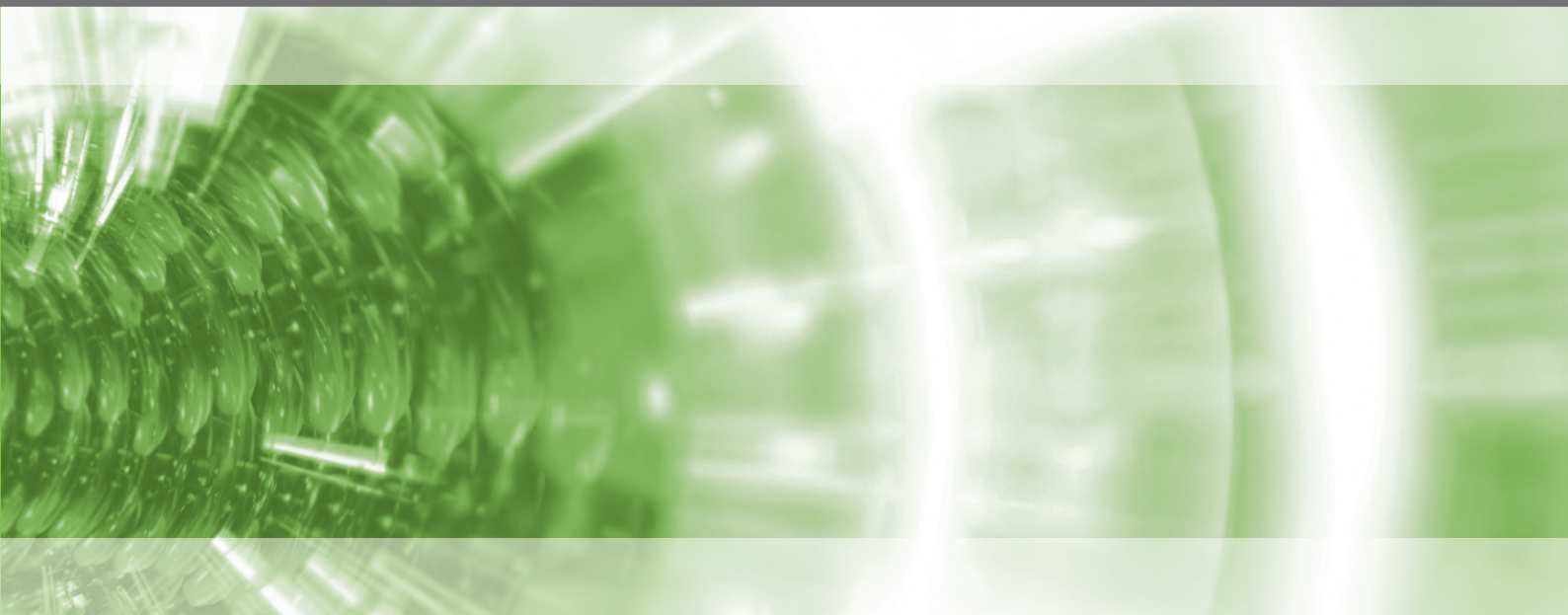


Australian Synchrotron Holding Company Proprietary Limited

ASHCo ABN 63 126 506 205

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).

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Introduction

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 Holding Company (ASHCo) is the ownership entity and owns all the Australian Synchrotron assets
- 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

This document is Volume III of the Australian Synchrotron Annual Report and includes the Financial Statements of the Australian Synchrotron Holding Company Limited (ASHCo).

ASHCo is the owner of all property, plant and equipment comprising the Australian Synchrotron. The Company leases all assets owned by it, to the Australian Synchrotron Company Limited (ASCo) to operate on its behalf.

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 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
EIF	Education Investment Funding
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
MPV	Major Projects Victoria
NCRIS	National Collaborative Research Infrastructure Strategy
NHMRC	National Health & Medical Research Council
UPS	Uninterruptable Power Supply
VAGO	Victorian Auditor-General's Office

Corporate Information

ABN 63 126 506 205

ACN 126 506 205

Directors

C.M. Walter *Chairman*

G.A. Carnaby

S.H. Gallagher

R.J. Hill

L. Kristjanson

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 Holding Company Proprietary 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

Mrs C.M. Walter AM

Dr G.A. Carnaby

Dr S.H. Gallagher

Dr R.J. Hill

Prof D.A.T. Siddle (resigned 28/10/09)

Prof L. Kristjanson (appointed 28/10/09)

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 12/7/07)

Dr Carnaby currently holds the position of President of the Council of the Royal Society of NZ. He is Chair of New Zealand 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.

Dr S.H. Gallagher BSc (Hons), PhD, GAICD (appointed 12/7/07)

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.

Directors' Report (cont.)

Dr R.J. Hill *DSc, PhD, BSc (Hons), FTSE, FAusIMM, FAICD, FMSA, FRACI* (appointed 12/7/07)

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 28/10/09)

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 Dr 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 D.A.T. Siddle *BA (Hons), PhD, FASSA, MAICD* (resigned 28/10/09)

Professor Siddle was the Deputy Vice-Chancellor (Research) at the University of Queensland. He was a 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

ASHCo is a company limited by shares. 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 Holding Company Limited from March 2010. Ms Byron is an experienced company secretary providing company secretarial services to both private and public companies.

Directors' Report (cont.)

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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 Holding Company Proprietary 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.

Dividends

The Company is limited by shares and under its constitution cannot make distributions. No dividends have been paid or are payable.

Principal Activities

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

- Australian Synchrotron Holding Company Proprietary Limited (ASHCo) is the ownership entity and owns all the Australian Synchrotron assets;
- 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.

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.

ASHCo's main activities are to:

- Sub-lease the Australian Synchrotron land from the State of Victoria, own the Australian Synchrotron assets and lease them to ASCo.
- Ensure that the Australian Synchrotron facilities are kept in good condition and proper working order (ASCo is responsible under the lease for carrying out this responsibility).
- Fulfil its other obligations under the lease with ASCo, including authorising alterations, upgrades and improvements to the Australian Synchrotron assets.

Operating and Financial Review

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.

In May 2009, the Company was awarded \$36,781,000 of Education Investment Funding from the 2009 Federal Budget to redevelop the Australian Synchrotron site.

The key infrastructure projects are as follows:

- National Centre for Synchrotron Science
- User accommodation building
- Office extension building
- Technical support laboratories building
- Extension to switch room

These projects are well underway and the first buildings are expected to commence construction in October 2010.

Directors' Report (cont.)

A high performance computer known as MASSIVE is being developed to improve the data storage, retrieval and sharing of information. This project is being funded jointly by Multimedia Victoria and the Australian National Data Service.

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Review and result of operations

The Company achieved a net surplus result for the year of \$14,328,629 compared to a loss of \$2,507,040 for 2009. The major contribution to this result was the Commonwealth funding for the EIF grants of \$18,018,000 for the year. Total revenue for the year was \$22,618,811 (2009: \$4,864,288) and was largely comprised of \$18,018,000 (2009: nil) for the two instalments received from a total of \$36,781,000 EIF Grant, \$1,631,947 (2009: \$2,022,362) of gains on transfer of assets from ASCO to the Company and \$1,000,000 of Victorian Government funding for the high performance computer facility. Total expenses were \$8,290,182 (2009: \$7,371,328) and largely comprised of \$8,136,202 (2009: \$6,971,839) for depreciation and \$94,698 (2009: \$399,489) for administration expenses.

Review of Financial Condition

Liquidity

At balance date the Company had cash reserves of \$23,809,539 (2009: \$6,487,215). The Company also had trade receivables and other current assets of \$2,349,951 (2009: \$1,642,851), the major portion of which was \$2,000,000 representing the amount due and receivable from the foundation investors for subscribed capital. Total current assets were therefore \$26,159,490 (2009: \$8,130,066). The Company had current liabilities of \$5,712,952 (2009: \$5,664,448), the majority of which represented an amount of \$5,000,000 due to DIIRD under the Capital Advance and Reimbursement Deed for the advance funding of the beamline works. The Company therefore had working capital of \$20,446,538 (2009: \$2,465,618).

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

Non Current Assets

At the end of the reporting period the Company had non-current assets totalling \$208,638,941 (2009: \$209,963,732) mostly comprised of the written down value of property, plant and equipment of \$205,317,965 (2009: \$206,070,638).

Equity and Uncalled Capital

The issued capital of the Company is \$207,300,000 (2009:\$207,300,000). At the date of this report shareholders had contributed \$201,800,000 (2009: \$196,800,000) of capital and the shareholders have an obligation to subscribe to additional capital of \$5,500,000 (2009: \$10,500,000).

Capital Reserves

The Company had made no new allocations to/from the capital reserve for this financial year. At balance date the Capital Reserve totals \$14,216,756.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company.

Significant Events after the End of the Reporting Period

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

Directors' Report (cont.)

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.

The Company is scheduled to receive two further instalments of funding totalling \$15,762,000 which will provide ASHCo with an overall total \$36,781,000 from the Commonwealth Government towards the construction projects under the EIF project.

A total of \$5,000,000 of additional capital is to be subscribed by shareholders during the coming year.

Environmental Regulation and Performance

The Company holds no licences. Accordingly, there was no breach of 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 upfront in 2009 was \$9,679 and this coverage is to June 2015.

Directors' meetings and Committee membership

The number of Directors' meeting held during the year (including meetings of committees 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 ^{1 5}	7	7	8	8
Dr G.A. Carnaby	7	7		
Dr S.H. Gallagher ^{2 3}	7	7	7	8
Dr R.J. Hill ^{2 6}	7	7	6	6*
Prof D.A.T. Siddle	2	3*	2	2*
Prof L. Kristjanson	4	4*		
Independent members:				
Mr J.N.S. Lee ^{2 4}			8	8

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

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

2 Audit and Risk Committee members.

3 S.H. Gallagher is chairman of the Audit and Risk Committee.

4 Mr J.N.S. Lee is an independent consultant to ASHCo 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 a board member of Adult Multicultural Education Services (AMES) and also chairman of AMES finance, audit and risk management committee. He had previously held executive finance positions in a number of multinational companies both in Australia and the United Kingdom.

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.)

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*.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the period and there were no options outstanding at the date of this report.

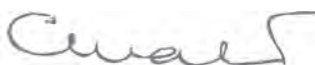
Rounding

Rounding has not been applied 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 Holding Company Proprietary 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.

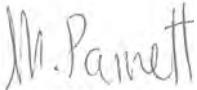
Under the Audit Act 1994, the Auditor-General is the auditor of each public authority and for the purposes of conducting an audit has access to all documents and property, and may report to parliament any matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Australian Synchrotron Holding Company Proprietary 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 Website www.audit.vic.gov.au

Auditing in the Public Interest

Comprehensive Operating Statement

For the financial year ended 30 June 2010

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	Notes	2010 \$	2009 \$
Revenue			
Gain from transfer of assets	4	1,631,947	2,022,362
Commonwealth Government funding (EIF)		18,018,000	-
Victorian Government funding		1,000,000	1,950,000
Other Grant & Commercial Revenue		1,629,730	378,739
Interest Revenue		339,134	513,187
Total Revenue		22,618,811	4,864,288
Expenses			
Administration expenses		94,698	399,489
Spare parts write off		59,282	-
Depreciation expense		8,136,202	6,971,839
Total Expenses		8,290,182	7,371,328
Net Result before income tax		14,328,629	(2,507,040)
Income Tax expense	2(l)	-	-
Net Result for the year		14,328,629	(2,507,040)

Total comprehensive income for the year is attributable to:

	2010 \$	2009 \$
Net Result for the year	14,328,629	(2,507,040)
Other comprehensive income for the year	-	-
Total comprehensive result	14,328,629	(2,507,040)

The comprehensive operating statement is to be read in conjunction with notes to the financial statement set out on pages 16 to 30.

Balance Sheet

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As at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Current Assets			
Cash and cash equivalents	6	23,809,539	6,487,215
Trade and other receivables	7	2,210,300	1,600,000
GST Receivable	2(m)	58,575	-
Owing by ASCo		81,076	42,851
Total Current Assets		26,159,490	8,130,066
Non Current Assets			
Property, plant and equipment	8 & 2 (I)	208,638,941	209,963,732
Total Non-Current Assets		208,638,941	209,963,732
Total Assets		234,798,431	218,093,798
Liabilities			
Current Liabilities			
Trade and other payables		294,440	371,907
GST payable		-	156,425
Owing to ASCo	2(m)	418,512	136,116
Owing to DIIRD	9	5,000,000	5,000,000
Total Current Liabilities		5,712,952	5,664,448
Non Current Liabilities			
Owing to DIIRD	9	3,500,000	6,172,500
Total Non Current Liabilities		3,500,000	6,172,500
Total Liabilities		9,212,952	11,836,948
Total Net Assets		225,585,479	206,256,850
Equity			
Issued capital		207,300,00	207,300,000
Less Uncalled capital		(5,500,000)	(10,500,000)
Contributed equity	10	201,800,000	196,800,000
Capital reserves	11	14,216,756	14,216,756
Accumulated Surplus	12	9,568,723	(4,759,906)
Total Equity		225,585,479	206,256,850

The balance sheet is to be read in conjunction with notes to the financial statement set out on pages 16 to 30.

Statement of Changes in Equity

For the financial year ended 30 June 2010

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	Equity at 1 July 2009	Comprehensive Result	Equity at 30 June 2010
		\$	\$
Accumulated Surplus	(4,759,906)	14,328,629	9,568,723
Contribution of equity	196,800,000	5,000,000	201,800,000
Capital Reserve	14,216,756	-	14,216,756
Balance at 30 June 2010	206,256,850	19,328,629	225,585,479

	Equity at 1 July 2008	Comprehensive Result	Equity at 30 June 2009
		\$	\$
Accumulated Surplus	(2,252,866)	(2,507,040)	(4,759,906)
Contribution of equity	189,300,00	7,500,000	196,800,000
Capital Reserve	14,216,756	-	14,216,756
Balance at 30 June 2009	201,263,890	4,992,960	206,256,850

The statement of changes in equity is to be read in conjunction with notes to the financial statement set out on pages 16 to 30.

Cash Flow Statement

For financial year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flow from operating activities			
Operating receipts		22,963,555	2,535,947
Interest received		339,134	513,187
GST recouped / (repaid)		(1,874,514)	644,251
Operating payments		(527,001)	(331,076)
Net cash (outflow) inflow from operating activities	13(a)	20,901,174	3,362,309
Cash flow from investing activities			
Payments for property, plant and equipment		(4,956,350)	(15,016,814)
Net cash (outflow) inflow used in investing activities		(4,956,350)	(15,016,814)
Cash flow from financing activities			
Contributed capital		4,050,000	8,950,000
Victorian Government advance		2,327,500	4,283,000
Reimbursement of Victorian Government advance		(5,000,000)	(10,500,000)
Net cash (outflow) inflow from financing activities		1,377,500	2,733,000
Net increase (decrease) in cash and cash equivalents		17,322,324	(8,921,505)
Cash and cash equivalent at beginning of financial year		6,487,215	15,408,720
Cash and cash equivalents at end of year	6	23,809,539	6,487,215

The cash flow statement is to be read in conjunction with notes to the financial statement set out on pages 16 to 30.

Notes to the Financial Statements

Note 1. Basis of Preparation

The financial statements are audited general purpose financial statement, which has 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 non-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 report has 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 report 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.

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.)

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(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 are 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 bank and in hand which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow 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 from the Australian Synchrotron Company Limited (ASCo)

ASCo acquires major items of spare parts 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 of the assets of the Australian Synchrotron at a world class standard.

All assets of the Australian Synchrotron are owned by ASHCo. Accordingly, the spares and essential operating upgrades that had been acquired by ASCo up to 30 June 2010 have been transferred to ASHCo for no consideration. ASHCo has reported a gain 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, Victoria 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 the land to ASHCo. ASHCo in turn sub-leased the land and all its improvements, plant and equipment owned by ASHCo to ASCo for the operation and development of the Australian Synchrotron and its associated 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.

Notes to the Financial Statements (cont.)

(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 period 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) Contributed equity

ASHCo is a private company limited by shares. The issued and paid up called capital is recorded as equity. When the capital has been called in accord with the agreed schedule and remains unpaid, the amount is recorded as a trade and other receivable.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses.

Capital spares are included as property, plant and equipment when they are utilised only in connection with an item of plant and equipment.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The costs of fixed assets constructed include the cost of materials, direct labour and other related costs associated with construction.

Capitalisation of labour

The time spent by any staff member (ASCo) or contractor on any capital project or development or building of a beamline is capitalised in the financial accounts as part of the cost of the project.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis, net of their residual value, over their useful lives to the Company. For buildings, plant and equipment and leasehold improvements, depreciation commences from the time the asset is held ready for use. For beamlines, depreciation commences from the time the asset is released for the general user program. Capital spares depreciation commences from the date of purchase.

The useful lives used to calculate depreciation for each class of depreciable assets are:

Class of Fixed Assets	Useful lives
Building	47 years
Plant and equipment	25 years
Beamlines	25 years
Leasehold improvements	47 years
Capital spares	5 years

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Company, whichever is shorter.

Notes to the Financial Statements (cont.)

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of assets are determined by comparing proceeds with the carrying amount and brought to account in the income statement at the time of disposal.

(j) Impairment

The carrying values of property, plant and equipment are assessed for impairment at each reporting date, with the recoverable amount being estimated when events or changes indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment, less where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Property, plant and equipment impairment losses are recognised in the income statement.

(k) 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 funding

Government funding provided for capital and other works is brought to account in the comprehensive operating statement on receipt of funding.

(ii) Interest revenue

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

(l) Income tax and GST

Income tax

The Company has tax exempt status which was confirmed by the Australian Tax Office in a Notice of endorsement for charity tax concessions effective from 12 July 2007.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of 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.)

Cash flows are included in the Cash Flow Statement 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.

(m) Amounts due from and to ASCo

During the period, ASHCo and ASCo 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.

(n) Reserves

Capital reserve

The Directors determined and approved the creation of a capital reserve to be used in the funding of beamline assets.

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

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

ASHCo manages its exposure to key financial risks, including interest rate and currency risk to support the delivery of the ASHCo'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 capital from members according to an agreed schedule. When the capital has been called the amount outstanding is recorded as trade and other receivables. There is minimal risk that the amounts outstanding will not be paid.

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.

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.

Notes to the Financial Statements (cont.)

21

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.

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
2010	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	-	-	23,809,539	23,809,539
Trade and other receivables	2,210,300	-	-	2,210,300
Owing by ASCo	81,076	-	-	81,076
	2,291,376	-	23,809,539	26,100,915
Effective interest rates/weighted average interest rate	-	-	3.27%	3.27%
Financial Liabilities				
Trade and other payables	294,440	-	-	294,440
Owing to ASCo	418,512	-	-	418,512
Owing to DIIRD	8,500,000	-	-	8,500,000
	9,212,952	-	-	9,212,952
Effective interest rates/weighted average interest rate	-	-	-	-
Net Financial Assets/(Liabilities)	(6,921,576)	-	23,809,539	15,887,963

Notes to the Financial Statements (cont.)

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	Non-Interest Bearing	Fixed Interest rate maturing within one year	Floating Interest rate	Total
2009	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	-	-	6,487,215	6,487,215
Trade and other receivables	1,600,000	-	-	1,600,000
Owing by ASCo	42,851	-	-	42,851
	1,642,851	-	6,487,215	8,130,066
Effective interest rates/weighted average interest rate	-	-	4.33%	4.33%
Financial Liabilities				
Trade and other payables	371,907	-	-	371,907
Owing to ASCo	136,116	-	-	136,116
Owing to DIIRD	11,172,500	-	-	11,172,500
	11,680,523	-	-	11,680,523
Effective interest rates/weighted average interest rate	-	-	-	-
Net Financial Assets/(Liabilities)	-	-	6,487,215	3,550,457

v) Receivables – past due not impaired

The risks associated with receivables are deemed low as the balance at 30 June 2010 of \$2,210,300 (2009: \$1,600,000) which was received in July 2010.

vi) Debt maturity analysis

2010	Total	Payable:	
		within 1 year	within 2 years
Capital advance from DIIRD	8,500,000	5,000,000	3,500,000

2009	Total	Payable:	
		within 1 year	within 2 years
Capital advance from DIIRD	11,172,500	5,000,000	6,172,500

vii) 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.

Notes to the Financial Statements (cont.)

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Note 4. Assets received for nil consideration

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

	Notes	2010 \$	2009 \$
Gain on transfer of assets			
Capital upgrades and spares from ASCo	2(e)	1,631,947	2,022,362
Total assets transferred for nil value		1,631,947	2,022,362

Note 5. Auditors' remuneration

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

	Notes	2010 \$	2009 \$
Audit of the financial report		17,985	16,500
Total assets transferred for nil value		17,985	16,500

Note 6. Cash and cash equivalents

The cash balance at reporting date has arisen mainly as a result of infrastructure funding from the Commonwealth (EIF) to redevelop the Australian Synchrotron site. Funding was also received from collaborative partner Monash University (NHMRC funding) and a contribution from Victorian Government to expand the Imaging and Medical Beamline.

	2010 \$	2009 \$
Operating bank account	231,801	281,335
Beamline funding and investor accounts	3,370,250	3,725,312
Commonwealth Government funding (NCRIS) account	550,430	284
Commonwealth Government funding (EIF) account	16,543,534	-
Other Grants	3,113,524	2,480,284
Total cash and cash equivalents	23,809,539	6,487,215

Notes to the Financial Statements (cont.)

Note 7. Trade and other receivables

	2010 \$	2009 \$
Current		
Receivable from shareholders	2,000,000	1,050,000
Trade receivables	210,300	550,000
Total trade and other receivables	2,210,300	1,600,000

Note 8. Non-current assets - property, plant and equipment

(a) Non-current asset

	2010 \$	2009 \$
Buildings		
Cost or fair value	58,949,893	58,728,722
Accumulated depreciation	(3,323,571)	(2,070,253)
Net book value	55,626,322	56,658,469
Leasehold improvements		
Cost or fair value	423,136	423,136
Accumulated depreciation	(16,050)	(7,036)
Net book value	407,086	416,100
Plant and equipment		
Cost or fair value	96,970,313	95,739,456
Accumulated depreciation	(10,020,899)	(6,242,258)
Net book value	86,949,414	89,497,198
Beamlines		
Cost or fair value	54,245,742	53,347,478
Accumulated depreciation	(3,634,594)	(1,474,849)
Net book value	50,611,148	51,872,629
Capital Spares		
Cost or fair value	5,100,042	4,677,395
Accumulated depreciation	(1,719,784)	(784,301)
Write off of spare parts	(59,282)	-
Net book value	3,320,976	3,893,094
Capital Work in progress		
Cost or fair value	11,723,995	7,626,242
Accumulated depreciation	-	-
Net book value	11,723,995	7,626,242

Notes to the Financial Statements (cont.)

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Total		
Cost or fair value	227,413,121	220,542,429
Accumulated depreciation	(18,774,180)	(10,578,697)
Total net book value	208,638,941	209,963,732

(b) Reconciliation of carrying amounts at the beginning and end of the period

	2010 \$	2009 \$
Buildings		
Carrying amount at beginning of year	56,658,469	57,460,254
Additions	221,171	444,877
Depreciation	(1,253,318)	(1,246,662)
Carrying amount at end of year	55,626,322	56,658,469
Leasehold improvements		
Carrying amount at beginning of year	416,100	-
Additions	-	423,136
Amortisation	(9,014)	(7,036)
Impairment (Loss)	-	-
Carrying amount at end of year	407,086	416,100
Plant and equipment		
Carrying amount at beginning of year	89,497,198	91,785,292
Additions	1,230,857	1,471,895
Depreciation	(3,778,641)	(3,759,989)
Carrying amount at end of year	86,949,414	89,497,198
Beamlines		
Carrying amount at beginning of year	51,872,629	12,782,180
Additions	898,263	40,264,300
Depreciation	(2,159,746)	(1,173,851)
Carrying amount at end of year	50,611,148	51,872,629
Capital Spares		
Carrying amount at beginning of year	3,893,094	3,921,503
Additions	422,647	755,892
Write off of spare parts	(59,282)	-
Depreciation	(935,483)	(784,301)
Carrying amount at end of year	3,320,976	3,893,094
Capital Work in progress		
Carrying amount at beginning of year	7,626,242	36,291,470
Additions/(transfers out to property, plant & equipment)	4,097,753	(28,665,228)
Depreciation	-	-
Carrying amount at end of year	11,723,995	7,626,242
Carrying amount at end of year	208,638,941	209,963,732

Notes to the Financial Statements (cont.)

Total		
Carrying amount at beginning of year	209,963,732	202,240,699
Additions	6,870,691	14,694,872
Depreciation and amortisation	(8,136,202)	(6,971,839)
Write off of spare parts	(59,282)	-
Carrying amount at end of year	208,638,941	209,963,732

(c) Impairment of property, plant and equipment

There has been no impairment of value during the period.

Note 9. Capital advance

The Victorian Government has advanced the Company resources (under the Capital Advance and Reimbursement Deed) to finance the construction of the beamlines. These advances are repaid as the shareholders contribute capital according to an agreed schedule. The amount outstanding at 30 June 2010 was:

	2010 \$	2009 \$
Current liability – due within 12 months		
Owing to DIIRD	5,000,000	5,000,000
Non-current liability		
Owing to DIIRD	3,500,000	6,172,500
Total advance repayable to DIIRD	8,500,000	11,172,500

Note 10. Contributed equity

	Notes	2010 \$	2009 \$
Ordinary shares			
Total issued shares		207,300,000	207,300,000
Uncalled capital	(i)	(5,500,000)	(10,500,000)
Total called up capital		201,800,000	196,800,000

i) An amount of \$5,000,000 was contributed by shareholders during the year.

Notes to the Financial Statements (cont.)

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ASHCo is a private company limited by shares. The shareholders of the Company are:

Number of shares	Shareholders
5,000,000	Association of Australian Medical Research Institutes (AAMRI)
5,000,000	Australian Nuclear Science and Technology Organisation (ANSTO)
5,000,000	Commonwealth Scientific and Industrial Research Organisation (CSIRO)
5,000,000	Curtin University of Technology
5,000,000	Monash Investment Holdings Pty Ltd
5,000,000	New Zealand Synchrotron Group Limited
5,000,000	The University of Adelaide
5,000,000	The University of Queensland
5,000,000	The University of Sydney
5,000,000	UMEE Ltd
157,300,000	The Secretary to the Department of Innovation Industry and Regional Development
207,300,000	Total number of shares

The shareholders of the Company have agreed to contribute additional share capital as set out below:

Capital Financing 2010	Total	within 1 year	within 2 years	Payable: within 3 years	within 4 years
Uncalled Capital	\$5,500,000	\$4,000,000	\$1,500,000	-	-

Capital Financing 2009	Total	within 1 year	within 2 years	Payable: within 3 years	within 4 years
Uncalled Capital	\$10,500,000	\$5,000,000	\$4,000,000	\$1,500,000	-

Notes to the Financial Statements (cont.)

Note 11. Capital reserves

On 31 October 2007 the Australian Synchrotron assets were transferred to ASHCo, in return for the issue of shares in the Company. The difference between the value of shares issued and the value of the assets acquired was \$10,000,000 which was recognised as a gain in the 2008 Income Statement. An additional amount of \$306,756 was received from the Australian Beamline Trust representing interest earned on cash invested within the trust and has also been brought to account as revenue. ASCo acquired items of spare parts 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.

	2010 \$	2009 \$
Capital Reserves		
Balance at 1 July	14,216,756	-
Transferred in from accumulated surplus	-	14,216,756
Balance at 30 June	14,216,756	14,216,756

In 2008, the directors allocated \$14,216,756 to Capital Reserves as follows:

	\$
Reserve from gain on transfer of beamline assets	10,306,756
Reserve for future funding of beamlines	3,910,000
Transferred in from accumulated profits	14,216,756

Note 12. Accumulated Surplus/(Losses)

Movements in net results were as follows:

	2010 \$	2009 \$
Accumulated Surplus/(Losses)		
Balance 1 July	(4,759,906)	(2,252,866)
Surplus/(Loss) for the year	14,328,629	(2,507,040)
Transferred to capital reserves	-	-
Balance at 30 June	9,568,723	(4,759,906)

Notes to the Financial Statements (cont.)

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Note 13. Cash flow statement reconciliation

	2010 \$	2009 \$
(a) Reconciliation of net result after tax to net cash flows from operations		
Net Surplus	14,328,629	(2,507,040)
Adjustments for:		
Depreciation & spare parts write off	8,195,484	6,971,839
Assets received for nil value (non cash)	(1,631,947)	(2,022,362)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	339,700	-
(Increase)/decrease in receivable from ASCo	(38,226)	56,437
Increase/(decrease) in GST payable	(180,898)	(191,933)
Increase/(decrease) in trade creditors & accruals	(77,467)	18,432
GST receivable on capital expenditure	(34,101)	1,036,936
Net cash from operating activities	20,901,174	3,362,309

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).

There were no key management employees during the period. Total compensation paid to directors during the period was:

	2010 \$	2009 \$
Short-term employment benefits	70,908	71,944
Post-employment benefits – Superannuation	5,204	5,299
Other long-term employment benefits	-	-
	76,112	77,243

Notes to the Financial Statements (cont.)

Note 15. Commitments

Property, plant and equipment commitments

The Company has contractual obligations to purchase plant and equipment for completion of the beamline and the EIF project.

	2010	2009
	\$	\$
Within one year	1,640,038	2,221,861
After one year but not more than five years	179,612	-
More than five years	-	-
	1,819,650	2,221,861

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 ASHCo considers all of its operations to be covered by a single business segment operating in a single geographic area.

Owning and leasing assets is the sole business activity and this is undertaken within Australia.

Note 18. Significant events after the balance date

There have been no significant events after the balance date.

Directors' declaration

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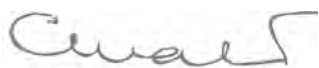
In accordance with a resolution of the directors of Australian Synchrotron Holding Company Proprietary Limited:

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 Holding Company Proprietary Limited

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of the Australian Synchrotron Holding Company Proprietary 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 Holding Company Proprietary 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 Website www.audit.vic.gov.au

Auditing in the Public Interest

Independent Auditor's Report (cont.)

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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 Holding Company Proprietary 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

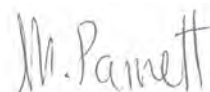
The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with 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 Holding Company Proprietary 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 Website www.audit.vic.gov.au

Auditing in the Public Interest

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Australian Synchrotron Holding Company Pty Limited
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