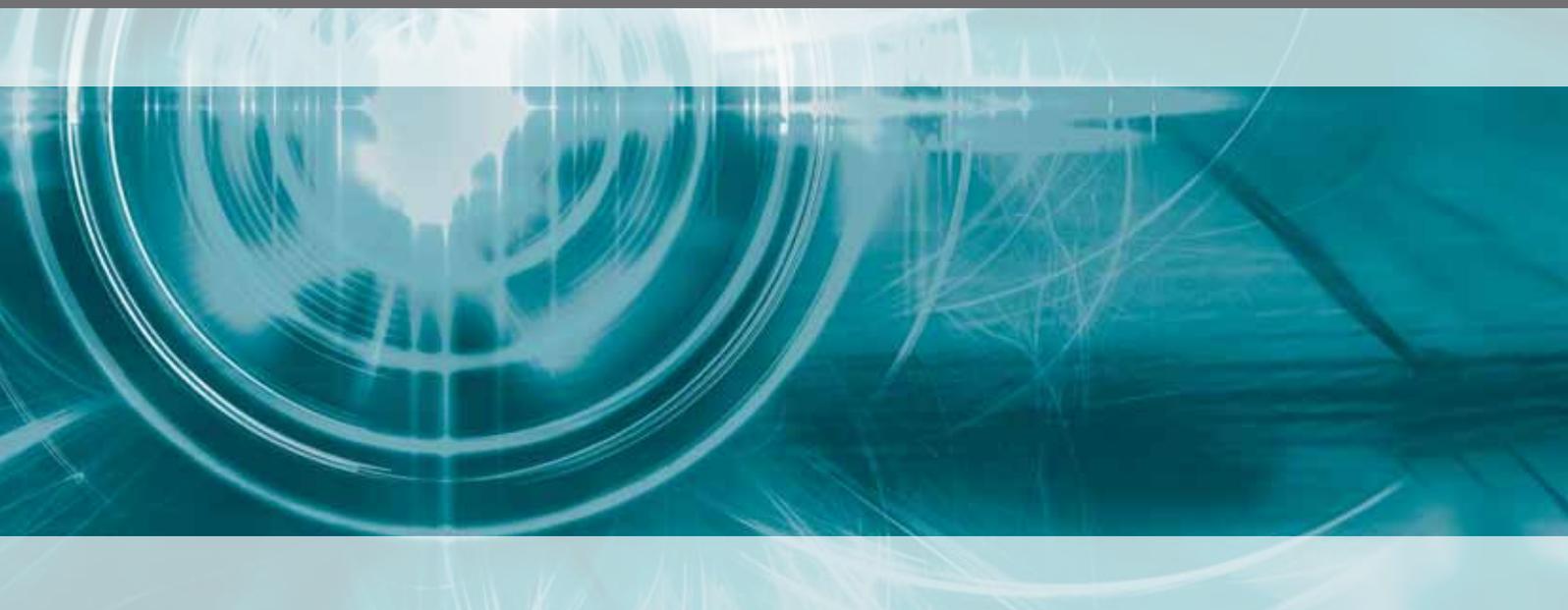


Australian Synchrotron Holding Company Proprietary Limited

ASHCo ABN 63 126 506 205

Financial Statements for the year ended 30 June 2012

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



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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 2012.

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 2011-2012 is provided in the Australian Synchrotron Annual Report 2012. 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
SLSA	Synchrotron Light Source Australia Pty Ltd
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

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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 2012, 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 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 and has recently been appointed Chairman of Fed Square. 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 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. 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).

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, industry collaborative research relationships, technology transfer, and intellectual property management and commercialisation activities.

Dr Hill is a Director of the Victorian Centre for Advanced Materials Manufacturing Ltd, ARC Centre of Excellence for Design in Light Metals and an Investment Committee member of the Trans Tasman Commercialisation Fund. He was recently appointed Acting Chair, Melbourne East Regional Development Australia (RDA) Committee, a body established by the Federal Government Department of Regional Australia, Regional Development and Local Government.

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.

Directors' Report (cont.)

Professor L. Kristjanson, BN, MN, PhD, GAICD

Professor Kristjanson is 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

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.

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:

- 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.

Directors' Report (cont.)

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Operating and financial review

The Commonwealth Government Education Investment Funded (EIF) major buildings project was delivered ahead of schedule and on budget during the year. These facilities greatly enhance the operations of the Australian Synchrotron.

- National Centre for Synchrotron Science was completed and occupied in May 2012 houses the main corporate administration of the facility as well as providing a 300 seat lecture theatre and display area. The facility includes a cafeteria for the staff, users and visitors.
- User accommodation building which provides a 50 room guesthouse for users and visitors was completed in April 2012 and took its first official guests in May 2012. This facility provides convenience and comfort for guests who utilise the 24 hour operational facility. Office extension building which provides housing for staff working on specific projects was completed in August 2011 and occupied in September 2011.
- Technical support laboratories building was completed in September 2011 and occupied by the technical support group in October 2011. The facility provides space and capacity to service the continued operations of the facility.

The upgrade to the Imaging and Medical Beamline (IMBL) funded by the National Health and Medical Research Council (NHMRC) continued during the year. The development of the infrastructure and scientific programs has reached the beginning of the commissioning phase. Additional resources were allocated to accelerate the delivery of the IMBL facility which has led to a major milestone being achieved: a call for expert user applications in May 2012.

The first custom designed monochromator for imaging was installed and commissioning is near completion. This is a very high stability instrument that can deliver the beam to all experimental areas including the satellite building 120m downstream from the optics.

Review and result of operations

The Company achieved a net surplus result for the year of \$3,932,598 compared to a net surplus of \$15,606,870 for 2011. The major contribution to this result was the Commonwealth funding for the EIF grants of \$3,000,000 for the year (2011:\$15,762,000).

Total revenue for the year was \$11,620,603 (2011: \$24,097,641) and was comprised of \$3,000,000 (2011: \$15,762,000) received from a total of \$36,781,000 EIF Grant, \$4,098,469 (2011: \$2,757,553) of NHMRC funding through the collaboration with Monash University for the development of the IMBL and \$3,706,255 (2011: \$4,055,124) of gains on transfer of assets from ASCo. Total expenses were \$7,688,005 (2011: \$8,490,771) and largely comprised of \$7,465,244 (2011: \$8,364,523) for depreciation and \$222,760 (2011: \$97,849) for administration expenses.

Review of financial condition

Liquidity

At the balance date the Company had cash reserves of \$5,457,673 (2011: \$28,785,114). \$16,500,000 of cash reserves held in term deposits in 2011 matured during this year and were applied to the EIF project. The Company also had trade receivables and other current assets of \$761,569 (2011: \$2,569,783). Total current assets were therefore \$6,219,242 (2011: \$31,354,897).

The Company had current liabilities of \$215,600 (2011: \$9,345,882). The Company therefore had working capital of \$6,003,642 (2011: \$22,009,015).

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

Directors' Report (cont.)

Ongoing operational funding of ASCo

The operational funding arrangements established in 2007 by the Victorian and Commonwealth Governments expired on 30 June 2012. These arrangements provided annual operating funding of \$20 million plus accrued interest for the period from 1 July 2007 to 30 June 2012 to a total maximum funding of \$100 million plus accrued interest. The New Zealand Synchrotron Group provided additional annual funding of \$750,000 plus indexation during the period to 30 June 2012.

In accordance with a Memorandum of Understanding (MoU) executed in March 2012 between the State and Commonwealth Governments, ANSTO and CSIRO, new operational funding of \$100 million for the four years ending 30 June 2016 is expected for the Australian Synchrotron. Pursuant to the MoU, funding of \$25 million per annum will be provided by the following parties:

	\$M
Party	
ARC Special Research Initiative	55
State of Victoria	26
Science and Industry Endowment Fund	10
New Zealand Synchrotron Group	5
ANSTO	4
Total current assets	100

This report should be read in conjunction with that of the Directors' report and financial statements of ASCo for the year ended 30 June 2012 to gain an understanding of the future funding and operations of ASCo.

Non current assets

At the end of the reporting period the Company had property, plant and equipment (non-current assets) totalling \$245,307,158 (2011: \$223,183,334).

Equity and uncalled capital

The issued capital of the Company is \$207,300,000 (2011:\$207,300,000). At the date of this report shareholders had contributed in full \$207,300,000 (2011: \$205,800,000)

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 (2011: \$14,216,756).

Asset revaluation reserves

An asset valuation was conducted during the year which has resulted in an increase in fair value of \$685,853.

Significant changes in the state of affairs

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

Directors' Report (cont.)

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Likely developments and expected results

The Imaging and Medical Beamline (IMBL) achieved first beam delivery to the satellite building in September 2012, with the first commissioning experiments expected to occur in late October 2012. The super conducting device (wiggler) will be installed in September 2012 during the dedicated maintenance shutdown period.

Pursuant to arrangements anticipated by the MoU, the lease currently in place between ASHCo and ASCo in respect of the operations of the Australian Synchrotron will be replaced by new arrangements with SLSA, a wholly owned subsidiary of ANSTO. It is expected that SLSA will continue to operate the facility to world class standards.

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 ¹⁵	8	8	6	4*
Dr S.H. Gallagher ²³	8	8	8	8
Dr R.J. Hill	7	8		
Prof L. Kristjanson ⁶	7	8	3	4*
Independent member:				
Mr J.N.S. Lee ²⁴⁷			8	8

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

Notes:

1 Designates the Chairman of the Board of Directors. Appointed to Audit and Risk Committee on 28 March 2012 and had also attended two Audit and Risk Committee meetings before that date.

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 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 and was appointed as a member of the Committee during the year.

6 Prof L Kristjanson resigned from the Audit and Risk Committee during the year.

7 Attended 8 board meetings as an independent consultant.

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.

Auditor's Independence declaration

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

4 October 2012

Declaration from VAGO

VAGO

Victorian Auditor-General's Office

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

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Directors, 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 body 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 Australian Synchrotron Holding Company Proprietary Limited for the year ended 30 June 2012, 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
4 October 2012


D D R Pearson
Auditor-General

Auditing in the Public Interest

Comprehensive Operating Statement

For the financial year ended 30 June 2012

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	Notes	2012 \$	2011 \$
Revenue			
Gain from transfer of assets	4	3,706,255	4,055,124
Commonwealth Government funding (EIF)		3,000,000	15,762,000
NHMRC funding		4,098,469	2,757,553
Other revenue		172,272	76,191
Interest revenue		643,607	1,446,773
Total revenue		11,620,603	24,097,641
Expenses			
Administration expenses		222,761	97,849
Spare parts write off	9	-	28,399
Depreciation expense	2(1),9	7,465,244	8,364,523
Total expenses		7,688,005	8,490,771
Net result		3,932,598	15,606,870
Other economic flows – Other non-owner changes in equity			
Asset revaluation surplus - PPE	14	685,853	-
Total other economic flows – Other non-owner changes in equity		685,853	-
Comprehensive result		4,618,451	15,606,870

The comprehensive operating statement is to be read in conjunction with notes to the financial statement set out on pages 15 to 32.

Balance Sheet

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As at 30 June 2012

	Notes	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	2(g), 6	5,457,673	12,285,114
Term deposits	2(h), 7	-	16,500,000
Trade and other receivables	2(i), 8	726,814	1,864,344
GST receivable	2(k)	32,729	705,419
Receivable from ASCo	2(o)	22	20
Other Current assets		2,004	-
Total current assets		6,219,242	31,354,897
Non current assets			
Property, plant and equipment	2(l) & 9(a)	245,307,158	223,183,334
Total non-current assets		245,307,158	223,183,334
Total assets		251,526,400	254,538,231
Liabilities			
Current liabilities			
Trade and other payables	2(n), 10	191,732	3,564,910
Payable to ASCo	2(o)	23,868	280,972
Payable to DBI (capital advance)	11	-	5,500,000
Total current liabilities		215,600	9,345,882
Total liabilities		215,600	9,345,882
Total net assets		251,310,800	245,192,349
Equity			
Issued capital		207,300,000	207,300,000
Less uncalled capital		-	(1,500,000)
Contributed equity	12	207,300,000	205,800,000
Capital reserves	13	14,216,756	14,216,756
Asset revaluation reserve	14	685,853	-
Accumulated surplus	15	29,108,191	25,175,593
Total equity		251,310,800	245,192,349

The balance sheet is to be read in conjunction with notes to the financial statement set out on pages 15 to 32.

Statement of Changes in Equity

For the financial year ended 30 June 2012

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	Accumulated surplus	Capital reserve	Contributed equity	Asset revaluation reserve	Total
	\$	\$	\$	\$	\$
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
Net result for year	3,932,598	-	1,500,000		5,432,598
Other economic flows				685,853	685,853
Balance at 30 June 2012	29,108,191	14,216,756	207,300,000	685,853	251,310,800

The statement of changes in equity is to be read in conjunction with notes to the financial statement set out on pages 15 to 32.

Cash Flow Statement

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For financial year ended 30 June 2012

	Notes	2012 \$	2011 \$
Cash flow from operating activities			
Operating receipts		7,635,237	20,094,498
Interest received		1,000,359	1,090,021
GST recouped / (repaid)		2,461,069	(609,248)
Operating payments		(2,832,299)	(1,623,362)
Net cash inflow from operating activities	16	8,264,366	18,951,909
Cash flow from investing activities			
Payments for property, plant and equipment		(28,591,807)	(15,976,334)
Investment recouped / (payment)	7	16,500,000	(16,500,000)
Net cash outflow used in investing activities		(12,091,807)	(32,476,334)
Cash flow from financing activities			
Contributed capital		2,500,000	5,000,000
Reimbursement of Victorian Government advance		(5,500,000)	(3,000,000)
Net cash inflow from financing activities		(3,000,000)	2,000,000
Net increase in cash and cash equivalents		(6,827,442)	(11,524,425)
Cash and cash equivalents at beginning of financial year		12,285,114	23,809,539
Cash and cash equivalents at end of year	6	5,457,673	12,285,114

The cash flow statement is to be read in conjunction with notes to the financial statement set out on pages 15 to 32.

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 2011.

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 2012 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 2012.

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 2012 and the comparative information presented for the year ended 30 June 2011.

Note 2. Significant accounting policies

(a) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2011, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company, except for AASB 9 Financial instruments, which becomes mandatory for the Company's 2016 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

Notes to the Financial Statements (cont.)

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- (i) Since January 2011 the Australian Accounting Standards Board (AASB) has issued AASB 1054 Australian Additional Disclosures and several amending standards. AASB 1054 applies to annual reporting periods beginning on or after 1 July 2011, and results from the completion of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and the New Zealand Accounting Standards Board (NZASB). The aim of the project is to increase consistency in accounting and reporting across Australia and New Zealand. AASB 1054 contains the Australian-specific disclosure requirements relocated from their topic based standards that are in addition to the requirements of the International Financial Reporting Standards (IFRS). The merits of locating these additional domestic disclosure requirements in a separate disclosure standard is to bring the wording of the Australian and New Zealand topic based standards closer to IFRS. The standard applies to both for-profit and not-for-profit entities. At this stage, the amending standards 2011-1, 2011-2 and 2011-3 are not expected to have any significant impacts for public sector entities.
- (ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011). In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company is therefore exempt under AASB 124 from the related party disclosure requirements.

(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:

(i) State, Commonwealth and other 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 CEO, Director related expenditure and audit fees.

Notes to the Financial Statements (cont.)

(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 investment 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.

(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 2012 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

Notes to the Financial Statements (cont.)

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- 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.

(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 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.

Change in accounting estimates

Following a valuation of the company's plant and equipment during the year, the estimated useful life of capital spares was increased to be consistent with similar categories of assets within plant and equipment and beamlines.

The effect of this change in estimates on the current year's result is a reduction in depreciation charge and an increment in Plant and Equipment of \$1,395,789.

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

<i>Class of fixed assets</i>	<i>Useful lives</i>
Buildings and leasehold improvements	47 years
Plant and equipment	25 years

Notes to the Financial Statements (cont.)

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.

Revaluation of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other movements in equity', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'Other economic flows – other movements in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

(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.

Notes to the Financial Statements (cont.)

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(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.

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:

	Contractual financial liabilities designated at fair value through profit/loss	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
2012	\$	\$	\$	\$
Contractual financial assets				
Cash and cash equivalents	-	5,457,673	-	5,457,673
Trade and other receivables	-	726,814	-	726,814
Receivable from ASCo	-	22	-	22
Total contractual financial assets	-	6,184,509	-	6,184,509
Contractual financial liabilities				
Trade and other payables	15,863	-	175,869	191,732
Payable to ASCo	-	-	23,868	23,868
Total contractual financial liabilities	15,863	-	199,737	215,600

Notes to the Financial Statements (cont.)

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	Contractual financial liabilities designated at fair value through profit/loss	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
2011	\$	\$	\$	\$
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

a) Credit risk

Ageing of financial assets that were past due but not impaired for 2012

	0 - 30 days	31 - 60 days	61 - 90 days	91+ days	Total
Trade and other receivables	160,442	-	265,627	300,745	726,814
Receivable from ASCo	22	-	-	-	22
Total	160,464		265,627	300,745	726,836

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

Notes to the Financial Statements (cont.)

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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 invoices collaborative partners for grant funded projects. 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 2012

	0 - 3 months	3 - 6 months	6 - 12 months	>12 months	Total
Trade and other payables	191,732	-	-	-	191,732
Payable to ASCo	23,868	-	-	-	23,868
Total	215,600	-	-	-	215,600

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

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.

Notes to the Financial Statements (cont.)

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:

	Non-interest bearing	Fixed interest rate maturing within one year	Floating interest rate	Total
2012	\$	\$	\$	\$
Financial assets:				
Cash and cash equivalents	-	-	5,457,673	5,457,673
Trade and other receivables	726,814	-	-	726,814
Owing by ASCo	22	-	-	22
Total financial assets	726,836	-	5,457,673	6,184,509
Effective interest rates/weighted average interest rate			3.99%	
Financial liabilities:				
Trade and other payables	191,732	-	-	191,732
Owing to ASCo	23,868	-	-	23,868
Total financial liabilities	215,600	-	-	215,600
Effective interest rates/weighted average interest rate				
Net financial assets/(liabilities)	511,236	-	5,457,673	5,968,909

Notes to the Financial Statements (cont.)

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	Non-interest bearing	Fixed interest rate maturing within one year	Floating interest rate	Total
2011	\$	\$	\$	\$
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%	
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

f) Debt maturity analysis

2012	Total	Payable:	
		within 1 year	within 2 years
Capital advance from DBI	-	-	-

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

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.

Notes to the Financial Statements (cont.)

h) Net fair values of financial assets and liabilities

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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 2012 have been transferred from ASCo to ASHCo for nil consideration.

	Notes	2012 \$	2011 \$
Gain on transfer of assets:			
Capital upgrades, civil works and spares from ASCo	2(j)	3,706,255	4,055,124
Total assets transferred for nil value		3,706,255	4,055,124

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:

	2012 \$	2011 \$
Audit of the financial report	19,000	18,250
Total Auditor's remuneration	19,000	18,250

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).

	2012 \$	2011 \$
Operating bank account	64,367	208,408
Beamline funding and investor accounts	1,718,012	4,031,430
Commonwealth Government funding (EIF) account	3,027,512	6,557,823
Other grants	647,782	1,487,453
Total cash and cash equivalents	5,457,673	12,285,114

Notes to the Financial Statements (cont.)

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Note 7. Term deposits

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. \$16.5M of term deposit matured during the reporting period in line with the completion of EIF project. The Company does not hold any term deposit at the end of the reporting date.

	2012	2011
	\$	\$
Term deposits	-	16,500,000
Total term deposits	-	16,500,000

Note 8. Trade and other receivables

	2012	2011
	\$	\$
Current		
Receivable from shareholders	-	1,000,000
Trade receivables	726,814	507,592
Accrued interest	-	356,752
Total trade and other receivables	726,814	1,864,344

The amount receivable of \$300,744 from a debtor was subsequently received in July 2012.

Notes to the Financial Statements (cont.)

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

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a) Non-current assets

	Buildings and Leasehold Improvements	Plant and equipment	Capital work in progress	Total
At 30 June 2010				
Cost or fair value	59,373,029	156,256,815	11,723,995	227,353,839
Accumulated depreciation	(3,339,621)	(15,375,277)	-	(18,714,898)
Net book amount	56,033,408	140,881,538	11,723,995	208,638,941

Year ended 30 June 2011				
Opening net book amount	56,033,408	140,881,538	11,723,995	208,638,941
Additions	558,811	2,441,508	19,936,996	22,937,315
Write off spare parts	-	(28,399)	-	(28,399)
Depreciation charge	(1,264,574)	(7,099,949)	-	(8,364,523)
Closing net book amount	55,327,645	136,194,698	31,660,991	223,183,334

As at 30 June 2011				
Cost or fair value	59,931,840	158,612,426	31,660,991	250,205,257
Accumulated depreciation	(4,604,195)	(22,417,728)	-	(27,021,923)
Net book amount	55,327,645	136,194,698	31,660,991	223,183,334

Year ended 30 June 2012				
Opening net book amount	55,327,645	136,194,698	31,660,991	223,183,334
Additions / (deductions)	38,185,571	6,452,227	(15,734,583)	28,903,215
Asset revaluation	510,206	175,647	-	685,853
Depreciation charge	(1,530,564)	(5,934,680)	-	(7,465,244)
Closing net book amount	92,492,858	136,887,892	15,926,408	245,307,158

At 30 June 2012				
Cost or fair value	92,749,234	136,941,227	15,926,408	245,616,869
Accumulated depreciation	(256,376)	(53,335)	-	(309,711)
Net book amount	92,492,858	136,887,892	15,926,408	245,307,158

Notes to the Financial Statements (cont.)

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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:

	2012	2011
	\$	\$
Buildings	76,293	13,510,227
Beamlines	15,842,365	15,523,598
Plant and equipment	7,750	2,627,166
Total assets in course of construction	15,926,408	31,660,991

c) Impairment of property, plant and equipment

There has been no impairment of value during the period.

Note 10. Trade and other payables

	2012	2011
	\$	\$
Current		
Trade payables	183,783	1,013,974
Accruals	7,949	2,550,936
Total trade and other payables	191,732	3,564,910

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

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 2012 was fully paid.

	2012	2011
	\$	\$
Current liability – due within 12 months		
Payable to DBI	-	5,500,000
Total advance repayable to DBI	-	5,500,000

Notes to the Financial Statements (cont.)

Note 12. Contributed equity

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		2012 \$	2011 \$
Ordinary shares			
Total issued shares		207,300,000	207,300,000
Uncalled capital	(i)	-	(1,500,000)
Total called up capital		207,300,000	205,800,000

(i) An amount of \$1,500,000 was contributed by shareholders during the year.

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	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

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.

Notes to the Financial Statements (cont.)

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	2012 \$	2011 \$
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. Asset revaluation reserve

In December 2011 a valuation of the company's non current assets was conducted that resulted in an increase in value.

	2012 \$	2011 \$
Revaluation of property, plant and equipment	685,853	-
Balance at 30 June	685,853	-

Note 15. Accumulated surplus

Movements in net results were as follows:

	2012 \$	2011 \$
Accumulated surplus/(losses)		
Balance at 1 July	25,175,593	9,568,723
Surplus for the year	3,932,598	15,606,870
Balance at 30 June	29,108,191	25,175,593

Notes to the Financial Statements (cont.)

Note 16. Cash flow statement reconciliation

	2012 \$	2011 \$
Reconciliation of net result after tax to net cash flow from operations		
Net surplus / (loss)	3,932,598	15,606,870
Adjustments for:		
Depreciation & spare parts write off	7,465,244	8,392,922
Assets received for nil value (non cash)	(3,706,255)	(4,055,124)
Accrued interest revenue	-	(356,752)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	135,526	(297,293)
(Increase)/decrease in receivable from ASCo	(2)	81,056
Decrease in GST payable	1,857,811	(636,556)
Increase/(decrease) in trade creditors & accruals	(235,436)	225,531
GST receivable on capital expenditure	(1,185,121)	(8,745)
Net cash from operating activities	8,264,365	18,951,909

Note 17. 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 S.H. Gallagher

Dr R.J. Hill

Prof L. Kristjanson

Executive Management:

Dr George Borg, *Chief Executive Officer*

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

	2012 \$	2011 \$
Short-term employment benefits	155,849	70,855
Post-employment benefits - superannuation	16,423	5,299
	172,272	76,154

Notes to the Financial Statements (cont.)

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Note 18. Commitments

Property, plant and equipment commitments

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

	2012	2011
	\$	\$
Within one year	2,099,456	24,510,208
After one year but not more than five years	-	-
Total commitments (inclusive of GST)	2,099,456	24,510,208
Less GST recoverable	(114,608)	(2,228,200)
Total commitments (exclusive of GST)	1,984,848	22,282,008

Note 19. Related party transactions

- (a) ASHCo is classed as a public body controlled by DBI under the Financial Management Act 1994 and fall under Ministerial directions; and
- (b) 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 20. Contingencies

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

Note 21. 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.

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 2012 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



S.H. Gallagher
Director

Melbourne,
4 October 2012

Independent Auditor's Report



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Directors of Australian Synchrotron Holding Company Proprietary Limited

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of Australian Synchrotron Holding Company Proprietary Limited which comprises the 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, 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 gives a true and fair view and 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 company'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 company'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.

Independent Auditor's Report (cont.)

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 2012 and of its financial performance for the year ended on that date
- b) complying with Australian Accounting Standards 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 Australian Synchrotron Holding Company Proprietary Limited for the year ended 30 June 2012 included both in 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 Australian Synchrotron Holding Company Proprietary Limited's website. I have not been engaged to report on the integrity of 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
4 October 2012


D D R Pearson
Auditor-General

Intentionally Blank

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