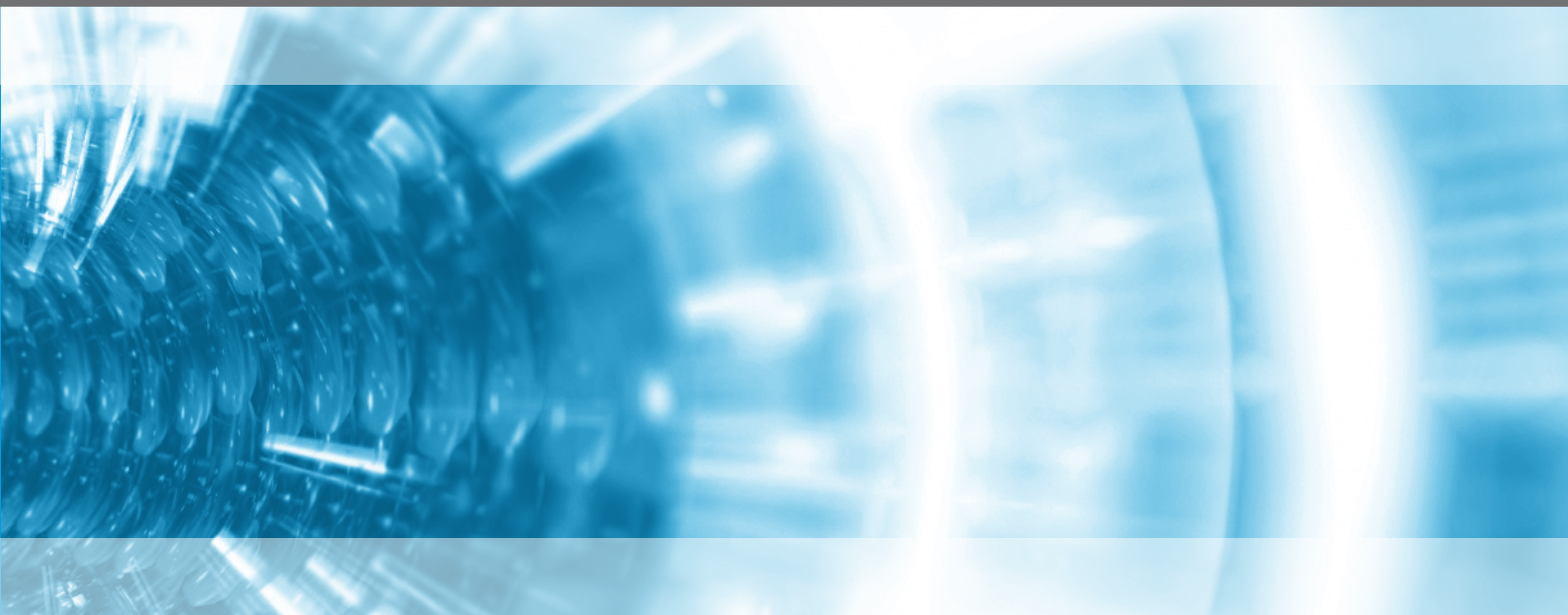


# Australian Synchrotron Company Limited

**ASCo** ABN 52 126 531 271

## Financial Statements for the year ended 30 June 2010

The Australian Synchrotron vision – to be the catalyst for the best scientific research and innovation in Australasia



The image used on the cover of this report is based on the image 'Lightbridge' created by the Melbourne-based digital artist, Chris Henshke. Chris is now undertaking a second artistic residency at the Australian Synchrotron funded by the Australian Network for Art and Technology (ANAT).

# Contents of the Financial Statements

Introduction	3
Glossary	3
Corporate Information	4
Directors' Report	5
Declaration from VAGO	12
Comprehensive Operating Statement	13
Balance Sheet	14
Statement of Changes in Equity	15
Cash Flow Statement	16
Notes to the Financial Statements	17
Note 1. Basis of Preparation	17
Note 2. Significant Accounting Policies	17
Note 3. Financial instruments and financial risk management objectives and policies	21
Note 4. Other revenue	24
Note 5. Auditor's remuneration	24
Note 6. Transfer of assets to ASHCo	25
Note 7. Cash and cash equivalents	25
Note 8. Trade and other receivables	25
Note 9. Trade and other payables	26
Note 10. Provision for employee benefits	26
Note 11. Members' guarantee	26
Note 12. Essential operating upgrade reserve	27
Note 13. Cash Flow Statement Reconciliation	27
Note 14. Key management personnel	28
Note 15. Commitments	28
Note 16. Contingencies	29
Note 17. Segment information	29
Note 18. Economic dependence	29
Directors' declaration	30
Independent Auditor's Report	31

# Introduction

3

The Australian Synchrotron is a national scientific research facility located at 800 Blackburn Road in the suburb of Clayton in Victoria. The Australian Synchrotron is managed under a dual entity structure, comprising two companies:

- Australian Synchrotron Company Limited (ASCo) is the management entity and has the exclusive right to operate, manage and develop the Australian Synchrotron assets under a lease with ASHCo
- Australian Synchrotron Holding Company (ASHCo) is the ownership entity and owns all the Australian Synchrotron assets

This document is Volume II of the Australian Synchrotron Annual Report and includes the Financial Statements of the Australian Synchrotron Company Limited (ASCo).

ASCo is a public unlisted and not for profit company incorporated in Australia on 13 July 2007. The Company is limited by guarantee, which operates assets leased to it by the Australian Synchrotron Holding Company Proprietary Limited (ASHCo). ASCo is responsible for overseeing all operations of the Australian Synchrotron and has responsibility for securing ongoing funding for the operation of the Australian Synchrotron and for obtaining funding for upgrades to the facility.

The Financial Statements included in this volume have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards.

An overview of the key activities and achievements of the Australian Synchrotron over 2009-2010 is provided in Volume I of the Annual Report. This report is a public document and is freely available on the Australian Synchrotron website at [www.synchrotron.org.au](http://www.synchrotron.org.au).

## Glossary

ASCo	Australian Synchrotron Company Limited. The operating company for the Australian Synchrotron
ASHCo	Australian Synchrotron Holding Company Proprietary Limited. The owner of the Australian Synchrotron assets.
AAMRI	Association of Australian Medical Research Institutes
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ANSTO	Australian Nuclear Science and Technology Organisation
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DIIRD	Department of Innovation, Industry and Regional Development, Victoria
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
MPV	Major Projects Victoria
NCRIS	National Collaborative Research Infrastructure Strategy
UPS	Uninterruptable Power Supply
VAGO	Victorian Auditor General's Office

# Corporate Information

ACN 126 531 271  
ABN 52 126 531 271

## Directors

C.M. Walter Chairman  
G.A. Carnaby  
S.H. Gallagher  
R.J. Hill  
L. Kristjanson  
P. Colman  
M. Lu  
K.A. Nugent

## Company Secretary

J.R. Byron

## Registered Office and Principal Place of Business

800 Blackburn Road  
Clayton, Victoria, 3168  
Australia  
Phone: + 61 3 8540 4100

## Solicitors

Holding Redlich  
350 William Street,  
Melbourne, Victoria, 3000  
Australia

## Bankers

Westpac Banking Corporation  
Monash University  
Wellington Road  
Clayton, Victoria, 3800  
Australia

## Auditors

Victorian Auditor-General's Office  
Level 24, 35 Collins Street  
Melbourne, Victoria, 3000  
Australia

# Directors' Report

The Directors present their report together with the financial statements of Australian Synchrotron Company Limited ("the Company") for the year ended 30 June 2010, and the auditor's report thereon.

## Directors

The names and details of the Company's directors in office during the period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

## Names, qualifications, experience and special responsibilities

### Directors

C.M. Walter

Dr G.A. Carnaby

Dr S.H. Gallagher

Dr R.J. Hill

Prof L. Kristjanson

Prof D.A.T. Siddle (resigned 31/12/09)

Prof P. Colman (appointed 4/12/09)

Prof K.A. Nugent (appointed 31/05/10)

Prof M. Lu (appointed 31/05/10)

### **C.M. Walter AM, LLB (Hons), LLM, MBA, FAICD** (appointed 19/11/07)

Mrs Walter is a Solicitor and Company Director. She has been a Director and Chairman of the Company since 19 November 2007. Mrs Walter is a Director of Australian Foundation Investment Company Limited, Walter and Eliza Hall Institute of Medical Research, Melbourne Business School Limited, Victorian Funds Management Corporation and Victorian Opera and a member of the Reserve Bank's Payment Systems Board.

### **Dr G.A. Carnaby MNZM, DSc, FRSNZ** (appointed 13/7/07)

Dr Carnaby currently holds the position of President of the Council of the Royal Society of New Zealand. He is Chair of NZ Synchrotron Group Ltd, Chair of the Canterbury Development Corporation, and Entrepreneur in Residence at Lincoln University. Dr Carnaby was previously Managing Director of the Wool Research Organisation of NZ and is the immediate past Chair of the Marsden Fund. His personal research achievements have been recognised by the award of Doctorates from UNSW, Leeds, Lincoln and De Montfort Universities and election to the Academy in NZ. He has run his own company since 2004, involving a mix of personal research and consultancy work mainly supported by the NZ Government.

### **Professor P. Colman B. Sc. (Hons), PhD, D. Sc. (honoris causa)** (appointed 4/12/09)

Professor Colman trained in physics at the University of Adelaide before starting a career in protein crystallography. He worked with Brian Matthews in Eugene (Oregon) on the thermolysin structure, with Robert Huber in Munich on antibodies, and with Hans Freeman and Mitchell Guss in Sydney on plastocyanin before commencing his work on the influenza virus antigen neuraminidase at CSIRO in 1978.

Together with Jose Varghese (CSIRO) and Graeme Laver (ANU), he determined the structures of neuraminidase and its complex with two antibodies. In 1985 he co-founded Biota and led the research program that resulted in zanamivir, the first in a new class of medicines for influenza known as neuraminidase inhibitors.

Since 2001 he has worked at The Walter and Eliza Hall Institute of Medical Research where, together with a multidisciplinary team of colleagues, he studies the structural machinery of cell death and opportunities to utilise it in cancer therapy.

# Directors' Report (cont.)

Professor Colman has been an international Synchrotron user since 1983. He was a member of the Policy and Review Board of the Australian Synchrotron Research Program (1996-2001), participating in the ground work that led to the commitment to build the Australian Synchrotron.

**Dr S.H. Gallagher *BSc (Hons), PhD, GAICD* (appointed 13/7/07)**

Dr Gallagher is the Chief Operating Officer at the University of Sydney's United States Studies Centre. He is also Co-Chairman of the youth support organisation Twenty10. He was the first Chairman of the NSW Synchrotron Consortium of 13 universities, a foundation investor to the Australian Synchrotron. Dr Gallagher's diverse career includes roles in science, government, public affairs, state and federal politics.

His PhD in chemistry was awarded the 1997 RACI Cornforth medal. Dr Gallagher has published over 20 papers and proceedings, attracted ARC funding and has international synchrotron experience. His current interest is the 21st century transformation of America's elite research universities.

**Dr R.J. Hill *DSc, PhD, BSc (Hons), FTSE, FAusIMM, FAICD, FMSA, FRACI* (appointed 13/7/07)**

Dr Hill is a professor and the Pro Vice-Chancellor, Industry Engagement and Commercialisation, at Monash University. He oversees Monash University's business development, technology transfer, and intellectual property management and commercialisation activities.

Dr Hill is a Director of the Victorian Centre for Advanced Materials Manufacture Ltd, Optimisation Centre JV (CTI and Monash University), ARC Centre of Excellence for Design in Light Metals and an Investment Committee member of Trans Tasman Commercialisation Fund.

Dr Hill was previously Group Executive for CSIRO's Manufacturing, Materials and Minerals (MMM) Group of Research Divisions. In 1991 he was awarded a Doctor of Science from the University of Adelaide for his contributions to crystal chemistry, and in 2001 he was awarded a Centenary Medal for services to Australian science and technology. Dr Hill has published more than 100 papers in the refereed scientific literature and has undertaken research at synchrotron and neutron facilities in the USA, Europe and Japan.

**Professor L. Kristjanson *BN, MN, PhD, GAICD* (appointed 13/7/07)**

Professor Kristjanson is the Deputy-Vice Chancellor Research & Development, at Curtin University of Technology in Western Australia. She is Chair of Auscope Ltd, Deputy Chair of ChemCentre, and Non-Executive Director of Lotterywest.

Between 2000 and 2006 she held the position as The Cancer Council WA Chair of Palliative Care. In this role Professor Kristjanson created and led the Western Australian Centre for Cancer & Palliative Care. She has received national competitive research funding from organisations in Canada, the USA and Australia. Professor Kristjanson served as a member of the National Health & Medical Research Council from 2003 -2006.

**Professor M. Lu *B.Eng., M.Eng., PhD, FTSE, FIChemE* (appointed 31/05/10)**

Professor Lu is currently Deputy Vice-Chancellor (Research) at the University of Queensland. He has held positions from senior lecturer to Professor at UQ since 1994. In 2003, he was awarded his first ARC Federation Fellowship, and awarded his second in 2008. His expertise is nanomaterials for clean energy and environmental technologies. With over 400 journal publications and 18 patents, Professor Lu is ISI Highly Cited Researcher in Materials Science with over 8100 citations (with h-index of 46).

He is currently a Director of Uniseed. He is Fellow and former Director of Australian Academy of Technological Sciences and Engineering (ATSE).

# Directors' Report (cont.)

7

## **Professor K. A. Nugent *BSc(Hons) PhD FAIP FAA* (appointed 31/05/10)**

Professor Nugent is on his second term as an ARC Federation Fellow and is a Professor of Physics at the University of Melbourne. He is Research Director of the Australian Research Council Centre of Excellence for Coherent X-ray Science (CXS), a multi-institutional and interdisciplinary research program involving the University of Melbourne, La Trobe University, Swinburne University, Monash University and Griffith University.

Professor Nugent's awards include the Pawsey Medal from the Australian Academy of Science, the Boas Medal from the Australian Institute of Physics, a Centenary Medal, and the 2004 Victoria Prize, along with the Anne and Eric Smorgon Memorial Award for the support of his research. He has received two RD100 awards for his technical innovations. He was elected a Fellow of the Australian Academy of Science in 2001.

Professor Nugent sits on the Board of the publically listed company IATIA Ltd as well as on a number of other advisory boards including the Bragg Institute Advisory Committee and the X-ray Microscopy and Imaging Advisory Committee to the Advanced Photon Source. Through a partnership with Santa Maria College in Northcote, in 2009 CXS was jointly awarded the inaugural NAB Schools First State Impact Award (Victoria) of \$100,000 in support of the "Growing Tall Poppies" educational outreach program.

Professor Nugent has extensive experience in experimental and theoretical work relating to synchrotron science. He has made significant contributions in the area of X-ray phase contrast imaging and more recently he has been exploring the development of coherent diffraction methods for both synchrotron and X-ray free electron laser sources. He also had significant involvement with the Australian Synchrotron Research Program and chaired the Decadal Planning process for Australian synchrotron-based science.

## **Professor D.A.T. Siddle *BA (Hons), PhD, FASSA, MAICD* (resigned 31/12/09)**

Professor Siddle was the Deputy Vice-Chancellor (Research) at the University of Queensland. He was professor and head of department at the University of Tasmania in 1990 before moving to the University of Queensland in 1991, where he became Head of the Department of Psychology and then Dean, Postgraduate Studies (1993-1997). Following a period as Pro-Vice-Chancellor (Research) at the University of Sydney (1997-2001), Professor Siddle rejoined the University of Queensland in 2001 as Deputy Vice-Chancellor (Research).

Professor Siddle is a Director of Australian Genome Research Facility Ltd, IMBcom Pty Ltd and IMBcom Asset Management Company Pty Ltd.

## **Interests in the shares and options of the Company and related bodies corporate**

ASCo is a company limited by guarantee. Directors do not hold any shares in the Company.

## **Company Secretary**

### **J.R.Byron *BComm, CPA (Fellow), Grad Dip Corp Mgt, Chartered Secretaries Australia, Australian Institute of Company Directors (Fellow)*, (Appointed 2/03/10)**

Ms Byron has been the company secretary of Australian Synchrotron Company Limited from March 2010. Ms Byron is an experienced company secretary providing company secretarial services to both private and public companies.

### **L Goulding *CPA (Fellow), Chartered Secretaries Australia (Fellow), BComm* (Resigned 11/06/10)**

Mr Goulding was appointed the role of company secretary on 2 October 2008 for Australian Synchrotron Company Limited. Mr Goulding was self employed from 2003 to 2008 providing company secretarial services to several ASX listed entities and contract management services to a major Australian architectural firm.



# Directors' Report (cont.)

## Dividends

The Company is limited by guarantee and under its constitution it is not able to pay any dividend.

8

## Principal Activities

The Australian Synchrotron is managed under a dual entity structure, comprising two companies:

- Australian Synchrotron Company Limited (ASCo) is the management entity and has the exclusive right to operate, manage and develop the Australian Synchrotron assets under a lease with ASHCo.
- Australian Synchrotron Holding Company Proprietary Limited (ASHCo) is the ownership entity and owns all the Australian Synchrotron assets.

Foundation investors in the Australian Synchrotron receive membership of both companies in consideration of their capital investment, namely shares in ASHCo proportional to their level of capital investment (being a minimum of \$5 million) and membership of ASCo.

The Funding Agreement between ASCo, ASHCo and the Minister for Innovation sets the background and conditions under which funding is provided by the Victorian Government and the Commonwealth Government towards the operating expenses of the Australian Synchrotron.

Consistent with the Agreement, the main activities include:

- Operation of the Australian Synchrotron at world class standards
- Providing researchers in the medical, scientific and industrial research fields with access to fully operational, state-of-the-art synchrotron facilities
- Providing training, technical, scientific and administrative support to users
- Conducting and facilitating awareness programs to promote the use and benefits of synchrotron science
- Maintaining the Australian Synchrotron in an excellent state of repair through a comprehensive annual maintenance program
- Developing relationships with international facilities and providing support for international collaboration in synchrotron science.

## Operating and Financial Review

The year 2009/2010 was a year of consolidation for the Australian Synchrotron while also continuing to achieve excellent scientific results. Some of the main achievements for the year included:

- All beamlines have been completed in accordance with the original specifications. The Imaging and Medical Beamline is currently in use and with further development it will have extended capability which will enable a greater scope of User applications. These enhancements will be fully funded by the Commonwealth and Victorian Governments
- The Australian Synchrotron hosted the international forum for synchrotron radiation science and technology.
- An investment and science case for operational and capital expenditure including further beamlines has been developed and submitted to government and Foundation Investors for their consideration.

Further details of the achievements are provided in the 2009/2010 Annual Report of the Australian Synchrotron.

# Directors' Report (cont.)

9

## Operating Results for the Period

The Company's net result for the year was \$2,027,023 (2009: \$698,815). The result was earned on total revenue of \$26,146,741 (2009: \$23,370,379) and after incurring expenses of \$24,119,718 (2009: \$22,671,564).

The Company is not liable for income tax.

## Review of Financial Condition

### Liquidity

At the end of the reporting period the Company had cash reserves of \$8,759,665 (2009: \$5,975,083). The Company also had trade and other receivables and other current assets representing recoverable amounts from ASHCo and other entities of \$1,474,711 (2009: \$1,078,756). The Company had no non-current assets. The total assets of ASCo were therefore \$10,234,376 (2009: \$7,053,839).

The Company had current liabilities of \$4,349,109 (2009: \$3,180,031) of which \$1,416,294 (2009: \$1,096,460) is owed to suppliers under normal terms of trade. Working capital therefore amounted to \$5,885,267 (2009: \$3,873,808). In addition to the current liabilities there were non-current liabilities of \$163,265 (2009: \$178,829) for employee long service leave entitlements. The total liabilities of the Company were \$4,512,374 (2009: \$3,358,860).

At the end of the reporting period the Company has sufficient cash and current assets to meet its liabilities as they fall due.

### Capital reserves

At the end of the reporting period the Capital reserve totals \$2,500,000.

The Essential Operating Upgrade Reserve of \$2,500,000 is for the installation of the UPS for the facility. The UPS is scheduled to be installed in the 2010/11 year.

Operational funding of \$100 million (plus accumulated interest) has been provided by the Victorian and Commonwealth Governments for a five year period from 2007/2008 to 2011/2012. These funds are held in trust by the Department of Treasury and Finance, Victoria and are drawn down twice per annum. The directors are of the view that sufficient operating revenue will be available in the subsequent years to maintain the operations of ASCo.

In the unlikely event that operating revenue is not available after 30 June 2012; the Company will have a financial obligation to pay termination benefits over and above the employee entitlements reported as liabilities in these financial statements. No explicit reserve has been created to meet termination payments as they are considered to be unlikely and not quantifiable at this time.

### Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs.

### Significant Events after the End of the Reporting Period

There have been no significant events after the end of the reporting period.

### Likely Developments and Expected Results

The Company expects that due to the enhancements to the Imaging and Medical beamline some applications of it will not be available for the User program during 2011 for IMBL operations. The continual development of this beamline will span a three year program with a projected completion by 2012.

# Directors' Report (cont.)

With the continuing development of the facility's capabilities, ASCo will continue to cultivate heightened awareness of synchrotron science across Australia and New Zealand. There will be an increasing emphasis upon engagement with potential commercial, academic, cultural, industrial and agricultural users of the vast capabilities of the synchrotron's existing and prospective beamlines.

## Environmental Regulation and Performance

The Company holds a licence under the Victorian Radiation Act 2005. This licence specifies limits and regulates the conduct of the radiation practices listed in the Schedules attached to the licence.

There have been no significant known breaches of the Company's licence conditions.

## Indemnification and Insurance of Directors and Officers

During the period the Company indemnified all directors and senior officers against liability for costs and expenses for an act or omission in their capacity as a director or officer of the Company.

The total amount of insurance contract premium paid in respect of coverage for the financial year was \$20,705.

## Directors' meetings and Committee membership

The number of Directors' meeting held during the year (including meetings of committee of Directors), and numbers of meetings attended by each of the directors were as follows:

	Directors' Meetings		Audit & Risk Committee Meetings	
	Attended	Held	Attended	Held
Mrs C.M. Walter <sup>1 5</sup>	8	8	9	9
Dr G.A. Carnaby	8	8		
Dr S.H. Gallagher <sup>2 4</sup>	8	8	8	9
Dr R.J. Hill <sup>4 6</sup> ,	8	8	6	6*
Prof L. Kristjanson <sup>4</sup>	8	8	3	3*
Prof D.A.T. Siddle	4	5*		
Prof P. Colman	4	4*		
Dr K.A. Nugent	0	0		
Dr M.Lu	0	0		
Independent members:				
Mr J.N.S. Lee <sup>3 4</sup>			9	9*

\* Number of meetings held during the period of appointment of the director.

Notes: 1 Designates the Chairman of the Board of Directors.

2 S.H. Gallagher is Chairman of the Audit and Risk Committee.

3 Mr J.N.S. Lee is an independent consultant to ASCo and is not a director. He is a Chartered Accountant working as an independent consultant to a number of organisations in the private, commercial and not-for-profit sectors. He is also a board member of Adult Multicultural Education Services (AMES) and chairman of AMES finance, audit and risk management committee. He had previously held commercial finance positions in a number of multinational companies both in Australia and the United Kingdom.

4 Audit and Risk Committee members.

5 Attended Audit and Risk Committee in role as a director.

6 Dr R.J.Hill who was Chairman of the Audit and Risk Committee, resigned from the Committee during the year.

# Directors' Report (cont.)

11

## **Proceedings on behalf of the Company**

No person has applied to the Court under *section 237 of the Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought to or intervened in on behalf of the Company with leave of the Court under *section 237 of the Corporations Act 2001*.


## **Rounding**

Rounding does not apply and all amounts are reported at the dollar level.

## **Auditor Independence and Non-Audit Services**

The auditor's declaration of independence as required under section 307C of the Corporations Act 2001 is set out on the next page.

Signed in accordance with a resolution of the Board of Directors:



C.M. Walter  
Chairman

27 August 2010

# Declaration from VAGO



## AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

### To the Directors of Australian Synchrotron Company Limited

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

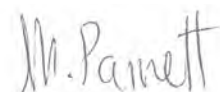
Under the Audit Act 1994, the Auditor-General is the auditor of each public authority and for the purposes of conducting an audit has access to all documents and property, and may report to parliament any matters which the Auditor-General considers appropriate.

### Independence Declaration

As auditor for the Australian Synchrotron Company Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE  
30 August 2010

  
for D D R Pearson  
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# Comprehensive Operating Statement

13 For the financial year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Revenue</b>			
Commonwealth and Victorian Government funding		23,429,712	21,406,149
New Zealand Synchrotron Group funding		780,281	768,750
Interest revenue		275,304	352,709
Other revenue	4	1,661,444	842,771
<b>Total Revenue</b>		<b>26,146,741</b>	<b>23,370,379</b>
<b>Expenses</b>			
Salaries and employee expenses		12,917,614	11,863,265
Utilities		2,367,078	2,315,284
Building and technical expenses		2,022,124	1,533,737
User support and business development		2,120,513	1,738,790
Administration expenses		3,060,442	2,598,327
Transition costs		-	599,799
Loss on transfer of assets	6	1,631,947	2,022,362
<b>Total Expenses</b>		<b>24,119,718</b>	<b>22,671,564</b>
<b>Net Result before income tax</b>		<b>2,027,023</b>	<b>698,815</b>
Income Tax expense	2(k)		
<b>Net Result for the year</b>		<b>2,027,023</b>	<b>698,815</b>

## Total comprehensive income for the year is attributable to:

	2010 \$	2009 \$
Net Result for the year	2,027,023	698,815
Other comprehensive income for the year	-	-

<b>Total comprehensive result</b>	<b>2,027,023</b>	<b>698,815</b>
-----------------------------------	------------------	----------------

The comprehensive operating statement is to be read in conjunction with the notes to the financial statements set out on pages 17 to 29.

# Balance Sheet

As at 30 June 2010

14

	Note	2010 \$	2009 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	8,759,665	5,975,083
Trade and other receivables	8	737,016	562,965
Owing by ASHCo	2(l)	418,512	136,116
GST receivable		112,834	350,449
Other current assets		206,349	29,226
<b>Total Current Assets</b>		<b>10,234,376</b>	<b>7,053,839</b>
<b>Total Assets</b>		<b>10,234,376</b>	<b>7,053,839</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	2,767,334	2,328,025
Provision for employee benefits	10	974,836	809,155
Owing to ASHCo	2(l)	81,076	42,851
Other current liabilities		525,863	-
<b>Total Current Liabilities</b>		<b>4,349,109</b>	<b>3,180,031</b>
<b>Non Current Liabilities</b>			
Provisions for employee benefits	10	163,265	178,829
<b>Total Non Current Liabilities</b>		<b>163,265</b>	<b>178,829</b>
<b>Total Liabilities</b>		<b>4,512,374</b>	<b>3,358,860</b>
<b>Net Assets</b>		<b>5,722,002</b>	<b>3,694,979</b>
<b>Equity</b>			
Members guarantee	11		
Essential operating upgrade reserve	12	2,500,000	2,500,000
Accumulated Surplus		3,222,002	1,194,979
<b>Total Equity</b>		<b>5,722,002</b>	<b>3,694,979</b>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 17 to 29.

# Statement of Changes in Equity

15 For the financial year ended 30 June 2010

	Equity at 1 July 2009	Comprehensive Result	Equity at 30 June 2010
		\$	\$
Accumulated surplus	1,194,979	2,027,023	3,222,002
Essential Operating Upgrade Reserve	2,500,000		2,500,000
<b>Balance at 30 June 2010</b>	<b>3,694,979</b>	<b>2,027,023</b>	<b>5,722,002</b>

	Equity at 1 July 2008	Comprehensive Result	Equity at 30 June 2009
		\$	\$
Accumulated surplus	496,164	698,815	1,194,979
Essential Operating Upgrade Reserve	2,500,000		2,500,000
<b>Balance at 30 June 2009</b>	<b>2,996,164</b>	<b>698,815</b>	<b>3,694,979</b>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 17 to 29.



# Cash Flow Statement

For financial year ended 30 June 2010

16

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts from Commonwealth and Victorian Government funding		23,429,712	21,406,149
New Zealand Synchrotron Group funding		780,281	768,750
Interest received		273,856	351,266
Other operating receipts		2,076,036	330,992
Payments to suppliers and employees		(22,143,356)	(18,720,745)
<b>Net cash flows from operating activities</b>	<b>13</b>	<b>4,416,529</b>	<b>4,136,412</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,914,343)	(2,052,912)
<b>Net cash flows used in investing activities</b>		<b>(1,914,343)</b>	<b>(2,052,912)</b>
<b>Cash flows from financing activities</b>			
Proceeds from financing activities		-	-
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,784,582</b>	<b>2,083,500</b>
Cash and cash equivalent at beginning of year		5,975,083	3,891,583
<b>Cash and cash equivalent at end of year</b>		<b>8,759,665</b>	<b>5,975,083</b>

The cash flow statement is to be read in conjunction with the notes to the financial statement set out on pages 17 to 29.

# Notes to the Financial Statements

17

## Note 1. Basis of Preparation

The Financial Statements are audited general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards (AAS), and other authoritative pronouncements of the Australian Accounting Standards Board. AAS includes the Australian equivalent of the International Financial Reporting Standards.

In complying with the AAS, those paragraphs of the AAS applicable to not-for-profit entities have been applied.

### *Early adoption of standards*

The company has not adopted any standards early for this reporting period.

### *Historical cost convention*

The financial statements have also been prepared on an accruals basis and are based on the historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The report is also presented in Australian dollars.

### *Critical accounting estimates*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

### *Financial statement presentation*

The revised AASB 101 *Presentation of Financial Statements* has been applied in the preparation of the financial statements. The Company has elected to present one Income Statement (Comprehensive Operating Statement).

## Note 2. Significant accounting policies

### (a) New accounting standards and interpretations

At the date of this financial statement new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Company's assessment of the impact of these new standards and interpretations is listed below.

- Revised AASB 124 Related Party Disclosure and AASB 2009-12 Amendments to Australian Accounting Standards effective from 1 January 2011

A revised AASB 124 was issued in December 2009 and is applicable for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities; and clarifies and simplifies the definition of a related party. The Company intends to apply the revised standard from 1 July 2011.

Other than changes to disclosure formats, it is not expected that the initial application of these new standards and interpretations in the future will have any material impact.

# Notes to the Financial Statements (cont.)

## **(b) Foreign currency**

### *Functional and presentation currency*

Items included in the financial statements of the Company are measured and presented in Australian Dollars.

### *Transactions and balances*

Foreign currency transactions to be translated into the Australian currency using the exchange rates prevailing at the date of transaction (invoice). Foreign exchange gains or losses resulting from the settlement (e.g. payment) of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

## **(c) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at call, short-term deposits and cash from other grant funds that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flows Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

## **(d) Trade and other receivables**

Trade receivables are recognised at fair value subsequently measured at amortised cost, less a provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is evidence that the entity may not be able to collect all amounts due according to the original terms of receivables.

## **(e) Assets transferred to Australian Synchrotron Holding Company Pty Ltd (ASHCo)**

ASCo acquires items of capital spares and constructs plant and equipment as part of the essential operating upgrades. These outlays are in compliance with ASCo's obligation under the lease from ASHCo to maintain the operational condition and assets of the Australian Synchrotron at a high level. However, all assets of the Australian Synchrotron are owned by ASHCo and accordingly, the spares and essential operating upgrades that had been acquired up to 30 June 2010 have been transferred to ASHCo for nil consideration. ASCo has incurred a loss on the transfer.

## **(f) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

Monash University is the owner of the land situated at 800 Blackburn Road Clayton and leased 8 hectares of this land to the State of Victoria for the establishment of the Australian Synchrotron. The State of Victoria sub-leased this land to the Australian Synchrotron Holding Company Pty Ltd (ASHCo). ASHCo in turn sub-leased this land and all its improvements, plant and equipment to ASCo for the operation and development of the Australian Synchrotron facilities in accordance with the Australian Synchrotron Objects. ASCo is required to pay rent in advance if demanded at the scheduled amount. The current scheduled amount is \$1.

The Company leases two vehicles and the payments and obligations under the lease arrangements are treated as operating leases.

# Notes to the Financial Statements (cont.)

19

## **(g) Trade and other payables**

These amounts represent liabilities initially recognised at fair value, for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## **(h) Employee benefits**

Employee benefits comprise wages and salaries, annual, non-accumulated sick and long service leave, and contributions to superannuation plans.

### *Wages and salaries, sick leave*

Liabilities for wages and salaries, expect to be settled within 12 months of the end of each reporting period are recognised in other payables in respect of employees' services up to the end of each reporting period.

Sick leave is recognised when the leave is taken and is measured at the rates paid.

### *Annual Leave*

The liability for annual leave resulting from employees' services provided up to end of each reporting period and expected to be settled within 12 months of end of each reporting period. The liability is measured at the amounts expected to be paid at settlement and includes related on-costs.

### *Long Service Leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where ASCo does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value – component that the Company expects to settle within 12 months; and
- present value – component that the Company does not expect to settle within 12 months.

Non current liability – conditional LSL is disclosed as a non current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non current LSL liability is measured at present value.

### *Superannuation fund*

The Company contributes a component of each employee's remuneration package to a complying superannuation fund nominated by the employee. The amount of contribution is nominated by the employee subject to the Company's obligations under relevant legislation. Contributions are charged as an expense in the comprehensive operating statement when the obligation arises. The Company has no legal obligation to cover any shortfall in the relevant fund's obligations to provide benefits to employees.

# Notes to the Financial Statements (cont.)

## **(i) Contributed equity**

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. (See Note 11)

## **(j) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### *(i) Government grants*

Government funding provided for the operating costs of the Company is brought to account in the Comprehensive Operating Statement when cash is received.

### *(ii) Other grants*

Revenue from other small grant funds is treated as unearned income (grant funding received in advance) until such time as the corresponding expenditure is expensed.

### *(iii) Interest revenue*

Revenue is recognised as interest accrues using the effective interest method.

## **(k) Income tax and GST**

### *Income tax*

ASCo is a not for profit company and is exempt from paying income tax. A binding ruling was received in March 2006 and the tax status of the Company was confirmed by the Australian Tax Office in a Notice of endorsement for charity tax concessions dated 18 July 2008.

### *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

# Notes to the Financial Statements (cont.)

21

Cash flows are presented on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## **(l) Amounts due from and to ASHCo**

During the period, ASCo and ASHCo have incurred expenditure on the other entity's behalf. The amounts due from and due to the other entity are disclosed as a current asset and current liability respectively.

## **(m) Reserves**

### *Essential Operating Upgrade Reserve*

The Directors determined and approved the creation of an Essential Operating Upgrade Reserve and approved for the reserve to be allocated towards the establishment of an uninterruptable power supply (UPS). The balance in the reserve will be transferred to accumulated profits as expenditure is undertaken.

## **Note 3. Financial instruments and financial risk management objectives and policies**

ASCo's principal financial instruments comprise receivables, payables, cash and cash equivalent.

ASCo manages its exposure to key financial risks, including interest rate and currency risk with the objective to support the delivery of ASCo's financial targets whilst protecting future financial security.

## **Risk Exposures and Responses**

### *i) Credit risk*

Exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Company.

### *Policy in managing credit risk*

The Company raises operating funding invoices on DIIRD. The risk is minimal on not receiving the outstanding amounts as long as the Company meets its obligations to DIIRD. For other trade receivables the amounts outstanding are regularly reviewed and any amount considered unlikely to be collected is fully provided for as uncollectable.

Cash and cash equivalents are deposited with a reputable Australian bank which is considered highly stable with no risk of defaulting on repayment.

The Company has assessed that the credit risk is insignificant and not material.

# Notes to the Financial Statements (cont.)

## *ii) Liquidity risk*

Liquidity risk arises when the Company is unable to meet its obligations associated with the financial liabilities as they fall due.

### *Policy in managing liquidity risk*

The Company's objective in managing liquidity risk is to ensure that all obligations will be met when they fall due.

The Company manages liquidity by monitoring cash flows to ensure sufficient funds are maintained in the transactional bank account to meet liabilities as they fall due. Daily monitoring occurs with monthly reports to management.

Having considered the position of current assets compared with current liabilities, the Company has assessed that the liquidity risk is insignificant and not material.

## *iii) Market risk*

Market risk arises from possible changes in the market value of the Company's assets through changes in currency rates, interest rates and other market related prices.

### *Policy in managing market risk*

The Company manages its market risk by monitoring actual and potential changes to interest rates and allocating its investments accordingly.

The Company has a low exposure to foreign currency changes as it holds no foreign currency deposits, and purchases denominated in foreign currencies are not material.

The Company does not hold any other financial assets that are subject to changes in market prices.

The Company has assessed that the market risk is insignificant and not material.

# Notes to the Financial Statements (cont.)

23

## iv) Interest rate risk

The Company's exposure to interest rate risk and the effective weighted average interest rates on classes of financial assets and liabilities are set out below:

	Non-Interest Bearing	Fixed Interest rate maturing within one year	Floating Interest rate	Total
<b>2010</b>	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	55,353	8,815,018	8,759,665
Trade and other receivables	737,016	-	-	737,016
Owing from ASHCo	418,512	-	-	418,512
Other current assets	206,349	-	-	206,349
	<b>1,361,877</b>	<b>55,353</b>	<b>8,815,018</b>	<b>10,121,542</b>
Effective interest rates/weighted average interest rate	-	5.4%	3.52%	
<b>Financial Liabilities</b>				
Trade and other payables	2,767,334	-	-	2,767,334
Owing to ASHCo	81,076	-	-	81,076
Other current liabilities	525,863	-	-	525,863
	<b>3,374,273</b>	<b>-</b>	<b>-</b>	<b>3,374,273</b>
Effective interest rates/weighted average interest rate	-	-	-	
<b>Net Financial Assets/(Liabilities)</b>	<b>(2,012,396)</b>	<b>55,353</b>	<b>8,815,018</b>	<b>6,747,269</b>
<b>2009</b>	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	53,670	5,921,413	5,975,083
Trade and other receivables	562,965	-	-	562,965
Owing from ASHCo	136,116	-	-	136,116
Other current assets	29,226	-	-	29,226
	<b>728,307</b>	<b>53,670</b>	<b>5,921,413</b>	<b>6,703,390</b>
Effective interest rates/weighted average interest rate	-	5.40%	4.33%	
<b>Financial Liabilities</b>				
Trade and other payables	2,328,025	-	-	2,328,025
Owing to ASHCo	42,851	-	-	42,851
	<b>2,370,876</b>	<b>-</b>	<b>-</b>	<b>2,370,876</b>
Effective interest rates/weighted average interest rate	-	-	-	
<b>Net Financial Assets/(Liabilities)</b>	<b>(1,642,569)</b>	<b>53,670</b>	<b>5,921,413</b>	<b>4,332,514</b>



# Notes to the Financial Statements (cont.)

## v) Receivables – past due not impaired

The risks associated with receivables are deemed low as the balance at 30 June 2010 of \$737,016 (2009: \$562,965), was comprised of \$716,188 age under 30 days. The remaining balance is expected to be received by the end of September 2010.

## vi) Net fair values of financial assets and liabilities

There are no material differences between balance sheet values and fair values of financial assets and financial liabilities. The Company is not materially exposed to financial risk in relation to net fair values of financial assets and liabilities.

## Note 4. Other revenue

	2010	2009
	\$	\$
International user access funding <sup>1</sup>	598,047	336,406
Beamline revenue	202,546	213,637
Commonwealth government grants	115,687	213,750
Victorian government grants	37,500	50,000
Payroll tax refund <sup>2</sup>	580,583	-
Other revenue	127,081	28,978
<b>Other revenue</b>	<b>1,661,444</b>	<b>842,771</b>

<sup>1</sup> During the year the company was awarded grant funding towards a new International Synchrotron Access Program (ISAP) from the Commonwealth, and also continued to receive funding towards the Australian scientist access to the Advance Radiation Synchrotron facility in Japan Photon.

<sup>2</sup> The Company received a Victorian payroll tax refund for past taxes paid upon the successful granting of its payroll tax exemption status on the 23 September 2009.

During the year the company was also awarded various small grant funding from both Commonwealth and Victorian Government to contribute towards specific projects within the facility.

## Note 5. Auditors' remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Company, Victorian Audit-General's Office:

	2010	2009
	\$	\$
Audit of the financial statements	41,965	38,500
<b>Total auditors remuneration</b>	<b>41,965</b>	<b>38,500</b>

# Notes to the Financial Statements (cont.)

25

## Note 6. Transfer of assets to ASHCo

All assets of the Australian Synchrotron are owned by ASHCo. Accordingly, the capital spares and essential operating upgrades that had been acquired up to 30 June 2010 have been transferred to ASHCo for nil consideration. ASCo has incurred a loss on the transfer.

ASCo acquires items of capital spares and constructs plant and equipment as part of the essential operating upgrades. These outlays are in compliance with ASCo's obligation under the lease from ASHCo to maintain the operational condition and assets of the facility at a high level.

	Notes	2010 \$	2009 \$
<b>Cost of assets transferred</b>	2(e)		
Capital spares		422,647	755,892
Essential operating upgrades		1,209,300	1,266,470
Total cost		1,631,947	2,022,362
<b>Loss on transfer of assets</b>		<b>1,631,947</b>	<b>2,022,362</b>

## Note 7. Cash and cash equivalents

		2010 \$	2009 \$
Cash at bank – at call		8,180,388	5,648,707
Cash at bank – term deposit	2(c)	55,353	53,670
Cash at bank – other grant funds		523,924	272,706
<b>Total cash and cash equivalents</b>		<b>8,759,665</b>	<b>5,975,083</b>

## Note 8. Trade and other receivables

		2010 \$	2009 \$
Trade receivables		796,416	562,965
Provision of Doubtful Debt		(59,400)	-
<b>Total trade and other receivables</b>		<b>737,016</b>	<b>562,965</b>

### Impaired trade and other receivables

At the end of the financial period the Company assessed the receivable from Fermiscan Holdings Limited with a nominal value of \$59,400 was impaired and recognised this impairment as an expense in the comprehensive operating statement. There are no other impaired trade receivables.

# Notes to the Financial Statements (cont.)

## Note 9. Trade and other payables

	2010 \$	2009 \$
Trade payables	1,416,294	1,096,460
Accruals	1,351,040	1,231,565
<b>Total trade and other payables</b>	<b>2,767,334</b>	<b>2,328,025</b>

## Note 10. Provision for employee benefits

	2010 \$	2009 \$
<b>Current provisions</b>		
Employee annual leave benefits	738,654	671,138
Provision for long service leave	152,484	68,544
On-Cost	83,698	69,473
	974,836	809,155
<b>Non- current provisions</b>		
Provision for long service leave	149,247	163,475
On-Cost	14,018	15,354
	163,265	178,829
<b>Total provisions</b>	<b>1,138,101</b>	<b>987,984</b>

## Note 11. Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. The members of the Company who act as guarantors are:

- Association of Australian Medical Research Institutes (AAMRI)
- Australian Nuclear Science and Technology Organisation (ANSTO)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Curtin University of Technology
- Monash Investment Holdings Pty Ltd
- New Zealand Synchrotron Group Limited
- The Secretary to the Department of Innovation Industry and Regional Development, Victoria
- The University of Adelaide
- The University of Queensland
- The University of Sydney
- UMEE Ltd

# Notes to the Financial Statements (cont.)

27

## Note 12. Essential operating upgrade reserve

During 2009, the Directors have approved that the \$2,500,000 transferred to reserves in 2008 be allocated towards the establishment of an UPS. The balance held in the Essential Operating Upgrade Reserve will be transferred to accumulated surplus as expenditure on the UPS is undertaken. The essential operating upgrades are necessary to maintain the facility at the high standard required in the operating lease granted to ASCo by ASHCo.

	2010 \$	2009 \$
<b>Movement in Reserves</b>		
Balance 1 July	2,500,000	2,500,000
Transferred from accumulated surplus	-	-
<b>Balance at 30 June</b>	<b>2,500,000</b>	<b>2,500,000</b>

## Note 13. Cash Flow Statement Reconciliation

	2010 \$	2009 \$
<b>Reconciliation of net result after tax to net cash flows from operations</b>		
Net Surplus	2,027,023	698,815
<b>Adjustments for non-cash items:</b>		
Loss on assets transferred to ASHCo	1,631,947	2,022,362
Doubtful debts	59,400	-
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(233,451)	(288,926)
(Increase)/decrease in receivable from ASHCo	(282,396)	859,222
Increase/(decrease) in trade and other payables	319,833	122,788
Increase/(decrease) in payable to ASHCo	38,225	(56,437)
Increase/(decrease) in accruals	119,476	548,578
Increase/(decrease) in provisions	150,117	259,236
Increase/(decrease) in grant funding in advance	525,863	-
(Increase)/decrease in prepayments & other assets	60,492	(29,226)
<b>Net cash from operating activities</b>	<b>4,416,529</b>	<b>4,136,412</b>

# Notes to the Financial Statements (cont.)

## Note 14. Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise).

Listing of Directors, (refer pages 5, 6 and 7 of Directors' report)

### Executive Management:

Prof R Lamb, *Facility Director (contract ceased Nov09)*

Dr G Borg, *Acting Facility Director (appointed Nov09)*

Mr P Dawson, *Chief Financial Officer (resigned Dec09)*

Ms J Byron, *Acting Chief Financial Officer and Company Secretary (appointed Mar10)*

Mr P Thomas, *Acting Chief Financial Officer (contract ceased Feb10)*

Dr D Morris, *Head of Operations*

Prof I Gentle, *Head of Science (appointed Oct 08)*

Total compensation paid to key management personnel during the period was:

	2010	2009
	\$	\$
Short-term employment benefits	1,078,563	925,074
Post-employment benefits – Superannuation	105,128	106,924
Termination benefit	-	-
Other long-term employment benefits	-	-
	<b>1,183,691</b>	<b>1,031,998</b>

## Note 15. Commitments

(i). *Operating lease commitments – ASCo as lessee*

ASCo has entered into commercial leases on certain motor vehicles and office equipment.

These leases have an average life of between 3 and 5 years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

	2010	2009
	\$	\$
Lease payment due:		
Within one year	103,229	164,014
After one year but not more than five years	46,412	145,654
Total commitments (inclusive GST)	149,641	309,668
Less GST recoverable	(13,604)	(28,151)
<b>Total commitments (exclusive GST)</b>	<b>136,037</b>	<b>281,517</b>

# Notes to the Financial Statements (cont.)

29

## **Note 16. Contingencies**

There are no legal claims against the Company or any other claim that creates a contingency for the Company.

## **Note 17. Segment information**

The Directors of ASCo consider all of its operations to be covered by a single business segment operating in a single geographic area. Facilitating scientific research is the sole business activity and this is undertaken within Australia.

## **Note 18. Economic dependence**

The Company is due to receive \$11,972,116 from DIIRD under the terms of the Funding Agreement, representing the funding for the six month period to 31 December 2010 towards the operating expenditure of the Australian Synchrotron.

# Directors' declaration

In accordance with a resolution of the directors of Australian Synchrotron Company Limited:

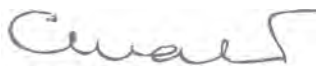
30

In the opinion of the directors:

- (a) the financial statements and Notes of the Company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the period ended on that date; and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295A of the Corporations Act 2001.

On behalf of the Board



C.M. Walter  
Director



S.H. Gallagher  
Director

Melbourne,  
27 August 2010

# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Australian Synchrotron Company Limited

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2010 of the Australian Synchrotron Company Limited which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the directors' declaration has been audited.

#### *The Directors' Responsibility for the Financial Report*

The Directors of the Australian Synchrotron Company Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Corporations Act 2001. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

As required by the Corporations Act 2001 and Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 the accounting policies used, and the reasonableness of accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*



# Independent Auditor's Report (cont.)

VAGO

Victorian Auditor-General's Office

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Australian Synchrotron Company Limited for the year ended 30 June 2010. The Directors of the company are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the company's website.

### *Independence*


The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession and the Corporations Act 2001. I confirm that I have given to the Directors of the company a written independence declaration, a copy of which is included in the Directors' Report.

### *Auditor's Opinion*

In my opinion, the financial report of the Australian Synchrotron Company Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

MELBOURNE  
30 August 2010

  
for D D R Pearson  
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

Intentionally Blank

**Australian Synchrotron**

800 Blackburn Road

Clayton, Victoria, Australia 3168

t. +61 3 8540 4100

f. +61 3 8540 4200

[www.synchrotron.org.au](http://www.synchrotron.org.au)



Australian Synchrotron Company Limited  
ACN 126 531 271

Australian Synchrotron Holding Company Pty Limited  
ACN 126 506 205

*Supported  
by*



Australian Government

