

ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007

ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584

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ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2007. Astronomy Australia Ltd. is a company limited by guarantee.

The names of the directors in office at any time during, or since the end of, the year are:

Dr Martin T. Cole
Prof. Warrick Couch
Prof. Elaine Sadler
Prof. Brian Schmidt
Prof. Lister Staveley-Smith
Dr Michael N. Barber appointed 5 July 2007
Mr. David M. Warren appointed 5 July 2007

Directors have been in office since the date of incorporation, being 18th April 2007, to the date of this report unless otherwise stated.

The profit of the company for the financial year after providing for income tax of \$Nil, amounted to \$25,129.

Review of Operations

During the year the company commenced operation in April 2007 and began to establish its business. This involved obtaining memberships and support of key organizations, appointing a Chief Operating Officer, obtaining tax exempt status for income tax, and negotiating the funding contracts for the organisation.

No significant change in the nature of these activities occurred during the year.

The principal activities of the company during the financial year were liaison with the Australian astronomical community and ensuring investment in Australian astronomy infrastructure results in valuable national scientific infrastructure for the benefit of the entire Australian astronomical community.

To these ends the company has entered into an agreement with the Commonwealth of Australia, Department of Education, Science & Training, for the receipt of funds over five years to enable the implementation of an investment plan for the National Collaborative Research Infrastructure Strategy Capability, known as Radio and Optical Astronomy.

Other likely developments in the operations of the entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the entity.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the result of those operations, or the state of affairs of the company in future financial years.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No dividends were paid during the year and no recommendation is made as to the dividends.

The directors do not recommend the payment of a dividend.

ASTRONOMY AUSTRALIA LIMITED
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DIRECTORS' REPORT

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

The company has paid directors' and officers' liability insurance with a policy under which all directors and officers of Astronomy Australia Ltd. are both indemnified and insured.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr. Robert W. Osborne, Chartered Accountant

Mr. Osborne is the principal of the firm R.W. Osborne & Associates and has held a Certificate of Public Practice since 1980. He is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of CPA Australia. Mr. Osborne is contracted to Astronomy Australia Ltd. and was appointed company secretary on 18th April, 2007.

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DIRECTORS' REPORT

Information on Directors

Dr. Martin T. Cole (Non Executive Chairman)

Qualifications:

Diploma of Electronics Engineering, Master of Engineering, Doctor of Philosophy (Fluid Dynamics)

Experience:

As a member of the Prime Minister's Science, Engineering & Innovation Council (1999-2007), he chaired the PMSEIC Work Group on Astronomy. Currently he is Managing Director of Cole Innovation & Design Pty. Ltd. and its subsidiary imRAC Pty. Ltd. In 1970 he founded IEI Pty. Ltd., an electronics research and manufacturing company which grew from a zero base to generate over \$200M total sales and over 2000 person-years of direct employment. He has invented and patented many electronic security devices and systems for crime prevention. He also pioneered the development and worldwide adoption of a revolutionary fire detection system, covered by several additional patents. This system protects over 50,000 zones including the NASA Space Shuttle launch pads. Recently he launched the next generation fire-prevention technology known as Monitair™ which won an EA National Engineering Excellence Award in 2005 and has been adopted worldwide by Siemens. National President of Engineers Australia (80,000 members) 2000 and 2001. On becoming an EA Fellow in 1982, he served the EA National Council for 21 years. He designed the new corporate image for EA and held six successive portfolios as a National Vice (or Deputy) President. He initiated higher professional standards of membership, raised members' professional standing in the community, and introduced the "Council and Congress" model of governance and representation. He was also Chairman Victoria Division 1990, and was founding National President of the Society of Fire Safety 1994-99.

Interests:

Research (fluid dynamics, optical physics, electronics), cosmology (gravity & dark energy), graphic design, technical journalism, motor racing.

Family:

Christine with five children.

Special Responsibilities:

Nil

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DIRECTORS' REPORT

Information on Directors

Prof. Warrick Couch (Non Executive Director)

Qualifications:

Bachelor of Science with Honours, Master of Science, Doctor of Philosophy (Astronomy)

Experience:

Optical Astronomy – Prof. Couch has a research career spanning 30 years in this area, with an extensive and distinguished track record in terms of (i) use of university, national and international telescope facilities (including the AAT, Gemini, VLT, HST), (ii) research publications (career total of 160 refereed journal papers) and citation impact (Australian citation laureate and “Highly Cited” researcher), and (iii) securing external research grant funding (career total of more than A\$3M.).

Research collaboration at the national and international level – His research has involved numerous and often high profile national and international collaborations, the most notable examples being: the Berkeley-AAO Distant Supernovae Search, the MORPHS HST Distant Cluster Imaging Program (Aus, UK, US), the 2dF Galaxy Redshift Survey (Aust-UK), and the “WiggleZ” Dark Energy Survey (Aus, Us, Canada).

National research policy and priorities – He is or has been an active member of key national astronomy committees and bodies that are responsible for dealing with research policy and priorities, including the Australian Academy of Science’s National Committee for Astronomy (at the time when it had oversight of the last decadal planning process), the Anglo-Australian Telescope Board, the Australian Gemini Steering Committee, and the executive group responsible for writing the Australian “Radio and Optical Astronomy” NCRIS Investment Plan.

Strategy formulation and implementation – He has gained considerable experience in this area through his involvement in the aforementioned national astronomy committees, particularly in developing short and long term strategies and priorities for our national astronomy infrastructure, and implementing related funding programs (e.g. MNRF and NCRIS).

Special Responsibilities:

Nil

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DIRECTORS' REPORT

Information on Directors

Prof. Elaine Sadler (Non Executive Director)

Qualifications:

Bachelor of Science with Honours, Doctor of Philosophy (Astronomy)

Experience:

Radio Astronomy – Prof. Sadler has carried out many large research programs in radio astronomy, including the recently completed Sydney University Molonglo Sky Survey (SUMSS). Since 2001 she has been increasingly involved with science planning and technology development for the SKA and its pathfinder telescopes. Much of her current research uses the Australia Telescope facilities, and she currently chairs the ATNF Users Committee.

Optical Astronomy – She has spent six years as a staff astronomer and instrument scientist at the Anglo-Australian Observatory, and has also worked at major European (ES) and US (Kitt Peak) observatories. Her current research programs use the AAT, Gemini and Magellan telescopes, and she is a member of the international Science Advisory Group for the AAO's 6dF Galaxy Survey.

Research collaboration at the national and international level – She served as President of Commission 28 (Galaxies) of the International Astronomical Union (IAU) from 2003-06 and is now Vice-President of IAU Division VIII. The IAU is the world coordinating body for astronomy, and Commission Presidents are responsible for overseeing activities in their research area at an international level. She currently has active research collaborations with colleagues in Europe, India and the USA, and with researchers from several groups around Australia.

National research policy and priorities – She was involved in the Australian Astronomy decadal plan (2006-15), both at the Working Group stage and as a member of the Editorial Board which put together the final published document. She is currently a member of the National Committee for Astronomy. She has also been involved in discussion of national research issues as a member of AABoM, and as President of the Astronomical Society of Australia.

Special Responsibilities:

Chair – Nominations Committee.

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DIRECTORS' REPORT

Information on Directors

Prof. Brian Schmidt (Non Executive Director)

Qualifications:

Bachelor of Science, Physics and Astronomy, A.M. in Astronomy, Doctor of Philosophy (Astronomy)

Experience:

Prof. Schmidt has expertise in:

- Optical astronomy;
- Research collaboration at the national and international level;
- National research policy and priorities
- Strategy formulation and implementation;
-

With some expertise in:

- Radio astronomy
-

He is a member of the Anglo Australian Telescope Board, an Astronomer at the Australian National University, a member of the SKA reference committee, and holds a position on the science committee of the MIRA-MWA and several other committees and working groups.

Special Responsibilities:

Nil

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DIRECTORS' REPORT

Information on Directors

Prof. Lister Staveley-Smith (Non Executive Director)

Qualifications:

Bachelor of Arts with Honours, Doctor of Philosophy (Radio Astronomy)

Experience:

Astronomy Research – Prof. Staveley-Smith is an active researcher, with 293 publications, 104 of which have been in the last 5 years. He is a member of the Editorial Advisory Committee for PASA.

Radio Astronomy – With a PhD in radio astronomy, he has worked for 16 years at ATNF, prior to becoming a Premier's Fellow in Radio Astronomy at UWA.

Research Collaboration – many of the projects that he has been involved in are collaborative in nature with national and international participation. A current example is his recent work on Gas Evolution which involves researchers from Australia, Germany, USA, Netherlands, and the UK.

National Research Policies – He is currently a member of the NCA and the Advisory Panel for the Australia-India Strategic Research Collaboration Fund. He was the immediate past Director of the Gemini and SKA MNRF and was a member of the Australian Astronomy Board of Management.

Business Administration and Finance – He was Head of Astrophysics at ATNF for 6 years and Assistant Director Astrophysics for two years, responsible for annual theme funding of \$4M. He has participated in several project management, business management and leadership courses including that of the Australian Institute of Company Directors (AICD) in February 2005.

Strategy Foundation – He has been a member of various NCRIS and Decadal Plan working groups and is also Chair of the MWA Science Council.

Special Responsibilities:

Nil.

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DIRECTORS' REPORT

Information on Directors

Dr. Michael Barber

Qualifications:

Bachelor of Science with Honours, Doctor of Philosophy (Theoretical Physics)

Experience:

Dr. Michael Barber brings to the Board extensive experience:

National research policy and priorities – He has served as Secretary, Science Policy of the Australian Academy of Science, been a member on the Australian Research Council and has lead CSIRO's engagement with the National Research Priorities.

Research collaboration at the national and international level – In addition to his ARC and CSIRO experience, he has worked closely with a number of overseas agencies including FRST in NZ and the Industry Canada in the development of policies and programs to enhance collaborative research. He also has strong personal networks that include senior people in agencies such as the NSF, the National Research Council and the Carnegie Institution in the US and the European Union.

Strategy formulation and implementation – He has been a senior executive in two universities – UWA and ANU – and CSIRO in a number of roles that have all involved the development and implementation of strategy.

Special Responsibilities:

Nil.

ASTRONOMY AUSTRALIA LIMITED

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DIRECTORS' REPORT

Information on Directors

Mr. David Warren

Qualifications:

Bachelor of Science with Honours

Experience:

Mr. Warren brings a combination of international business experience and knowledge of astronomy as it is practiced. He has been involved in Corporate Governance to public company standards and was the company officer responsible for all legal matters. He is thoroughly and well acquainted with matters of Business Administration and Finance. Of particular relevance is his membership of the Audit and Remuneration committees of Altium Ltd. Altium Ltd. is a Sydney based company which makes CAD software for electronic design.

Physics and astronomy led him into the world of electronics and software where technologies employed at the cutting edge of science were rolled out into the commercial world. This involvement with electronics and software spans a period beginning before the microprocessor until the present age of computing and global connectivity.

He has established a DSP group in Hobart and is involved in Optical Astronomy micro-lensing studies for the purpose of discovering new planets. He has acted as an observer for the PLANET consortium of which his local UTAS micro-lensing group is a member. He is actively involved in Research Collaboration at international level by establishing micro-lensing cooperation between members of PLANET and the Brazilian National Space Agency, INPE. He is also involved in managing the collaboration with PLANET.

Special Responsibilities:

Nil.

ASTRONOMY AUSTRALIA LIMITED
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DIRECTORS' REPORT

Meetings of Directors

Name:	<u>Directors Meetings</u>		<u>Board Committee Meetings</u>	
	No. Eligible to Attend	No.* Attended	No. Eligible to Attend	No. Attended
Prof. Martin Cole	2	2	-	-
Prof. Warrick Couch	2	2	-	-
Prof. Elaine Sadler	2	2	-	-
Prof. Brian Schmidt	2	2	-	-
Prof. Lister Staveley-Smith	2	2	-	-
Dr. Michael Barber	1	1	-	-
Mr. David Warren	1	1	-	-

* Includes Board Meeting held 1st August 2007.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

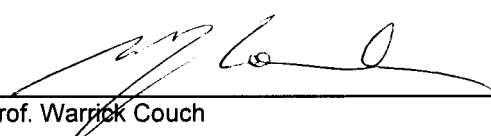
Signed in accordance with a resolution of the Board of Directors:

Director:



Dr. Martin T. Cole

Director:



Prof. Warrick Couch

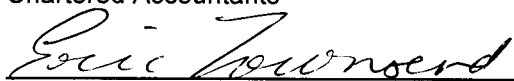
Dated this 24th day of October 2007

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584**

I hereby declare, that to the best of my knowledge and belief, during the financial year ended 30 June 2007 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: E. Townsend & Co.
Chartered Accountants

Name of Partner: 
Eric Townsend

Address: 35 Mereweather Avenue, Frankston. Vic. 3199.

Dated this 24th day of October 2007

ASTRONOMY AUSTRALIA LIMITED
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$
CLASSIFICATION OF EXPENSES BY NATURE		
Revenues from ordinary activities	2	222,574
Less Expenses		
Auditor's remuneration	3	(2,000)
Depreciation and amortisation expenses		(90)
Employee benefits expenses		(68,635)
Finance Costs		-
Other expenses from ordinary activities		(126,720)
Profit from ordinary activities before income tax		25,129
Income tax expense relating to ordinary activities		-
Net profit from ordinary activities after income tax expense attributable to members of the company		25,129

STATEMENT OF CHANGES IN EQUITY

Reserves	4	
Balance at 30 th June 2006		-
Profit attributable to members of the company		6,655
Balance at 30 th June 2007		6,655
Retained Earnings		
Balance at 30 th June 2006		-
Profit attributable to members of the company		18,474
Balance at 30 th June 2007		18,474
Total		25,129

ASTRONOMY AUSTRALIA LIMITED
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BALANCE SHEET
AS AT 30 JUNE 2007

	Note	2007 \$
CURRENT ASSETS		
Cash and cash equivalents	5	9,997,004
Trade and other receivables	6	<u>6,134</u>
TOTAL CURRENT ASSETS		<u>10,003,138</u>
NON-CURRENT ASSETS		
Property, plant and equipment	7	<u>2,059</u>
TOTAL NON-CURRENT ASSETS		<u>2,059</u>
TOTAL ASSETS		<u>10,005,197</u>
CURRENT LIABILITIES		
Trade and other payables	8	<u>9,980,068</u>
TOTAL CURRENT LIABILITIES		<u>9,980,068</u>
TOTAL LIABILITIES		<u>9,980,068</u>
NET ASSETS (LIABILITIES)		<u>25,129</u>
EQUITY		
Reserves	4	6,655
Retained earnings	9	<u>18,474</u>
TOTAL EQUITY		<u>25,129</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings \$	Grant Reserve Account \$	Total \$
Balance at 30 June 2006	-	-	-
Profit attributable to members of the company	18,474	6,655	25,129
Balance at 30 June 2007	18,474	6,655	25,129

ASTRONOMY AUSTRALIA LIMITED
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

Cash Flows from Operating Activities:

Receipts from Grants/Members	10,191,907
Interest Received	3,570
Payments to Suppliers & Employees	(196,324)
Payments of Grants	-
Net Cash Provided by (Used in) Operating Activities	<u>9,999,153</u>

Cash Flows from Investing Activities:

Proceeds from Sale of Property, Plant & Equipment	-
Payment for Property, Plant & Equipment	(2,149)
Net Cash Provided (Used in) Investing Activities	<u>(2,149)</u>

Cash Flows from Financing Activities:

Proceeds from Borrowings	-
Repayment of Borrowings	-
Distributions/Dividend by Chief Entities	-
Net Cash Provided (Used in) Financing Activities	<u>-</u>

Net Increase (Decrease) in Cash Held	9,997,004
Cash at Beginning of the financial year	-
Cash at 30 th June 2007	<u><u>9,997,004</u></u>

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Astronomy Australia Limited as an individual entity. Astronomy Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Income Tax

The company is an income tax exempt charitable institution.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Property, Plant and Equipment

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

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 recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing basis over their estimated useful lives to the economic company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks or financial institutions, investments in money market instruments maturing within less than three months. Bank overdrafts are shown in current liabilities in the Balance Sheet.

Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Grants

Grants are recognized at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognized as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Grants related to projects to be undertaken by Third Parties are held as current liabilities to be paid in accordance with the funding agreement.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognized in respect of the year ended 30th June 2007.

The financial report was authorised for issue by the board of directors on 24th October 2007

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

2 Revenue

Operating activities

Operating Grants/Membership Subscriptions	215,910
Interest received – General Account	9
Interest received – Grant Account	<u>6,655</u>
Total revenue	<u>222,574</u>

3 Auditor's Remuneration

Remuneration of the Auditor of the Company for:	
Auditing or Reviewing the Financial Report	2,000
Taxation Services	<u>-</u>
	<u>2,000</u>

4 Reserves

This reserve records funds set aside as part of capital projects of the company.

Grants Reserve Account	<u>6,655</u>
Grants Reserve Account	
Movements during the year	-
Transfer from Retained Earnings	<u>6,655</u>
Closing Balance	<u>6,655</u>

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

5 Cash and Cash Equivalents

Current

Cash at Bank - General Account	10,684
Cash at Bank - General Maximiser Account	25,009
Cash at Bank - Grant Account	2,000
Cash at Bank - Grant Maximiser Account	9,959,311
	<u>9,997,004</u>

6 Trade and Other Receivables

Current

Trade Debtors	3,040
Other Debtors	3,094
	<u>6,134</u>

7 Property, Plant and Equipment

PLANT AND EQUIPMENT

Office Furniture & Equipment – At cost	2,149
Accumulated depreciation	(90)
Total Plant and Equipment	<u>2,059</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Total \$
Office Furniture & Equipment	
Balance 30 th June 2006	-
Purchases	2,149
Depreciation Expense	<u>90</u>
Carrying amount 30 th June 2007	<u>2,059</u>

8 Trade and Other Payables

Current

NCRIS Project Grants to be allocated	9,052,500
Sundry Payables & Accrued Expenses	12,957
GST Payable	914,611
Employee Benefits	-
	<u>9,980,068</u>

9 Retained Earnings

Net profit attributable to members of the company	25,129
Transfer To Reserves	<u>(6,655)</u>
Retained earnings at the end of the financial year	<u>18,474</u>

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

10 Cash Flow Information
Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of Financial Position as follows:

Cash at Bank – General Account	10,684
Cash at Bank – General Maximiser Account	25,009
Cash at Bank – Grant Account	2,000
Cash at Bank – Grant Maximiser Account	9,959,311
	<hr/>
	9,997,704
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Reconciliation of Cash flow from Operations with Profit after Income Tax

Profit from ordinary activities after income tax	25,129
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Non-cash flows in profit (loss)

Depreciation	90
--------------	----

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries

(Increase)/decrease in trade and other receivables	(6,134)
Increase/(decrease) in trade and other payables	9,980,068
	<hr/>
	9,999,153
	<hr/>

11 Financial Instruments

Financial Risk Management

The company's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2007.

ASTRONOMY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

12 Key Management Personnel Compensation

Total Compensation – Short Term Benefits	55,337
Total Compensation – Post Employment Benefits	-
	<u>55,337</u>

13 Capital & Leasing Commitments

There are no Capital or Lease Commitments

14 Segment Reporting

The company operates predominantly in one business and geographical segment being liaison with the astronomy community and managing capital grant funds to astronomy projects throughout Australia.

15 Economic Dependency Contingent Assets & Contingent Liabilities

The company receives its grant funds from the Department of Education, Science & Training. This funding source establishes certain procedures for grant expenditure and acquittal. If grants are not expended and acquitted in accordance with grantor's procedures, the Grantor can refuse to make further grants and request repayments of grants made.

The company has entered into a long funding agreement with the Department of Education, Science & Training for the receipt of A\$45,000,000 over 5 years of which a portion is for the company's operating costs and the majority is for projects to be undertaken by third parties.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

16 Financial Instruments

(a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks.

(b) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rates
Cash & Cash Equivalent	
Cash at Bank – General Account	-
Cash at Bank – General Maximiser Account	6.1%
Cash at Bank – Grant Account	-
Cash at Bank – Grant Maximiser Account	6.1%
	Floating Interest Rates
Cash & Cash Equivalent	
Cash at Bank – General Account	10,684
Cash at Bank – General Maximiser Account	25,009
Cash at Bank – Grant Account	2,000
Cash at Bank – Grant Maximiser Account	9,959,311
	<u>9,997,004</u>

ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial report and notes, as set out on pages 1 to 25, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Dr Martin T. Cole

Director:



Prof. Warrick Couch

Dated this 24th day of October 2007

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584**

Report on the Financial Report

I have audited the accompanying financial report of Astronomy Australia Limited which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Astronomy Australia Limited on 24th October 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584**

Auditor's Opinion

In my opinion:

- (a) the financial report of Astronomy Australia Limited is 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 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: E. Townsend & Co.
Chartered Accountants

Name of Principal: *Eric Townsend*
Eric Townsend

Address: 35 Mereweather Avenue, Frankston. Vic. 3199.

Dated this 24th day of October 2007

ASTRONOMY AUSTRALIA LIMITED
A.B.N. 19 124 973 584

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

2007
\$

REVENUE

Administration Grant - NCRIS	183,500
Membership Subscriptions - Level 1	27,360
Membership Subscriptions - Level 2	5,050
	<u>215,910</u>

GROSS PROFIT FROM TRADING

215,910

OTHER INCOME

Interest Received - General Account	9
Interest Received - Grant Account	6,655
	<u>6,664</u>
	<u>222,574</u>

EXPENSES

Accountancy Fees	18,265
Auditor's Remuneration	2,000
Bank Charges	36
Depreciation	90
Insurance	5,810
Legal Costs	87,118
Printing & Stationery	1,541
Promotion Expenses	1,080
Salary Reimbursement	28,825
Salaries	24,323
Salaries - Board	12,200
Subscriptions	360
Superannuation - Board	1,098
Superannuation Contributions	2,189
Telephone	250
Travel - COO	1,723
Travel - Board	6,932
Workcare	270
Website Expenses	3,335
	<u>197,445</u>
Profit before income tax	<u><u>25,129</u></u>

The accompanying notes form part of these financial statements.