	\$	\$

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	11,900	16,577
Tax effect of:		
Deferred tax on unrealised gains (notes 5 & 6)	(9,773)	32,542
Unrealised loss not allowable	6,415	(32,776)
Capital gain taxable	-	27,944
Income not taxable	(62,340)	(47,633)
Expenses not deductible	46,348	64,298
Underprovision in prior year	-	5,732
Income Tax (Credit)/Expense	<u>(7,450)</u>	<u>66,684</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 with NAB 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 payment currently due of \$180,000.

4. DUPAIN PROJECT

The Dupain Project "Inside Sydney Grammar School" has been an ongoing commitment during the 2007 and 2008 financial years. At year end 1,741 unsold books on hand have been brought to account at cost of \$20 each.

5. INVESTMENT IN EQUITIES

At Market Value	<u>93,081</u>	<u>63,900</u>
At Cost	<u>-</u>	<u>-</u>

Unrealised gain is on BHP Billiton (2,130 shares) of \$93,081 (2007 -\$63,900). The deferred capital gains tax liability of \$27,924 (2007- \$19,170) has been recognised. Subsequent to year end the general share market decline has reduced the market value of this holding to \$66,030 as at 30 September 2008. No adjustment for this post balance sheet date decline has been reflected in the financial statements.

6. INVESTMENTS IN MANAGED FUNDS

Aggregate Market Value	<u>134,909</u>	<u>196,760</u>
UBS - Property Securities Fund (45,669)	48,532	94,841
- Australian Share Fund (51,776)	<u>86,377</u>	<u>101,920</u>
	<u>134,909</u>	<u>196,761</u>

Unrealised gain of \$34,909, (2007 - \$96,760). The deferred capital gains tax liability of \$10,473 (2007 - \$29,000) has been recognised.

Subsequent to year end the general share market decline has reduced the market value of these holdings to \$126,722 as at 30 September, 2008. No adjustment for this post balance sheet date decline has been reflected in the financial statements.

7. 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 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.

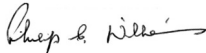
OPINION

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, 2008 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

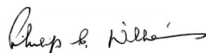
CHATSWOOD
15 October, 2008.

AUDITOR'S INDEPENDENCE DECLARATION

As auditor of the Old Sydneians Union for the year ended 30 June 2008, 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
15 October, 2008.