

ASTRONOMY AUSTRALIA LIMITED
ABN 19 124 973 584

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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General Information

The financial report covers Astronomy Australia Limited as an individual entity. The financial report is presented in Australian Dollars, which is Astronomy Australia Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and directors' declaration.

Astronomy Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are :

Registered Office

Swinburne University of Technology
Centre for Astrophysics and Supercomputing
Room AR 201
1 John Street
Hawthorn Vic 3122

Principal Place of Business

Swinburne University of Technology
Centre for Astrophysics and Supercomputing
Room AR 201
1 John Street
Hawthorn Vic 3122

A description of the nature of the company's operation and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25th August 2014. The directors have the power to amend and reissue the financial report.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Your directors present their report together with the financial statements on the company for the financial year ended 30 June 2014. Astronomy Australia Limited is a company limited by guarantee and is an income tax exempt charitable institution.

Directors

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

Prof. Warrick J. Couch (appointed 18 April 2007, reappointed 5 November 2010, retired 19 November 2013)

Prof. Anne Green (appointed 5 November 2010, reappointed 19 November 2013)

Prof. Brian P. Schmidt AC (appointed 18 April 2007, reappointed 30 September 2008 and 11 November 2011)

Prof. Brian J. Boyle (appointed 5 November 2009, reappointed 2 November 2012)

Dr. Ian Chessell (appointed 5 November 2010, reappointed 19 November 2013)

Prof. Stuart Wyithe (appointed 11 November 2011)

Prof. Robyn Owens (appointed 2 November 2012)

Prof. Ronald Ekers (appointed 19 November 2013)

Prof. Brian Schmidt AC BSc (Physics & Astronomy), A.M. in Astronomy, PhD (Astronomy), FAA, NAS, FRS

Special responsibilities- Board Chair from 18 November 2013. He is a member of the Executive Remuneration Committee and Audit and Risk Management Committee, from February 2014.

Prof Brian Schmidt is an ARC Australian Laureate Fellow at the Australian National University. He is the Project scientist for the new SkyMapper Telescope which will undertake a comprehensive optical survey of the southern sky. His research has focused on the physics of distant exploding stars to trace the expansion of the Universe. He has received a variety of awards over his career culminating in his sharing the 2011 Nobel Prize for Physics. He has been an active member of several national astronomy and science bodies including the Major National Research Facilities selection panel, Australian Square Kilometre Array Steering Committee, Australian Decadal Working group on International Facilities and Mid-Term Review of the Australian Astronomy Decadal Plan.

Prof. Stuart Wyithe BSc(Hons), PhD

Special responsibilities – Board Chair until 19 November 2013 and subsequently appointed Deputy Chair. He is a member of Gemini Board and Finance Committee and until February 2014 was a member of the Executive Remuneration Committee, Audit and Risk Management Committee and Optical Telescopes Advisory Committee.

Prof. Stuart Wyithe is an ARC Australian Laureate Fellow and a Professor at The University of Melbourne. Previously, he was University Associate Dean in the Melbourne School of Graduate research (2009-2011). A cosmologist and author of over 100 scientific publications, he has a history of collaboration at the national and international level, encompassing both theory and observation. He has received many awards, including the Pawsey Medal from the Australian Academy of Science and the Malcome McIntosh prize. He served as MWA Science Council Chair (2010-2011), during which he developed and implemented project policies. He has contributed to the running of a range of national bodies and is the current Chair of the Australian Academy of Science's National Committee for Astronomy.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Prof. Brian Boyle BSc(Hons), PhD, PSM, FAA

Special responsibilities - a member of the Audit and Risk Management Committee and Antarctic Astronomy Advisory Committee.

Prof. Brian Boyle is the Acting SKA Director for the Department of Industry, Innovation, Science, Research, and Tertiary Education, following his role as CSIRO SKA Director. Previously, he was the Director of the CSIRO Australia Telescope National Facility (2003-2009) where he initiated the construction of ASKAP, and Director of the Anglo-Australian Observatory (1996-2003). His main research interests are cosmology, active galactic nuclei and quasars. During his career he has overseen the successful commissioning of world-class instruments and has led many international scientific collaborations. He has been a Fellow of the Australian Institute of Company Directors since 2005. As Chairman of the National Committee for Astronomy, he led the development of the Decadal Plan for Australian Astronomy 2006-15. He was also the facilitator for the NCRIS investment plan for optical and radio astronomy.

Dr Ian Chessell BSc(Hons), PhD (Physics), FTSE

Special responsibilities - member of the Executive Remuneration Committee and Audit and Risk Management Committee.

Dr Ian Chessell followed a career in the Defence Science and Technology Organisation, retiring as Australia's Chief Defence Scientist in 2003. Dr Chessell served as a member of the Prime Minister's Science, Engineering and Innovation Council (2001-2003) and in 2003 he was awarded the Centenary Medal for services to defence science. He was elected a Fellow of the Australian Academy of Technological Sciences and Engineering in 2003. He was Chief Scientist of South Australia from 2008-2010. He is a member of the Defence South Australia Advisory Board, the Board of QinetiQ Pty Ltd and is Chair of the Goyder Institute for Water Research. He has chaired a number of science reviews including Commonwealth reviews of National ICT Australia in 2005, the Anglo-Australian Telescope in 2006, and CSIRO's Climate Adaptation Flagship in 2011.

Prof. Warrick Couch BSc(Hons), MSc, PhD (Astronomy), DSc, FAA, FASA, FAIP

Special responsibilities- Board member of the Giant Magellan Telescope Organisation.

Prof. Warrick Couch has recently taken up the position of Director of the Australian Astronomical Observatory. Previously he was the Director of the Centre for Astrophysics and Supercomputing at Swinburne University of Technology. He has a research career spanning 30 years in optical astronomy, with an extensive and distinguished track record in terms of (i) use of university, national and international telescope facilities, (ii) research publications and citation impact (Australian citation laureate and "Highly Cited" researcher), and (iii) securing external research grant funding. 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, which have given him considerable experience in developing short- and long-term strategies and priorities for our national astronomy infrastructure, and implementing related funding programs.

Prof. Anne Green BSc(Hons), PhD, GAICD, FASA, FAIP

Special responsibilities - Deputy Chair until 18 November 2013 and a member of the Radio Telescopes Advisory Committee.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Prof. Anne Green is a Professor at the University of Sydney, and is Director of the Square Kilometre Array Molonglo Project, a pathfinder instrument that will help advance science and technology for the next generation of radio telescopes. Previously she was the Head of the School of Physics, the Director of the Science Foundation for Physics, and the Director of the Molonglo Observatory, all associated with the University of Sydney. Her research career spans more than 20 years in radio astronomy, with a focus on the structure and ecology of the Milky Way Galaxy. She has also been an active member of several national and international astronomy committees with responsibility for setting strategy and managing competing priorities. She is currently a Member of the Australian Astronomical Observatory Advisory Committee. Since 2007, she has been a Graduate Member of the Australian Institute of Company Directors.

Prof. Robyn Owens BSc(Hons), MSc (Mathematics), PhD (Mathematics), FAICD, FATSE

Special responsibilities – a member of Australian eResearch Advisory Committee.

Prof. Robyn Owens is Deputy Vice-Chancellor (Research) at the University of Western Australia (UWA) and has responsibility for research policy development and leadership of the University's research activities, postgraduate education, industry liaison, intellectual property and commercialisation. Previously she was the Head of the School of Computer Science & Software Engineering at UWA and has also lectured in Australia and internationally in mathematics and computer science. She has an extensive background in mathematical analysis and research with a focus on computer vision, including feature detection in images, 3D shape measurement, image understanding, and representation.

Prof. Ron Ekers BSc(Hons), PhD (Astronomy), FAA, FRS

Special responsibilities – a member of the Optical Telescope Advisory Committee.

Prof. Ron Ekers is a CSIRO Fellow and was the Director of the Australia Telescope National Facility from 1988 to 2003. He graduated from the University of Adelaide in 1963 and gained his PhD in astronomy at the Australian National University in 1967. His professional career has taken him to the California Institute of Technology, the Institute of Theoretical Astronomy in Cambridge, UK, the Kapteyn Laboratory in Groningen, The Netherlands and the National Radio Astronomy Observatory, New Mexico USA. He was director of the VLA, the major national radio telescope in the USA, from 1980 until 1987. He was elected a Fellow of the Australian Academy of Science, a Foreign Member of the Royal Dutch Academy of Science in 1993, a Foreign Member of the American Philosophical Society in 2003 and a Fellow of the Royal Society in 2005. He is past President of the International Astronomical Union (IAU). His research interests include extragalactic astronomy, especially cosmology, galactic nuclei, ultra high energy particle physics and radio astronomical techniques.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Meetings of Directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

Name	Directors Meetings		Board Committee Meetings	
	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended
Prof. Warrick J. Couch	2	2	1	1
Prof. Brian P. Schmidt	4	4	1	1
Prof. Robyn Owens	4	4	-	-
Prof. Brian J. Boyle	4	4	1	1
Prof. Ron Ekers	2	2	-	-
Dr. Ian Chessell	4	3	2	1
Prof. Anne Green	4	3	-	-
Prof. Stuart Wyithe	4	4	2	2

Company Secretary

Ms. Sue Russell (BSC, MSc, Grad DipBus(Acc), CPA) was appointed to the position of Company Secretary on 1 July 2013.

Objectives

Astronomy Australia Limited's core objective is to ensure that astronomers in Australia have access to the best astronomical research infrastructure, including Australian participation in international facilities.

Strategy for achieving the objectives

During the financial year the company worked to achieve its core objective by engaging with astronomers in support of the national research infrastructure priorities of the Australian astronomy decadal plan, and advising the Australian Government on the investments necessary to realise those priorities.

Principal activities

During the financial year the company's principal activities were:

1. Communicating directly with every Australian institution with a significant astronomy research capability, regardless of whether they were a member of the company.
2. Managing several major grants from the Australian Government for astronomical research infrastructure.
3. Founder in Giant Magellan Telescope Organisation.

Performance measures

The company measures its performance in two different ways. For facilities that are currently operational the company measures the cost of access to the facility and its scientific return (through

ASTRONOMY AUSTRALIA LIMITED
DIRECTORS' REPORT
For the year ended 30 June 2014

number of refereed journal articles). For facilities still under construction, a range of technical and construction milestones exist by which the performance of the project is measured. Both sets of measures are included in the company's annual report to Department of Industry and Department of Education.

Operating and Financial Review

The company recorded a deficit of \$113,464 for the financial year ended 30 June 2014 (2013: deficit of \$61,523).

Contribution on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum \$10 each. The total amount that members of the company are liable to contribute if the company is wound up is \$150, based on 15 current members.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 8.

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

On behalf of the Directors

Director:



Prof. Brian Schmidt

Director:



Dr. Ian Chessell

Dated this 25th day of September 2014

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012**

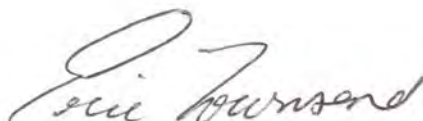
TO THE DIRECTORS OF ASTRONOMY AUSTRALIA LIMITED

I hereby declare, that to the best of my knowledge and belief, during the financial year ended 30 June 2014 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 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 Accountant

Name of Partner:



Eric Townsend

Address: 15 Taylor Street, Ashburton. Vic. 3147.

Dated this 25th day of September 2014

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue including Government Grants	3	8,243,260	5,597,621
Expenses			
Depreciation	9	(2,535)	(3,909)
Grants paid		(7,605,101)	(4,854,973)
Direct grant project expenses		(12,165)	(42,247)
Employee benefits expenses		(519,910)	(536,149)
Other expenses	4	(217,013)	(221,866)
Surplus (Deficit) before income tax attributable to members of the entity	5	(113,464)	(61,523)
Income tax		-	-
Surplus (Deficit) after income tax attributable to members of Astronomy Australia Ltd		(113,464)	(61,523)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of Astronomy Australia Ltd		(113,464)	(61,523)

The Company is an income tax exempt charitable institution

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
Current Assets			
Cash and cash equivalents	7	6,626,571	6,903,577
Trade and other receivables	8	1,268,300	98,818
Total Current Assets		<u>7,894,871</u>	<u>7,002,395</u>
Non-Current Assets			
Property, plant and equipment	9	4,166	5,000
Total Non-Current Assets		<u>4,166</u>	<u>5,000</u>
Total Assets		<u>7,899,037</u>	<u>7,007,395</u>
Current Liabilities			
Trade and other payables	10	4,943,257	3,932,462
Employee benefits	11	47,641	53,330
Total Current Liabilities		<u>4,990,898</u>	<u>3,985,792</u>
Total Liabilities		<u>4,990,898</u>	<u>3,985,792</u>
Net Assets		<u>2,908,139</u>	<u>3,021,603</u>
Equity			
Reserves		2,663,012	2,925,571
Retained surpluses	12	245,127	96,032
Total Equity		<u>2,908,139</u>	<u>3,021,603</u>

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Surpluses	NCRIS Reserve Account	Overseas Optical Reserve Account	EIF Reserve Account	NCRIS 2013 Reserve Account	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2012	58,287	423,670	2,515,019	86,150	-	3,083,126
Surplus attributable to equity members	(61,523)	-	-	-	-	(61,523)
Allocated to Reserves	(213,518)	61,925	118,968	32,625	-	-
Transfers from Reserves	312,786	(169,339)	(50,882)	(92,565)	-	-
Balance at 30 June 2013	96,032	316,256	2,583,105	26,210	-	3,021,603
Surplus attributable to equity members	(113,464)	-	-	-	-	(113,464)
Transfer to Reserves	(151,967)	18,624	108,407	1,661	23,275	-
Allocation from Reserves	414,526	(334,880)	(51,775)	(27,871)	-	-
Balance at 30 June 2014	245,127	-	2,639,737	-	23,275	2,908,139

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities:			
Receipts from grants/members (inclusive of GST)		8,866,608	6,010,997
Interest received		204,476	266,319
Payments to suppliers & employees (inclusive GST)		(980,778)	(733,556)
Payments of grants (inclusive of GST)		(8,365,611)	(5,340,420)
Net Cash generated by (Used in) Operating Activities	13	<u>(275,305)</u>	<u>203,340</u>
Cash Flows from Investing Activities:			
Proceeds from sale of property, plant & equipment		-	-
Payment for property, plant & equipment	9	(1,701)	(408)
Net Cash generated by (Used in) Investing Activities		<u>(1,701)</u>	<u>(408)</u>
Net increase (decrease) in cash and cash equivalents		(277,006)	202,932
Cash at beginning of the financial year		6,903,577	6,700,645
Cash at 30 June 2014	7	<u>6,626,571</u>	<u>6,903,577</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Astronomy Australia Limited is a company limited by guarantee incorporated and domiciled in Australia. The company is a not-for-profit income tax exempt charitable institution.

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company: *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.*

The company has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (Reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Revenue recognition

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

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

Grants are recognised 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 recognised 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.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Comparative Figures

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

Income Taxation

The company is a charitable institution endorsed by the Australian Charities and Not-for-profits Commission as a charity and is exempt from paying income taxation.

Property, Plant and Equipment

Office Furniture and Equipment

Office Furniture and Equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of Office Furniture and Equipment is on a written down value (WDV) over their useful lives to the 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.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Assets</u>	<u>Depreciation Rate</u>	<u>Method</u>
Office Furniture & Equipment	15% to 50%	Written down value

The assets' residual values and useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the tax authority are presented as operating cash flows.

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

Unspent Grant Funds

Unspent Grant Funds available as revenue or liable to be returned to the grant provider in the following year are recognised as deferred grants, a current liability, in the balance sheet. They are not treated as an operating surplus or profit.

Overseas Optical Reserve

As part of the Australian Research Council's financial arrangements with Sydney University for paying for the Australian share of Gemini, a substantial reserve was established. When the ARC LIEF grant for Gemini was transferred from Sydney University to AAL, this "Gemini Reserve" was also transferred to AAL. AAL and the ARC have agreed that the primary use of this reserve would be to cover shortfalls in payments to overseas optical telescope facilities due to currency fluctuations and funding gaps due to breaks in the receipt of Australian Government grants. AAL therefore renamed this reserve the "Overseas Optical Reserve". The ARC also agreed that AAL could draw a management fee and fund related student schemes at the level of approximately 2% of the balance of the Reserve.

A 2% (2013 - 2%) administration fee totalling \$51,662 (2013 - \$50,300) has been transferred from the Reserve. Grant payments totalling \$113 (2013 - \$582) have been transferred from the Reserve.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2014.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	2014 \$	2013 \$	
3. Revenue including Government Grants			
Grants	7,280,394	4,755,114	
Administration grant	567,387	395,583	
Members subscriptions	223,821	217,624	
Interest received – General Account	19,523	15,537	
Interest received – NCRIS Account	18,686	62,018	
Interest received – Overseas Optical Reserve Account	108,449	119,069	
Interest received – EIF Account	1,667	32,676	
Interest received – NCRIS 2013 Account	23,333	-	
Total Revenue	8,243,260	5,597,621	
4. Other Expense Items			
Accounting & company secretarial	-	13,650	
Insurance	10,936	10,936	
Legal costs	44,834	29,134	
Meeting expenses	9,339	16,275	
Printing & stationery	5,340	6,115	
Optical project travel expenses	72,642	62,817	
Operational travel expenses	46,692	53,388	
Miscellaneous expenses	27,230	29,551	
	217,013	221,866	
5. Segmented Granting and Operating Revenue and Expenses			
	Grants \$	Administration \$	Total \$
Revenue			
Grant received	7,280,394	567,387	7,847,781
Interest	152,135	19,523	171,658
Membership	-	223,821	223,821
Total Revenue	7,432,529	810,731	8,243,260
Expenses			
Grants paid	(7,605,101)	-	(7,605,101)
Direct project expenses	(11,997)	(146,309)	(158,306)
Operating costs	(168)	(593,149)	(593,317)
Total Expenses	(7,617,266)	(739,458)	(8,356,724)
Surplus / (deficit)	(184,737)	71,273	(113,464)
Transfer to Reserves	(151,967)	-	(151,967)
Allocation from Reserves	336,704	77,822	414,526
	0	149,095	149,095

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	2014	2013
	\$	\$
6. Remuneration of Auditors		
During the financial year the following fees were paid or payable for services provided by E Townsend & Co, the auditor of the company.		
Audit services - E Townsend & Co	6,000	6,000
Other services	-	1,000
	<u>6,000</u>	<u>7,000</u>
7. Current Assets - Cash and Cash Equivalents		
Cash on hand	849	22
Cash at bank – General account	90	116
Cash at bank – General Maximiser account	324,176	706,983
Cash at bank – Grant account	22,088	89
Cash at bank – Grant Maximiser account	3,319,267	1,358,303
Term Deposit – Grant account	-	3,000,000
Term Deposit – Grant account USD	2,960,101	1,838,064
	<u>6,626,571</u>	<u>6,903,577</u>
8. Current Assets - Trade and Other Receivables		
Trade debtors	1,268,300	66,000
Other receivables	-	32,818
	<u>1,268,300</u>	<u>98,818</u>
9. Non-current Assets - Property, Plant and Equipment		
Office Furniture and Equipment		
At cost	22,559	20,858
Less accumulated depreciation	<u>(18,393)</u>	<u>(15,858)</u>
Total Office Furniture and Equipment	<u>4,166</u>	<u>5,000</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office Furniture & Equipment	Total
Balance at 1 July 2012	8,501	8,501
Additions	408	408
Disposals	-	-
Depreciation expense	(3,909)	(3,909)
Balance at 30 June 2013	5,000	5,000
Additions	1,701	1,701
Disposals	-	-
Depreciation expense	(2,535)	(2,535)
Balance at 30 June 2014	4,166	4,166

10. Current Liabilities - Trade and Other Payables

	2014 \$	2013 \$
Trade creditors	215	5,240
Other payables	49,586	44,951
GST Payable	10,531	190,597
NCRIS Grant deferred	-	110,887
DIICCSRTE AST3 – ALMA Grant deferred	-	17,997
DIICCSRTE MWA Grant deferred	-	200,000
AAO Grant deferred	760,035	1,699,750
EIF Grant deferred	-	290,000
NeCTAR Grant deferred	-	160,040
CRIS Grant deferred	1,810,500	1,153,000
DIICCSRTE – Aust China scholarships Grant deferred	20,000	60,000
NCRIS 2013 Grant deferred	1,172,390	-
AAO 2014 Grant deferred	1,120,000	-
	<u>4,943,257</u>	<u>3,932,462</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Movement in Deferred Grants during the Financial Year

	EIF Grant	NCRIS Grant	DIICCSRTE AST3 - ALMA
	\$	\$	\$
2013			
Opening Balance 1 July 2012	966,700	390,470	30,000
Grants Received	2,500,000	-	30,000
Grants Paid	(3,176,700)	(279,583)	(42,003)
Closing Balance 30 June 2013	290,000	110,887	17,997
2014			
Opening Balance 1 July 2013	290,000	110,887	17,997
Grants received	-	-	-
Grants paid	(290,000)	(110,887)	(17,997)
Closing Balance 30 June 2014	-	-	-

	DIICCSRTE MWA Grant	NeCTAR Grant	DIICCSRTE Aust China scholarship
	\$	\$	\$
2013			
Opening Balance 1 July 2012	400,000	-	-
Grants Received	-	1,412,201	60,000
Grants Paid	(200,000)	(1,252,161)	-
Closing Balance 30 June 2013	200,000	160,040	60,000
2014			
Opening Balance 1 July 2013	200,000	160,040	60,000
Grants received	-	240,000	-
Grants paid	(200,000)	(400,040)	(40,000)
Closing Balance 30 June 2014	-	-	20,000

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	AAO Grant	CRIS Grant	NCRIS 2013 Grant	AAO 2014 Grant
	\$	\$	\$	\$
2013				
Opening Balance 1 July 2012	967,000	-	-	
Grants Received	933,000	1,153,000	-	
Grants Paid	(200,250)	-	-	
Closing Balance 30 June 2013	1,699,750	1,153,000	-	
2014				
Opening Balance 1 July 2013	1,699,750	1,153,000	-	
Grants received	-	2,316,000	5,361,532	1,120,000
Grants paid	(939,715)	(1,658,500)	(4,189,142)	-
Closing Balance 30 June 2014	760,035	1,810,500	1,172,390	1,120,000

11. Current Liabilities – Employee Benefits

	2014	2013
	\$	\$
Provision for Long Service Leave	25,035	21,388
Provision for Annual Leave	22,606	31,942
	<u>47,641</u>	<u>53,330</u>

12. Equity – Retained Surpluses

Retained surpluses at the beginning of the financial year	96,032	58,287
Surplus (deficit) after income tax expense for the year	(113,464)	(61,523)
Transfer to Reserves	(151,967)	(213,518)
Allocation from Reserves	414,526	312,786
Retained surpluses at the end of the financial year	<u>245,127</u>	<u>96,032</u>

13. Reconciliation of Surplus after Income Tax to Net Cash from Operating Activities

Surplus/(deficit) from ordinary activities after income tax	(113,464)	(61,523)
Adjustments for:		
Depreciation	2,535	3,909
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,169,482)	(28,981)
Increase/(decrease) in trade and other payables	1,010,795	268,302
Increase/(decrease) in current provisions	(5,689)	21,633
Net cash from operating activities	<u>(275,305)</u>	<u>203,340</u>

14. Financial Instruments

Financial risk management objectives

The company's activities do not expose it to many financial risks, with only liquidity risk and foreign exchange risk being needed to be actively managed.

Market risk

Foreign currency risk

The company manages its foreign currency risk by pre-purchasing its US dollar commitments.

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The company is not exposed to any significant interest rate risk.

Credit risk

The company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	Weighted average interest rate	1 year and or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2014	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables		60,332	-	-	-	60,332
Other payables /Grants deferred		4,882,925	-	-	-	4,882,925
Total non-derivatives		4,943,257	-	-	-	4,943,257

	Weighted average interest rate	1 year and or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2013	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-	240,788	-	-	-	240,788
Other payables /Grants deferred	-	3,691,674	-	-	-	3,691,674
Total non-derivatives		3,932,462	-	-	-	3,932,462

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in the foreign exchange rates of currencies in which the entity holds financial instruments other than the Australian Dollar (AUD) functional currency of the entity.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

The following table shows the foreign currency risk of the entity:

Net Financial Assets (liabilities) in AUD

	2014	2013
	\$	\$
Term deposit – Grant Account USD	2,960,101	1,838,064

15. Key Management Personnel Disclosures

The number of directors and other members of key management personnel who received:

	2014	2013
Less than \$4,999	1	2
\$5,000 to \$9,999	6	3
\$10,000 to \$19,999	1	3
\$130,000 to \$139,999	1	1
Total	9	9

The aggregate compensation made to directors and other members of key management personnel of the company is set out below.

	2014	2013
	\$	\$
Short-term employee benefits	216,578	213,854

16. Contingent Liabilities

The company has a contingent liability for severance pay for existing employees should the company's management fees from Australian Government grants not be continued beyond 30 June 2015.

17. Commitments

The company had no commitments for capital expenditure as at 30 June 2014 and 30 June 2013.

The company has the following commitments for expenditure:

Reserves to be allocated for future commitments as at 30 June 2014 is \$168,364 (2014: commitments \$255,470).

	NCRIS 2013 Reserve Account	Overseas Optical Reserve Account
	\$	\$
Balance 30 June 2014	23,275	2,639,737
Less committed for Magellan nights	-	(168,364)
Uncommitted balance 30 June 2014	23,275	2,471,373

18. 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.

19. Economic Dependency

The company receives the majority of its grant funds from the Department of Education and the Department of Industry (formerly Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)). These funding sources establish 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.

20. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to the other parties unless otherwise stated.

21. Events After the Reporting Period

No material or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in the future financial years.

22. Member's Guarantee

Astronomy Australia Limited is a company limited by guarantee. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he/she is a member or within one year after he or she ceases to be a member for the payment of the debts and liabilities of the company contracted before he/she ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding 10 dollars.

ASTRONOMY AUSTRALIA LIMITED
DIRECTORS' DECLARATION
For the year ended 30 June 2014

In the directors' opinion:

the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards and other mandatory professional reporting requirements;

the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

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 directors made pursuant to section 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

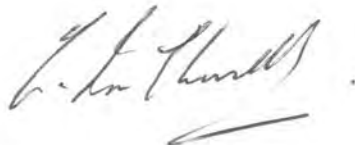
On behalf of the directors

Director:



Prof. Brian Schmidt

Director:



Dr. Ian Chessell

Dated this 25th day of September 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTRONOMY AUSTRALIA LIMITED

Report on the Financial Report

I have audited the accompanying financial statements of Astronomy Australia Limited, which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the director's declaration.

Director's Responsibility for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial statements

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 Australian Charities and Not-for-profits Commission Act. I confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, provided to your directors and included in the financial statements, would be in the same terms if provided to the directors as at the date of this auditors' report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF ASTRONOMY AUSTRALIA LIMITED**

Auditors' Opinion

In my opinion:

- (i) the financial reports present fairly, in all material respects the financial position of Astronomy Australia Ltd as at 30th June 2014 and its financial performance and cash flows for the year then ended in accordance with the Australian Accounting Standards ; and
- (ii) the financial report satisfies the requirements of Division 60 and the Regulations of the Australian Charities and Not-for-profits Commission Act 2012 ; and
- (iii) I have been given all information, explanation and assistance necessary for the conduct of the audit ; and
- (iv) the registered entity has kept financial records sufficient to enable a financial report to be prepared and audited ; and
- (v) the registered entity has kept the other records as required by the Australian Charities and Not For Profits Commission Act 2012 and the Regulations.

Name of firm: E Townsend & Co



Name of Auditor: Eric Townsend, Chartered Accountant

Address: 15 Taylor Street, Ashburton. Vic. 3147.

Dated this 25th day of September 2014