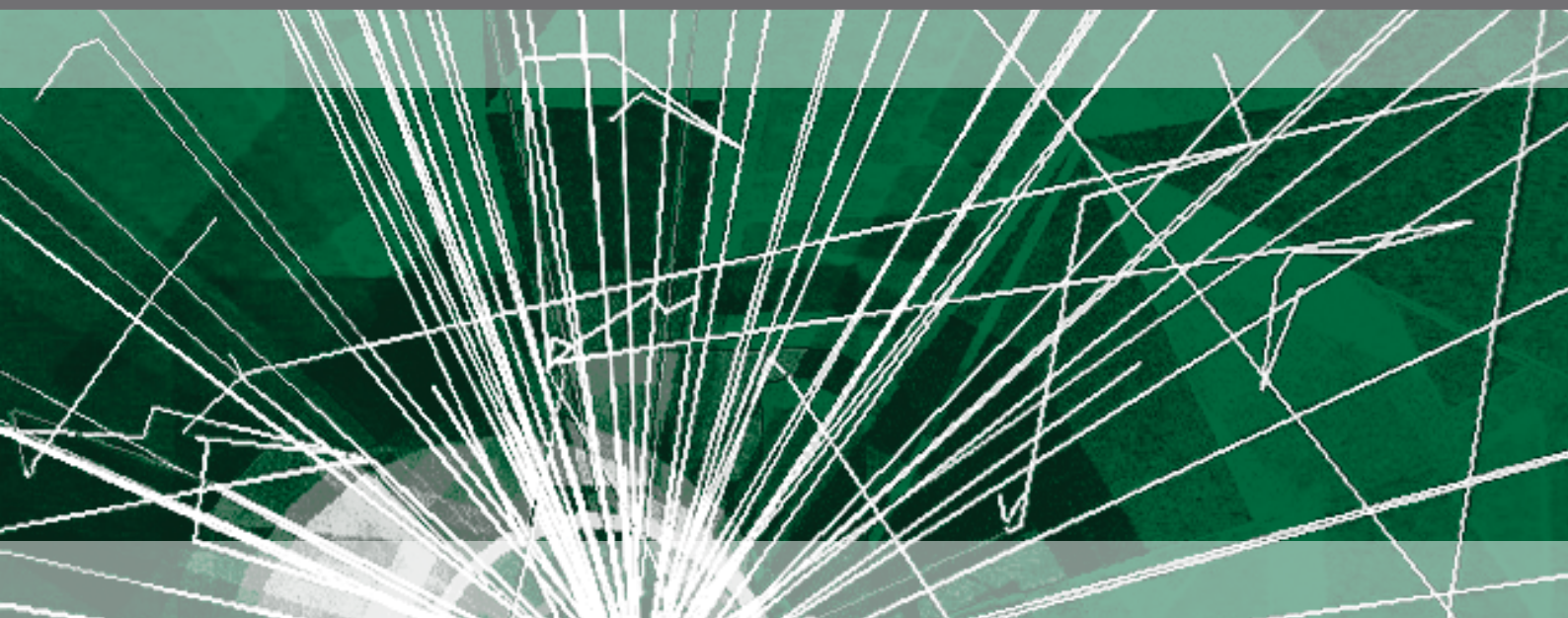


Australian Synchrotron Holding Company Proprietary Limited

ASHCo ABN 63 126 506 205

Financial Statements for the year ended 30 June 2011

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 artwork created by Melbourne-based digital artist, Chris Henshke. Chris is currently undertaking a second artistic residency at the Australian Synchrotron.

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Introduction

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The Australian Synchrotron is a world class 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 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 one of three related documents, including the Financial Statements of ASHCo, ASCo and the Australian Synchrotron Annual Report 2011.

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 (AAS).

An overview of the key activities and achievements of the Australian Synchrotron over 2010-2011 is provided in the Australian Synchrotron Annual Report 2011. This report is a public document and will be freely available on the Australian Synchrotron website at www.synchrotron.org.au later this financial year.

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
ARC	Australian Research Council
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DBI	Department of Business and Innovation
EIF	Education Investment Fund
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
IMBL	Imaging and Medical Beamline
MASSIVE	Multimodal Australian Science Imaging and Visualisation Environment
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

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Directors

C.M. Walter AM *Chairman*

Dr S.H. Gallagher

Dr R.J. Hill

Prof L. Kristjanson

Solicitors

Holding Redlich
350 William Street,
Melbourne, Victoria 3000
Australia

Company Secretary

M.J. Tonroe

Bankers

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

Registered Office and Principal Place of Business

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

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 2011, 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 (resigned 3/6/11)

Dr S.H. Gallagher

Dr R.J. Hill

Prof L. Kristjanson

C.M. Walter AM, LLB (Hons), LLM, MBA, FAICD

Mrs Walter is a Solicitor and Company Director. She has been a Director and Chairman of the Australian Synchrotron since 19 November 2007. Mrs Walter is a Director of Australian Foundation Investment Company Limited, Walter and Eliza Hall Institute of Medical Research, 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 (resigned 3/6/11)

Dr Carnaby currently holds the position of President of the Council of the Royal Society of New Zealand. 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 New Zealand and is the immediate past Chair of the Marsden Fund. His personal research achievements have been recognised by the award of Doctorates from University of NSW, Leeds, Lincoln and De Montfort Universities and election to the Academy in New Zealand. He has run his own company since 2004, involving a mix of personal research and consultancy work mainly supported by the New Zealand Government.

Dr S.H. Gallagher BSc (Hons), PhD, GAICD

Dr Sean Gallagher is Chief Operating Officer of the United States Studies Centre at the University of Sydney where he is a Research Associate in Higher Education. Dr Gallagher is a founding member of the Board of Directors of the Australian Synchrotron and Chairman of its Audit and Risk Committee. He has previously held roles in science, government, public affairs, and state and federal politics.

Dr Gallagher completed his BSc (Hons) and PhD in chemistry at the University of Sydney for which he was awarded the RACI Cornforth medal, has published in the world's leading chemistry journals, and has synchrotron experience at SSRL. He has also been a Visiting Fellow at the University of Southern California (chemistry) and Stanford University (higher education).

Directors' Report (cont.)

Dr R.J. Hill *DSc, PhD, BSc (Hons) FTSE, FAusIMM, FAICD, FMSA, FRACI*

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, 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 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*

Professor Kristjanson was recently appointed the Vice-Chancellor of Swinburne University, Chair of Swinburne Student Amenities Association Limited, Director of Swinburne College Pty Ltd, Swinburne (Holdings) Pty Ltd and Swinburne Limited. She is also the Chair of Auscope Ltd.

Professor Kristjanson was formally the Deputy-Vice Chancellor Research & Development, at Curtin University of Technology in Western Australia. 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.

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

M.J. Tonroe *(Appointed 21/03/11)*

Mr Tonroe is a Chartered Accountant and an experienced Company Secretary having held this position in several Australian and UK based companies. Mr Tonroe is also the Company's Chief Financial Officer with over 15 years experience in similar roles in Australia, UK, North America and Asia across a wide range of business sectors.

J.R. Byron *BComm, CPA (Fellow), Grad Dip Corp Mgt, CSA, FAICD* *(Resigned 18/03/11)*

Ms Byron was the Company Secretary of Australian Synchrotron Holding Company Limited from March 2010.

Dividends

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

Directors' Report (cont.)

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Principal activities

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

- ASHCo is the ownership entity and owns all the Australian Synchrotron assets;
- 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 to a world class standard (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

Using funds secured under the Commonwealth Government's Education Investment Fund (EIF), the year also saw the Australian Synchrotron move from the planning and design phase to construction of new scientific facilities, including the National Centre for Synchrotron Science and User accommodation building. The first building (extension to the switch room) was completed in May 2011.

The key infrastructure projects anticipated completion dates are as follows:

- National Centre for Synchrotron Science (May/Jun 2012)
- User accommodation building (Feb 2012)
- Office extension building (Aug 2011)
- Technical support laboratories building (Sep 2011)
- Extension to switch room (complete May 2011)

A high performance computer known as MASSIVE has been developed to improve the ability of the facility to process and store high volumes of metadata. It will also assist researchers because of its visualisation capabilities. This project is funded jointly by Multimedia Victoria and the Australian National Data Service. The official launch occurred in March 2011.

The facility completed the satellite building of its imaging and medical beamline (IMBL) facility in June 2011; an innovative and vital piece of science infrastructure for Australian and international scientists. The phase two upgrade of the beamline which is funded by Commonwealth Government funds is progressing and expected to be completed by December 2012.

The Australian Synchrotron also attracted new research infrastructure grants totalling \$375,500. This funding is to be used to build on the facility's existing infrastructure capabilities.

Directors' Report (cont.)

Review and result of operations

The Company achieved a net surplus result for the year of \$15,606,870 compared to a net surplus of \$14,328,629 for 2010. The major contribution to this result was the Commonwealth funding for the EIF grants of \$15,762,000 for the year.

Total revenue for the year was \$24,097,641 (2010: \$22,618,811) and was largely comprised of \$15,762,000 (2010: \$18,018,000) received from a total of \$36,781,000 EIF Grant, \$2,757,553 of Commonwealth Government funding through the collaboration with Monash University for the development of the IMBL and \$4,055,124 (2010: \$1,631,947) of gains on transfer of assets from ASCo. Total expenses were \$8,490,771 (2010: \$8,290,182) and largely comprised of \$8,364,523 (2010: \$8,136,202) for depreciation and \$97,849 (2010: \$94,698) for administration expenses.

Review of financial condition

Liquidity

At the balance date the Company had cash reserves of \$28,785,114 (2010: \$23,809,539). \$16,500,000 of cash reserves has been invested in term deposits. The Company also had trade receivables and other current assets of \$2,569,783 (2010: \$2,351,494), the major portion of which was \$1,000,000 representing the amount due and receivable from the foundation investors for subscribed capital. Total current assets were therefore \$31,354,897 (2010: \$26,161,033).

The Company had current liabilities of \$9,345,882 (2010: \$5,714,495), the majority of which represented an amount of \$5,500,000 due to DBI under the Capital Advance and Reimbursement Deed for the advance funding of the beamline works. The Company therefore had working capital of \$22,009,015 (2010: \$20,446,538).

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

Ongoing operational funding of ASCo

The current operational funding arrangements of ASCo provided by the Victorian and Commonwealth Governments expire on 30 June 2012. Negotiations have commenced with both Governments to obtain additional long-term operational and capital funding beyond the expiry of the current arrangement. The Directors of ASCo believe there are reasonable grounds to expect that additional appropriate funding will be obtained. This report should be read in conjunction with that of the Directors' report and financial statements of ASCo for the year ended 30 June 2011 to gain an understanding of the uncertainty over the future funding of ASCo.

Non-current assets

At the end of the reporting period the Company had non-current assets totalling \$223,183,334 (2010: \$208,638,941) mostly comprised of the written down value of property, plant and equipment of \$220,149,074 (2010: \$205,317,965).

Equity and uncalled capital

The issued capital of the Company is \$207,300,000 (2010: \$207,300,000). At the date of this report shareholders had contributed \$205,800,000 (2010: \$201,800,000) of capital and the shareholders have an obligation to subscribe to additional capital of \$1,500,000 (2010: \$5,500,000).

Capital reserves

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

Directors' Report (cont.)

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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

The Directors and Senior Management Group of Australian Synchrotron have commenced a due diligence process with the Victorian and Commonwealth Governments to secure additional long-term operational and/or capital funding beyond the expiry of the current arrangement. A Memorandum of Understanding and Non Disclosure Deed have been executed by the Company to formalise this process.

Likely developments and expected results

The Company expects that following enhancements to the IMBL some applications of it will be available to expert users by September 2011. The continual development of this beamline spans a three year program with a projected completion by December 2012.

The Company is scheduled to receive two further instalments of funding totalling \$3,000,000 which will provide ASHCo with an overall total of \$36,780,000 from the Commonwealth Government towards the construction projects under the EIF project.

A total of \$1,500,000 in respect of uncalled capital is to be received from 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 any act or omission in their capacity as a Director or officer of the Company.

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 AM ^{1 5}	7	7	7	7
Dr G.A. Carnaby ⁶	6	6*		
Dr S.H. Gallagher ²³	7	7	6	7
Dr R.J. Hill	5	7		
Prof L Kristjanson ²	6	7	5	7
Independent member:				
Mr J.N.S. Lee ^{24 7}			7	7

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

Directors' Report (cont.)

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

² Audit and Risk Committee members.

³ Designates 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 Attends Audit and Risk Committee in role as a Director.

⁶ Dr G.A. Carnaby resigned from the board during the year.

⁷ Attended 7 board meetings as an independent consultant.

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.

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 AM
Chairman

26 August 2011

Declaration from VAGO

VAGO

Victorian Auditor-General's Office

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Members 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 2011, 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
26 August 2011


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 2011

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	Notes	2011 \$	2010 \$
Revenue			
Gain from transfer of assets	4	4,055,124	1,631,947
Commonwealth Government funding (EIF)		15,762,000	18,018,000
Victorian Government funding		-	1,000,000
Other grants and revenue		2,833,744	1,629,730
Interest revenue		1,446,773	339,134
Total revenue		24,097,641	22,618,811
Expenses			
Administration expenses		97,849	94,698
Spare parts write off	9	28,399	59,282
Depreciation expense	9	8,364,523	8,136,202
Total expenses		8,490,771	8,290,182
Net result			
Other comprehensive income for the year		-	-
Net comprehensive result		15,606,870	14,328,629

The comprehensive operating statement is to be read in conjunction with notes to the financial statement set out on pages 16 to 33.

Balance Sheet

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As at 30 June 2011

	Notes	2011 \$	2010 \$
Assets			
Current assets			
Cash and cash equivalents	6	12,285,114	23,809,539
Term deposits	7	16,500,000	-
Trade and other receivables	8	1,864,344	2,210,300
GST receivable		705,419	60,118
Receivable from ASCo	2(o)	20	81,076
Total current assets		31,354,897	26,161,033
Non-current assets			
Property, plant and equipment	2(l) & 9(a)	223,183,334	208,638,941
Total non-current assets		223,183,334	208,638,941
Total assets		254,538,231	234,799,974
Liabilities			
Current liabilities			
Trade and other payables	10	3,564,910	295,983
Payable to ASCo	2(o)	280,972	418,512
Payable to DBI (capital advance)	11	5,500,000	5,000,000
Total current liabilities		9,345,882	5,714,495
Non-current liabilities			
Payable to DBI (capital advance)	11	-	3,500,000
Total non-current liabilities		-	3,500,000
Total liabilities		9,345,882	9,214,495
Total net assets		245,192,349	225,585,479
Equity			
Issued capital		207,300,000	207,300,000
Less uncalled capital		(1,500,000)	(5,500,000)
Contributed equity	12	205,800,000	201,800,000
Capital reserves	13	14,216,756	14,216,756
Accumulated surplus	14	25,175,593	9,568,723
Total equity		245,192,349	225,585,479

The balance sheet is to be read in conjunction with notes to the financial statement set out on pages 16 to 33.

Statement of Changes in Equity

For the financial year ended 30 June 2011

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	Accumulated surplus \$	Capital reserve \$	Contributed equity \$	Total \$
Balance at 1 July 2009	(4,759,906)	14,216,756	196,800,000	206,256,850
Net result for the year	14,328,629	-	5,000,000	19,328,629
Balance at 30 June 2010	9,568,723	14,216,756	201,800,000	225,585,479
Net result for year	15,606,870	-	4,000,000	19,606,870
Balance at 30 June 2011	25,175,593	14,216,756	205,800,000	245,192,349

The statement of changes in equity is to be read in conjunction with notes to the financial statement set out on pages 16 to 33.

Cash Flow Statement

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For financial year ended 30 June 2011

	Notes	2011 \$	2010 \$
Cash flow from operating activities			
Operating receipts		20,094,498	22,963,555
Interest received		1,090,021	339,134
GST recouped / (repaid)		(609,248)	(1,874,514)
Operating payments		(1,623,362)	(527,001)
Net cash inflow from operating activities	15	18,951,909	20,901,174
Cash flow from investing activities			
Payments for property, plant and equipment		(15,976,334)	(4,956,350)
Payment for investment	7	(16,500,000)	-
Net cash outflow used in investing activities		(32,476,334)	(4,956,350)
Cash flow from financing activities			
Contributed capital		5,000,000	4,050,000
Victorian Government advance		-	2,327,500
Reimbursement of Victorian Government advance		(3,000,000)	(5,000,000)
Net cash inflow from financing activities		2,000,000	1,377,500
Net increase in cash and cash equivalents		(11,521,425)	17,322,324
Cash and cash equivalents at beginning of financial year		23,809,539	6,487,215
Cash and cash equivalents at end of year	6	12,285,114	23,809,539

The cash flow statement is to be read in conjunction with notes to the financial statement set out on pages 16 to 33.

Notes to the Financial Statements

Note 1. Basis of preparation

The financial statements are audited general purpose financial statements, which have been prepared in accordance with AAS, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. AAS includes the Australian equivalent of International Financial Reporting Standards (IFRS). In complying with the AAS, those paragraphs of the AAS applicable to not-for-profit entities have been applied.

The financial statements have been prepared on an accruals basis and are based on historical cost basis, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian Dollars and values are rounded to the nearest dollar.

Early adoption of standards

The Company has not adopted any pronouncements that are not yet effective for the annual reporting period beginning 1 July 2010.

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.

Going Concern

The financial report for the year ended 30 June 2011 has been prepared on a going concern basis as, in the opinion of the Directors, Australian Synchrotron Holding Company Pty Ltd will be in a position to meet its operating costs for at least twelve months from the date of this report. This report should be read in conjunction with ASCo's financial statements for the year ended 30 June 2011.

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).

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

Notes to the Financial Statements (cont.)

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Note 2. Significant accounting policies

(a) New accounting standards and interpretations

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project .
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions.
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues.
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19.
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. There will be no impact as presently the company has no financial liability instruments.

- (ii) 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 has applied the revised standard from 1 July 2010.

(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 Comprehensive Operating Statement.

(c) 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:

Notes to the Financial Statements (cont.)

(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.

(d) Expense recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Administration expenses are those costs incurred in administering the operations of ASHCo and include Director related expenditure and audit fees.

(e) 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.

(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.

(g) 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.

(h) Term deposits

Term deposits are cash deposits held in a financial institution for a fixed term. They are generally short term investments with a fixed interest rate and fixed maturity date. They hold no interest rate risk. Funds can only be withdrawn after maturity date.

(i) 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.

Notes to the Financial Statements (cont.)

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(j) Assets transferred from ASCo

ASCo acquires major items of spare parts, major civil works 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 2011 have been transferred to ASHCo for no consideration. ASHCo has reported a gain on the transfer.

(k) 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.

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 flow.

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

(l) 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 apportioned time spent by any employee or contractor of ASCo on any capital project 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 start of the next financial year.

Notes to the Financial Statements (cont.)

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

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<i>Class of fixed assets</i>	<i>Useful lives</i>
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.

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.

(m) 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 estimated 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. Impairment losses are recognised in the Comprehensive Operating Statement.

(n) 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.

(o) 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.

(p) 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.

(q) Reserves

Capital reserve

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

Notes to the Financial Statements (cont.)

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

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

The Company holds the following financial instruments:

2011	Contractual financial liabilities designated at fair value through profit/loss	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
Contractual financial assets				
Cash and cash equivalents		12,285,114		12,285,114
Term deposits		16,500,000		16,500,000
Trade and other receivables		1,864,344		1,864,344
Receivable from ASCo		20		20
Total contractual financial assets		30,649,478		30,649,478
Contractual financial liabilities				
Trade and other payables	8,041		3,556,869	3,564,910
Payable to ASCo			280,972	280,972
Payable to DBI			5,500,000	5,500,000
Total contractual financial liabilities	8,041		9,337,841	9,345,882
2010				
	Contractual financial liabilities designated at fair value through profit/loss	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
Contractual financial assets				
Cash and cash equivalents		23,809,539		23,809,539
Trade and other receivables		2,210,300		2,210,300
Receivable from ASCo		81,076		81,076
Total contractual financial assets		26,100,915		26,100,915
Contractual financial liabilities	\$	\$	\$	\$
Trade and other payables	13,480		282,503	295,983
Payable to ASCo			418,512	418,512
Payable to DBI			8,500,000	8,500,000
Total contractual financial liabilities	13,480		9,201,015	9,214,495

Notes to the Financial Statements (cont.)

(a) Credit risk

Ageing of financial assets that were past due but not impaired for 2011					
	0 - 30 days	31 - 60 days	61 - 90 days	91+ days	Total
Trade and other receivables	494,484	1,010,083	-	3,025	1,507,592
Accrued interest	64,491	-	42,994	249,267	356,752
Receivable from ASCo	20	-	-	-	20
Total	558,995	1,010,083	42,994	252,292	1,864,364

Ageing of financial assets that were past due but not impaired for 2010					
	0 - 30 days	31 - 60 days	61 - 90 days	91+ days	Total
Trade and other receivables	210,300	2,000,000	-	-	2,210,300
Receivable from ASCo	81,076	-	-	-	81,076
Total	291,376	2,000,000	-	-	2,291,376

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

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 major Australian bank.

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

(b) Liquidity risk

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

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. It also monitors longer term liquidity risk by maintaining cash flow forecasts.

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

Maturities for financial liabilities 2011					
	0 - 3 months	3 - 6 months	6 - 12 months	>12 months	Total
Trade and other payables	3,564,910	-	-	-	3,564,910
Payable to ASCo	280,972	-	-	-	280,972
Payable to DBI	4,000,000	1,500,000	-	-	5,500,000
Total	7,845,882	1,500,000	-	-	9,345,882

Notes to the Financial Statements (cont.)

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Maturities for financial liabilities 2010					
	0 - 3 months	3 - 6 months	6 - 12 months	> 12 months	Total
Trade and other payables	295,983	-	-	-	295,983
Payable to ASCo	418,512	-	-	-	418,512
Payable to DBI	2,000,000	1,000,000	2,000,000	3,500,000	8,500,000
Total	2,714,495	1,000,000	2,000,000	3,500,000	9,214,495

(c) 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.

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

(d) Foreign currency risk

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

Large value contracts from foreign suppliers are negotiated in Australian Dollars.

(e) Interest rate risk

The Company manages its interest rate risk by holding large surplus funds in various term deposits. The Company has assessed that the interest rate risk is insignificant and not material.

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:

Notes to the Financial Statements (cont.)

2011	Non-interest bearing	Fixed interest rate maturing within one year	Floating interest rate	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	-	16,500,000	12,285,114	28,785,114
Trade and other receivables	1,864,344	-	-	1,864,344
Owing by ASCo	20	-	-	20
Total financial assets	1,864,364	16,500,000	12,285,114	30,649,478
Effective interest rates/weighted average interest rate	-	-	4.67%	4.67%
Financial liabilities				
Trade and other payables	3,564,910	-	-	3,564,910
Owing to ASCo	280,972	-	-	280,972
Owing to DBI	5,500,000	-	-	5,500,000
Total financial liabilities	9,345,882	-	-	9,345,882
Effective interest rates/weighted average interest rate	-	-	-	-
Net financial assets/(liabilities)	(7,481,518)	16,500,000	12,285,114	21,303,596
2010	Non-interest bearing	Fixed interest rate maturing within one year	Floating interest rate	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	-	-	23,809,539	23,809,539
Trade and other receivables	2,210,300	-	-	2,210,300
Receivable from ASCo	81,076	-	-	81,076
Total financial assets	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	295,983	-	-	295,983
Payable to ASCo	418,512	-	-	418,512
Payable to DBI	8,500,000	-	-	8,500,000
Total financial liabilities	9,214,495	-	-	9,214,495
Effective interest rates/weighted average interest rate	-	-	-	-
Net financial assets/(liabilities)	(6,923,119)	-	23,809,539	16,886,420

Notes to the Financial Statements (cont.)

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(f) Debt Maturity Analysis

2011	Total	Payable	
		within 1 year	within 2 years
Capital advance from DBI	5,500,000	5,500,000	-

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

(g) Other price risk

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.

(h) 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. Assets received for nil consideration

All assets of the Australian Synchrotron are owned by ASHCo. Accordingly, the spares, major civil works and essential operating upgrades that had been acquired up to 30 June 2011 have been transferred from ASCo to ASHCo for nil consideration.

	Notes	2011 \$	2010 \$
Gain on transfer of assets			
Capital upgrades, civil works and spares from ASCo	2(j)	4,055,124	1,631,947
Total assets transferred for nil value		4,055,124	1,631,947

Note 5. Auditor's remuneration

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

	2011 \$	2010 \$
Audit of the financial report	18,250	17,985
Total Auditor's remuneration	18,250	17,985

Notes to the Financial Statements (cont.)

Note 6. Cash and cash equivalents

The cash balance at reporting date has arisen mainly as a result of infrastructure funding from the Commonwealth Government (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 IMBL.

	2011	2010
	\$	\$
Operating bank account	208,408	231,801
Beamline funding and investor accounts	4,031,430	3,370,250
Commonwealth Government funding (NCRIS) account	972	550,430
Commonwealth Government funding (EIF) account	6,557,823	16,543,534
Other grants	1,486,481	3,113,524
Total cash and cash equivalents	12,285,114	23,809,539

Note 7. Term deposits

Surplus cash from EIF grant funding was invested into various maturity date term deposits during the reporting period. Cash flow forecasts are maintained identifying available cash which can be invested to earn higher interest. The term deposits have been scheduled to mature one month before a construction instalment is due for payment. Term deposits are held with the Company's bank and maturity dates range from more than three months from the date of acquisition, but less than 12 months from the end of the reporting period.

	2011	2010
	\$	\$
Term deposits	16,500,000	-
Total term deposits	16,500,000	-

Note 8. Trade and other receivables

	2011	2010
	\$	\$
Current		
Receivable from shareholders	1,000,000	2,000,000
Trade receivables	507,592	210,300
Accrued interest	356,752	-
Total trade and other receivables	1,864,344	2,210,300

The amount receivable from shareholders was subsequently received in July 2011.

Notes to the Financial Statements (cont.)

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Note 9. Non-current assets - property, plant and equipment

(a) Non-current assets

	Building	Leasehold improvement	Plant and equipment	Beamlines	Capital spares	Capital work in progress	Total
At 1 July 2009							
Cost or fair value	58,728,722	423,136	95,739,456	53,347,478	4,677,395	7,626,242	220,542,429
Accumulated depreciation	(2,070,253)	(7,036)	(6,242,258)	(1,474,849)	(784,301)		(10,578,697)
Net book amount	56,658,469	416,100	89,497,198	51,872,629	3,893,094	7,626,242	209,963,732

Year ended 30 June 2010							
Opening net book amount	56,658,469	416,100	89,497,198	51,872,629	3,893,094	7,626,242	209,963,732
Additions	221,171		1,230,857	898,265	422,647	4,097,753	6,870,693
Write off spare parts					(59,282)		(59,282)
Depreciation charge	(1,253,318)	(9,014)	(3,778,641)	(2,159,746)	(935,483)		(8,136,202)
Closing net book amount	55,626,322	407,086	86,949,414	50,611,148	3,320,976	11,723,995	208,638,941

At 30 June 2010							
Cost or fair value	58,949,893	423,136	96,970,313	54,245,742	5,040,760	11,723,995	227,353,839
Accumulated depreciation	(3,323,571)	(16,050)	(10,020,899)	(3,634,594)	(1,719,784)		(18,714,898)
Net book amount	55,626,322	407,086	86,949,414	50,611,148	3,320,976	11,723,995	208,638,941

Year ended 30 June 2011							
Opening net book amount	55,626,322	407,086	86,949,414	50,611,148	3,320,976	11,723,995	208,638,941
Additions	558,811		1,582,832	108,845	749,831	19,936,996	22,937,315
Write off spare parts					(28,399)		(28,399)
Depreciation charge	(1,255,560)	(9,014)	(3,919,209)	(2,172,592)	(1,008,148)		(8,364,523)
Closing net book amount	54,929,573	398,072	84,613,037	48,547,401	3,034,260	31,660,991	223,183,334

Notes to the Financial Statements (cont.)

	Building	Leasehold improvement	Plant and equipment	Beamlines	Capital spares	Capital work in progress	Total
At 30 June 2011							
Cost or fair value	59,508,704	423,136	98,553,145	54,354,588	5,704,693	31,660,991	250,205,257
Accumulated depreciation	(4,579,131)	(25,064)	(13,940,108)	(5,807,187)	(2,670,433)		(27,021,923)
Net book amount	54,929,573	398,072	84,613,037	48,547,401	3,034,260	31,660,991	223,183,334

(b) Asset in course of construction

The carrying amounts of the assets disclosed above include the following expenditure recognised in relation to property, plant and equipment which is in the course of construction:

	2011	2010
	\$	\$
Buildings	13,510,227	1,790,955
Beamlines	15,523,598	9,825,079
Plant and equipment	2,627,166	107,961
Total assets in course of construction	31,660,991	11,723,995

(c) Impairment of property, plant and equipment

There has been no impairment of value during the period.

Note 10. Trade and other payables

	2011	2010
	\$	\$
Current		
Trade payables	1,013,974	278,129
Accruals	2,550,936	17,854
Total trade and other payables	3,564,910	295,983

Trade payables and accruals include invoices for the construction of the National Centre for Synchrotron Science under the EIF project and IMBL Phase 2.

Notes to the Financial Statements (cont.)

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Note 11. 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 2011 is shown below. \$4 million has subsequently been paid to DBI in August 2011.

	2011	2010
	\$	\$
Current liability – due within 12 months		
Payable to DBI	5,500,000	5,000,000
Non-current liability		
Payable to DBI	-	3,500,000
Total advance repayable to DBI	5,500,000	8,500,000

Note 12. Contributed equity

	Notes	2011	2010
		\$	\$
Ordinary shares			
Total issued shares		207,300,000	207,300,000
Uncalled capital	(i)	(1,500,000)	(5,500,000)
Total called up capital		205,800,000	201,800,000

(i) An amount of \$4,000,000 was contributed by shareholders during the year.

Notes to the Financial Statements (cont.)

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

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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	University of Sydney
5,000,000	The University of Melbourne - UOM Commercial Ltd (formerly UMEE Limited)
157,300,000	The Secretary to the Department of Business and Innovation
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		Payable			
2011	Total	within 1 year	within 2 years	within 3 years	within 4 years
Uncalled capital	\$1,500,000	\$1,500,000	-	-	-

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

Notes to the Financial Statements (cont.)

Note 13. 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 world class standard.

	2011 \$	2010 \$
Capital reserves		
Balance at 1 July	14,216,756	14,216,756
Transferred in from accumulated surplus	-	-
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 14. Accumulated surplus

Movements in net results were as follows:

	2011 \$	2010 \$
Accumulated surplus/(losses)		
Balance at 1 July	9,568,723	(4,759,906)
Surplus for the year	15,606,870	14,328,629
Transferred to capital reserves	-	-
Balance at 30 June	25,175,593	9,568,723

Notes to the Financial Statements (cont.)

Note 15. Cash flow statement reconciliation

	2011	2010
	\$	\$
Reconciliation of net result after tax to net cash flow from operations		
Net surplus / (loss)	15,606,870	14,328,629
Adjustments for:		
Depreciation & spare parts write off	8,392,922	8,195,484
Assets received for nil value (non cash)	(4,055,124)	(1,631,947)
Accrued interest revenue	(356,752)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(297,293)	339,700
(Increase)/decrease in receivable from ASCo	81,056	(38,226)
Decrease in GST payable	(636,556)	(182,441)
Increase/(decrease) in trade creditors & accruals	225,531	(75,924)
GST receivable on capital expenditure	(8,745)	(34,101)
Net cash from operating activities	18,951,909	20,901,174

Note 16. 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). Dr Borg's salary was paid by ASCo for this period.

Directors:

Mrs C.M. Walter AM

Dr G.A. Carnaby (*resigned June 2011*)

Dr S.H. Gallagher

Dr R.J. Hill

Prof L. Kristjanson

Executive Management:

Dr George Borg, Chief Executive Officer (*appointed March 2011*)

Notes to the Financial Statements (cont.)

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

	2011	2010
	\$	\$
Short-term employment benefits	70,855	70,908
Post-employment benefits - superannuation	5,299	5,204
	76,154	76,112

Note 17. Commitments

Property, plant and equipment commitments

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

	2011	2010
	\$	\$
Within one year	24,510,208	1,804,042
After one year but not more than five years	-	197,573
Total commitments (inclusive of GST)	24,510,208	2,001,615
Less GST recoverable	(2,228,200)	(181,965)
Total commitments (exclusive of GST)	(22,282,008)	1,819,650

Note 18. Related party transactions

- ASHCo is classed as a public body controlled by DBI under the *Financial Managements Act 1994* and falls under Ministerial directions; and
- The Victorian Government has advanced the Company resources (under the Capital Advance and Reimbursement Deed) to finance the construction of the beamlines. The transactions are set out in note 11.

Note 19. Contingencies

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

Note 20. Segment information

The Directors of ASHCo consider 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.

Directors' declaration

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 2011 and of its performance for the period ended on that date; and
 - (ii) complying with *Accounting Standards and Corporations Regulations 2001*.
- (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 AM
Director



S.H. Gallagher
Director

Melbourne,
26 August 2011

Independent Auditor's Report

VAGO

Victorian Auditor-General's Office

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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 2011 of Australian Synchrotron Holding Company Proprietary Limited which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration has been audited.

The Directors' Responsibility for the Financial Report

The directors of Australian Synchrotron Holding Company Proprietary Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations and the financial reporting requirements of the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 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

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Auditing in the Public Interest

Independent Auditor's Report (cont.)

VAGO

Victorian Auditor-General's Office

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Independent Auditor's Report (continued)

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.

Opinion

In my opinion, the financial report of 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 2011 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Australian Synchrotron Holding Company Proprietary Limited for the year ended 30 June 2011 included both in the Australian Synchrotron Holding Company Proprietary Limited's annual report and on the website. The directors of Australian Synchrotron Holding Company Proprietary Limited are responsible for the integrity of the Australian Synchrotron Holding Company Proprietary Limited's website. I have not been engaged to report on the integrity of the Australian Synchrotron Holding Company Proprietary Limited's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
26/08/2011


For D D R Pearson
Auditor-General

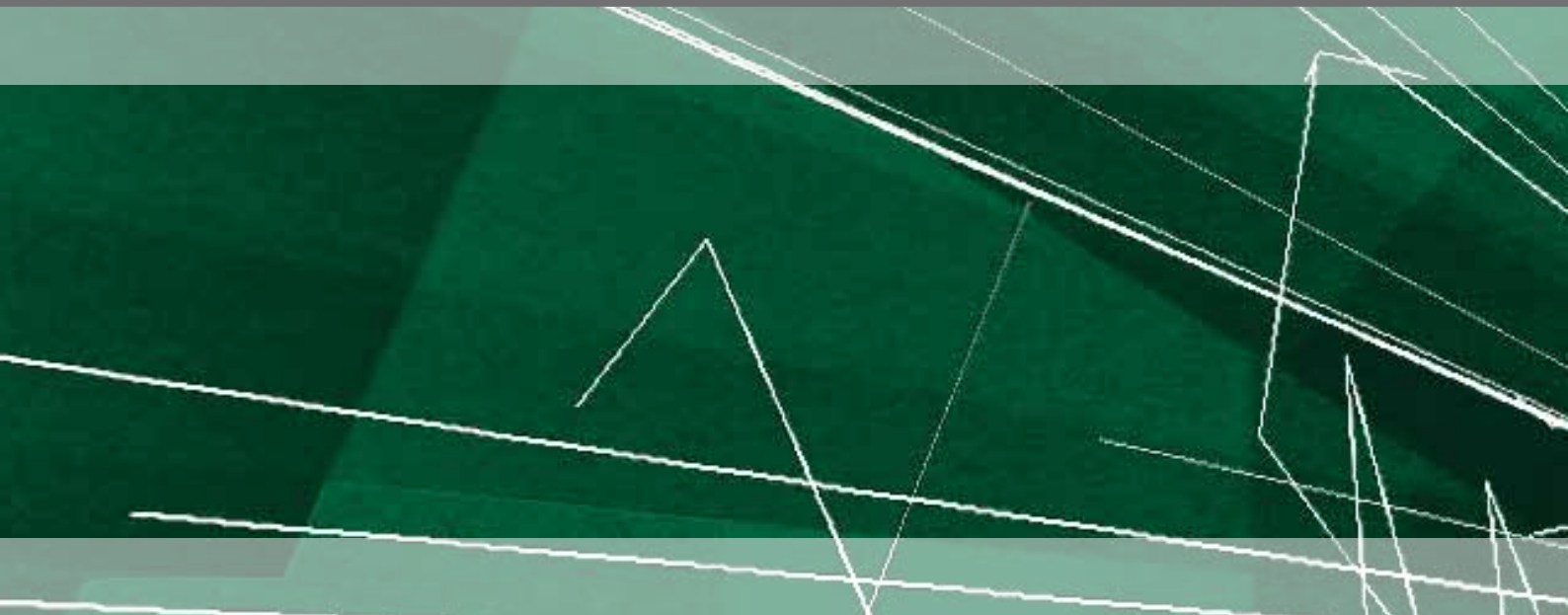
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Auditing in the Public Interest

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ACN 126 506 205

Australian Synchrotron Company Limited
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by*

