

ASTRONOMY AUSTRALIA LIMITED
ABN 19 124 973 584

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	10
Statement of Profit and Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	29
Independent Auditor's Report to the Members	30

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 8th August 2017. The directors have the power to amend and reissue the financial report.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Your directors present their report together with the financial statements on the company for the financial year ended 30 June 2017. 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:

Dr. Ian Chessell	Appointed 5 November 2010, reappointed 19 November 2013 and retired 18 November 2016
Prof. Anne Green	Appointed 5 November 2010, reappointed 19 November 2013 and retired 18 November 2016
Prof. Ronald Ekers	Appointed 19 November 2013, retired 18 November 2016
Prof. Lisa Kewley	Appointed 11 November 2014, retired 18 November 2016
Prof. Matthew Bailes	Appointed 20 November 2015
Dr. Rosalind Dubs	Appointed 20 November 2015
Prof. Rachel Webster	Appointed 20 November 2015
Prof. Karl Glazebrook	Appointed 18 November 2016
Prof. Naomi McClure-Griffiths	Appointed 18 November 2016
Prof. Chris Tinney	Appointed 18 November 2016
Dr. Ben Greene	Appointed 18 November 2016, retired 23 May 2017

Prof. Matthew Bailes BSc(Hons), PhD

Special responsibilities- a member of the Multi Messenger Astronomy Working Group and Executive Remuneration committee.

Prof. Matthew Bailes is an ARC Laureate Fellow at Swinburne University of Technology and leads the ARC Centre of Excellence for Gravitational Wave Discovery (OzGrav). His main scientific interests concern the discovery and high precision timing of millisecond radio pulsars and the discovery of extragalactic fast radio bursts (FRBs). He is the chair of the advisory board for the Collaboration for Astronomical Signal Processing and Electronics Research (CASPER) and serves on the Steering Committee for the Australia Telescope National Facility. He collaborates extensively with MPIfR, the University of Manchester, the Cagliari Radio Observatory, Caltech and the CSIRO. Matthew is leading the redevelopment of the Molonglo Radio Observatory's correlator so that it can time pulsars and search for FRBs. He is the Australian lead of the Breakthrough Listen project to search for Alien transmissions with the Parkes radio telescope and leading the MeerTime pulsar timing project on the South African Square Kilometre Array pathfinder MeerKAT.

Dr. Rosalind Dubs BSc(Hons), Dr ès Sc, FTSE, FAICD

Special responsibilities- Deputy Board Chair and Chair of the Audit and Risk Management Committee.

Dr Rosalind (Ros) Dubs is a professional company director, currently serving on the boards of ASX100 company Aristocrat Leisure Limited, government shipbuilder ASC Pty Ltd, the Academy of Technology and Engineering (ATSE) and ANU Enterprise Pty Ltd. Her diverse business career has spanned a range

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

of industries in publicly listed, private and government companies in Germany, France and Australia. For Thales SA, she was managing director of a company delivering state-of-the-art navigational aids to 65% of the global aviation market, served as COO of the world's largest exporter of air traffic management systems, and sold mission-critical software and communications systems to the Australian Defence Force. At Airservices Australia, as director of operations support, she was responsible for all engineering operations across Australia. Dr Dubs was appointed to CSIRO's senior executive service in 1983. Within universities, she was Registrar of the ANU from 1985-91, and Deputy Vice-Chancellor (External Relations) at UTS from 2007-09. Dr Dubs chaired the Australian Space Industry Innovation Council during 2010-12, served on the Australian Astronomical Observatory Advisory Committee during 2011-15, and was elected a Fellow of the Australian Academy of Technology and Engineering in 2014.

Prof. Rachel Webster BSc(Hons), PhD

Special responsibilities – until 18 November 2016, a member of the Radio Telescope Advisory Committee. From November 2016, the Board Chair and a member of the Audit and Risk Management Committee and Executive Remuneration Committee.

Prof. Rachel Webster is a Professor at The University of Melbourne in the School of Physics where she leads the Astrophysics research group. She has had a stellar career teaching and researching astronomy for over 20 years. Originally gaining her doctorate thesis at Cambridge University, she has spent productive years honing her skills in Canada at the University of Toronto, both teaching and doing research. Her work has been internationally recognized with internationally prestigious scholarships. She was also the inaugural AIP Woman in Physics Lecturer. She is a key member of an international consortium involving Australian, American, Indian and New Zealand astrophysicists to help design and build a new low frequency radio telescope (Widefield Array) at Mileura in Western Australia aiming to detect the first luminous sources in the universe. Rachel is a member of the International Astronomical Union, and an Honorary Fellow of the Astronomical Society of Australia, the Royal Society of Victoria, and the American Astronomical Society. Rachel is a member of innumerable committees, including The University of Melbourne Council, and the University College Council.

Prof. Karl Glazebrook BSc(Hons), PhD, FASA, FAA

Special responsibilities- from 18 November 2016, a member of the Optical Telescope Advisory Committee.

Prof. Karl Glazebrook is a Distinguished Professor at Swinburne University of Technology and Director of the Centre for Astrophysics & Supercomputing. His career has spanned the U.K., U.S. and Australia including Professorships at Johns Hopkins University and Swinburne and the award of a prestigious Packard Fellowship. His most notable scientific accomplishments are the development of the 'nod and shuffle' spectroscopic technique, characterising the bimodal colour and environmental distributions of local galaxies, the study of the morphological and spectroscopic evolution of galaxies across cosmic time using Gemini, Hubble and Keck telescopes and the development of innovative cosmological techniques such as 'Baryonic Acoustic Oscillations'. He is an official ISI "Highly Cited Researcher" and has won the Muhlmann Award for his work on instrumentation. His most notable current service roles are Chair of the International Facilities Working Group of the Australian Astronomy Decadal 2016-2025 Plan and member of the Australian Research Council College of Experts. He has also served on the Keck Scientific Steering Committee, the Gemini Science and Technology Advisory Committee and the GMT Instrument Development

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Advisory Committee.

Prof. Naomi McClure-Griffiths BA(Hons), PhD (Astrophysics)

Special responsibilities- from 18 November 2016, a member of the Radio Telescope Advisory Committee.

Prof. Naomi McClure-Griffiths is a Professor and ARC Future Fellow at the Research School of Astronomy and Astrophysics (RSAA) at The Australian National University. Prior to this Naomi spent 13 years at CSIRO holding various roles, including OCE Science Leader and Head of National Facility Science for the Australia Telescope National Facility. Naomi's area of research is in the structure and evolution of gas and magnetic fields in our own Milky Way and the nearby Magellanic System. Her research group uses radio telescopes, including the Australia Telescope Compact Array, Parkes Radio telescope and Green Bank telescope. Naomi co-leads the Galactic ASKAP survey, GASKAP, and the Polarisation survey, POSSUM and has roles in SKA science planning, including membership on two SKA Science working groups (HI and The Galaxy), the SKA Science and Engineering Advisory Committee, Australia New Zealand SKA Coordination Committee (ANZSCC) and ANZSCC's Science Advisory Committee. Naomi completed her PhD in Astrophysics at the University of Minnesota in Minneapolis, MN USA. She received the 2006 Prime Minister's Malcolm McIntosh Prize for Physical Scientist of the Year and the 2015 Pawsey Medal from the Australian Academy of Science.

Prof. Chris Tinney BSc(Hons), PhD, GAICD

Special responsibilities- from 18 November 2016, a member of the Astronomy eResearch Advisory Committee.

Prof. Chris Tinney is a Professor at the University of New South Wales in the School of Physics. He is Associate Dean (Research) for UNSW's Faculty of Science and heads the Exoplanetary Science at UNSW research group. He obtained his PhD from the California Institute of Technology, and has been an active researcher in the field of exoplanets and brown dwarfs for over 20 years. He has worked in both the research infrastructure and University sectors, spending almost 12 years with the Anglo-Australian Observatory as a Research Astronomer (where he headed the IRIS2 instrument project) and then as Head of Astronomy, before moving to UNSW as a Professorial Fellow.

Retired Directors

Dr. Ben Greene B.Eng(Hons), PhD(Physics)

Special responsibilities- from 18 November 2016 to 23 May 2017, a member of the Audit and Risk Management Committee.

Dr. Ben Greene was involved in the formation of Electro Optic Systems and is the group Chief Executive Officer. Prior to this, Ben was the Director of National Programs (1980-1986) for Space Tracking and National Standards in Time and Frequency in the Bilateral US-Australian Aerospace Programs, Commonwealth of Australia. He is the author of over 20 patents and published in the subject areas of weapon system design, laser tracking, space geodesy, quantum physics, satellite design, laser remote sensing, and the metrology of time. Ben is a member of Australia's Prime Ministers Science, Engineering and Innovation Council (PMSEIC), CEO of the Cooperative Research Centre for Space Environment Management and Deputy Chair of the Western Pacific Laser Tracking

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Network (WPLTN). Ben completed his PhD in Applied Physics at the University of Hull, U.K. In 1986, he received the NASA Achievement Award, and in 2009, received the Warren Centre Innovation Medal.

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

Special responsibilities – until 18 November 2016, Chair of the Audit and Risk Management Committee and a member of the Executive Remuneration 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 and was the inaugural Chair of the Goyder Institute for Water Research (2011-15). He was a member (2008-2016) of the Board of QinetiQ Pty Ltd (Australia). Dr Chessell 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. Anne Green BSc(Hons), PhD, FTSE, FASA, FAIP

Special responsibilities - until 18 November 2016, the Board Chair and a member of Audit and Risk Management Committee and Executive Remuneration Committee.

Prof. Anne Green is a Professor at the University of Sydney, and is a collaborator on a project to upgrade the Molonglo Telescope as a multi-tasking transient source detector that will be a pathfinder instrument to 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 Physics Foundation, 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 been an active member of several national and international astronomy advisory committees. She is currently a Member of the Australian Astronomical Observatory Advisory Committee and a Member of the Science Advisory Board of the Max Planck Institute for Radioastronomy, in Germany. Since 2007, she has been a Graduate Member of the Australian Institute of Company Directors.

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

Special responsibilities – until 18 November 2016, a member of the Multi Messenger Astronomy Working Group.

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

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

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.

Prof. Lisa Kewley BSc(Hons), PhD (Astrophysics), FAA

Special responsibilities- until 18 November 2016, a member of the Optical Telescope Advisory Committee and an observer on the Keck Science Steering Committee.

Prof. Lisa Kewley is Professor and Associate Director at The Research School of Astronomy and Astrophysics, in the ANU College of Physical and Mathematical Sciences. She leads the ARC Centre of Excellence for All Sky Astrophysics in 3 Dimensions (CAASTRO 3D). She obtained her PhD in 2002 and was then a Harvard-Smithsonian Center for Astrophysics fellow and a NASA Hubble Fellow. She received the American Astronomical Society Annie Jump Cannon and Newton Lacy Pierce Awards, and an NSF Early Career Award. She was a 2011-2016 ARC Future Fellow at the ANU RSAA and in 2014 was elected to the Australian Academy of Science. She is currently an ARC Laureate Fellow. Lisa's current policy roles include the Australian Astronomical Observatory Advisory Committee, the Keck Science Steering Committee, the National Committee for Astronomy, the Academy of Science Committee for Physics and Astronomy, and the Editorial Board of the 2016-2026 Australian Astronomy Decadal Plan. She leads a large ambitious research program to understand the star formation and chemical history of the universe. Her research comprehensively covers theory, computation, and observation, including optical, radio and infrared.

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 2017, and the number of meetings attended by each director were:

Name	<u>Directors Meetings</u>		<u>Board Committee Meetings</u>	
	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended
Dr. Ian Chessell	2	2	1	1
Prof. Anne Green	2	2	1	1
Prof. Ron Ekers	2	2	-	-
Prof. Lisa Kewley	2	2	-	-
Prof. Matthew Bailes	4	4	1	1
Dr. Rosalind Dubs	4	4	1	1
Prof. Rachel Webster	4	4	2	2
Prof. Karl Glazebrook	2	2	-	-
Prof. Naomi McClure-Griffiths	2	2	-	-
Prof. Chis Tinney	2	2	-	-
Dr. Ben Greene	2	0	1	0

Company Secretary

Ms. Sue Russell (BSc, MSc, Grad DipBus(Acc), CPA) was appointed to the position of Company Secretary on 1 July 2012.

ASTRONOMY AUSTRALIA LIMITED
DIRECTORS' REPORT
For the year ended 30 June 2017

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 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, Innovation and Science and Department of Education.

Operating and Financial Review

The company recorded a surplus of \$41,245 for the financial year ended 30 June 2017 (2016: surplus of \$90,547).

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 \$160, based on 16 current members.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

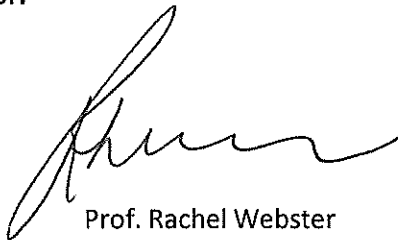
Auditor's Independence Declaration

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* and under section 307c of the *Corporations Act 2001* is set out on page 10.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.


On behalf of the Directors

Director:



Prof. Rachel Webster

Director:



Dr. Rosalind Dubs

Dated this 8th day of August 2017

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012 AND THE CORPORATIONS ACT 2001**

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 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* in relation to the audit; and
- (ii) no 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 8th day of August 2017

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue including Government Grants	3	9,834,043	11,577,784
Expenses			
Depreciation	9	(3,384)	(2,581)
Grants paid		(8,816,290)	(10,633,681)
Direct grant project expenses		(38,942)	(29,265)
Employee benefits expenses		(696,455)	(601,494)
Other expenses	4	(237,727)	(220,216)
Surplus (Deficit) before income tax attributable to members of the entity	5	41,245	90,547
Income tax			
Surplus (Deficit) after income tax attributable to members of Astronomy Australia Ltd		41,245	90,547
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of Astronomy Australia Ltd		41,245	90,547

The Company is an income tax exempt charitable institution

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	7	8,756,602	10,990,676
Trade and other receivables	8	209,442	-
Total Current Assets		<u>8,966,044</u>	<u>10,990,676</u>
Non-Current Assets			
Property, plant and equipment	9	5,942	6,904
Total Non-Current Assets		<u>5,942</u>	<u>6,904</u>
Total Assets		<u>8,971,986</u>	<u>10,997,580</u>
Current Liabilities			
Trade and other payables	10	5,761,765	7,833,054
Employee benefits	11	49,609	48,289
Total Current Liabilities		<u>5,811,374</u>	<u>7,881,343</u>
Non-Current Liabilities			
Employee benefits	12	5,670	2,540
Total Non-Current Liabilities		<u>5,670</u>	<u>2,540</u>
Total Liabilities		<u>5,817,044</u>	<u>7,883,883</u>
Net Assets		<u>3,154,942</u>	<u>3,113,697</u>
Equity			
Reserves		2,683,769	2,752,248
Retained surpluses	13	471,173	361,449
Total Equity		<u>3,154,942</u>	<u>3,113,697</u>

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surpluses	Overseas Optical Reserve Account	NCRIS 2013-16 Reserve Account	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2015	329,989	2,656,874	36,287	3,023,150
Surplus attributable to equity members	90,547	-	-	90,547
Allocated to Reserves	(170,296)	62,914	107,382	-
Transfers from Reserves	111,209	(111,209)	-	-
Balance at 30 June 2016	361,449	2,608,579	143,669	3,113,697
Surplus attributable to equity members	41,245	-	-	41,245
Transfer to Reserves	(116,707)	38,963	77,744	-
Allocation from Reserves	185,186	(52,172)	(133,014)	-
Balance at 30 June 2017	471,173	2,595,370	88,399	3,154,942

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities:			
Receipts from grants/members (inclusive of GST)		9,082,891	13,427,619
Interest received		127,180	178,727
Payments to suppliers & employees (inclusive of GST)		(996,341)	(1,016,878)
Payments of grants (inclusive of GST)		(10,445,382)	(11,484,024)
Net Cash generated by (Used in) Operating Activities	14	(2,231,652)	1,105,444
Cash Flows from Investing Activities:			
Proceeds from sale of property, plant & equipment		-	-
Payment for property, plant & equipment	9	(2,422)	(7,017)
Net Cash generated by (Used in) Investing Activities		(2,422)	(7,017)
Net increase (decrease) in cash and cash equivalents		(2,234,074)	1,098,427
Cash at beginning of the financial year		10,990,676	9,892,249
Cash at 30 June 2017	7	8,756,602	10,990,676

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB), the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Corporations Act 2001* 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.

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.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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.

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.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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.

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.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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% (2016 – 2%) administration fee totalling \$52,172 (2016 - \$53,137) has 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 2017.

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.

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.

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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 2017

	2017	2016	
	\$	\$	
3. Revenue including Government Grants			
Grants	8,721,958	10,604,666	
Administration grant	737,625	551,000	
Members subscriptions	247,280	243,390	
Interest received – General Account	10,213	8,224	
Interest received – NCRIS 2013-16 Account	78,004	107,590	
Interest received – Overseas Optical Reserve Account	38,963	62,914	
Total Revenue	9,834,043	11,577,784	
4. Other Expense Items			
Insurance	10,192	10,240	
Legal costs	28,127	24,420	
Meeting expenses	7,930	8,649	
Printing & stationery	4,927	6,780	
Consultant fees	56,618	19,413	
Optical project travel expenses	47,929	57,968	
Operational travel expenses	58,188	61,748	
Miscellaneous expenses	23,816	30,998	
	237,727	220,216	
5. Segmented Granting and Operating Revenue and Expenses			
	Grants	Administration	Total
	\$	\$	\$
Revenue			
Grant received	8,721,958	737,625	9,459,583
Interest	116,967	10,213	127,180
Membership	-	247,280	247,280
Total Revenue	8,838,925	995,118	9,834,043
Expenses			
Grants paid	8,816,290	-	8,816,290
Direct project expenses	38,407	25,000	63,407
Operating costs	535	912,566	913,101
Total Expenses	8,855,232	937,566	9,792,798
Surplus / (deficit)	(16,307)	57,552	41,245
Transfer to Reserves	(116,707)	-	(116,707)
Allocation from Reserves	133,014	52,172	185,186
	0	109,724	109,724

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	2017	2016
	\$	\$
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	6,400	6,200
	<u>6,400</u>	<u>6,200</u>
7. Current Assets - Cash and Cash Equivalents		
Cash on hand	311	218
Cash at bank – General account	10,248	7,452
Cash at bank – General Maximiser account	594,133	504,754
Cash at bank – Grant account	90	90
Cash at bank – Grant Maximiser account	4,127,695	9,139,108
Term Deposits – Grant account USD	4,024,125	1,339,054
	<u>8,756,602</u>	<u>10,990,676</u>
8. Current Assets - Trade and Other Receivables		
Trade debtors	99,880	-
Net GST receivable	109,562	-
	<u>209,442</u>	<u>-</u>
9. Non-current Assets - Property, Plant and Equipment		
Office Furniture and Equipment		
At cost	21,426	19,004
Less accumulated depreciation	(15,484)	(12,100)
Total Office Furniture and Equipment	<u>5,942</u>	<u>6,904</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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 2015	2,468	2,468
Additions	7,017	7,017
Disposals*	-	-
Depreciation expense	(2,581)	(2,581)
Balance at 30 June 2016	6,904	6,904
Additions	2,422	2,422
Disposals	-	-
Depreciation expense	(3,384)	(3,384)
Balance at 30 June 2017	5,942	5,942

*In 2016, disposal of \$10,572 obsolete equipment with \$0 written down value.

10. Current Liabilities - Trade and Other Payables

	2017	2016
	\$	\$
Trade creditors	2,178	501,775
Other payables	79,089	76,654
Net GST Payable	-	224,317
NCRIS 2013 Grant deferred	348,044	1,232,875
AAO 2014 Grant deferred	60,000	290,000
ANDS Grant deferred	60,000	-
NeCTAR-NCRIS Grant deferred	-	12,500
DoIIS* 2015 Grant deferred	764,654	1,531,620
NCRIS 2015 Grant deferred	485,000	801,986
DoIIS* 2016 Grant deferred	1,680,000	1,750,000
NCRIS 2016 Grant deferred	1,920,000	1,411,327
DoIIS* 2017 Grant deferred	350,000	-
NeCTAR-NCRIS 2016 Grant deferred	12,800	-
	5,761,765	7,833,054

*DoIIS –Department of Industry, Innovation and Science

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

Movement in Deferred Grants during the Financial Year

	NeCTAR NCRIS Grant	AAO 2014 Grant	ANDS Grant
	\$	\$	\$
2016			
Opening Balance 1 July 2015	15,500	520,000	2,000
Grants Received	136,400	-	15,000
Grants Paid	(139,400)	(230,000)	(17,000)
Closing Balance 30 June 2016	12,500	290,000	-
2017			
Opening Balance 1 July 2016	12,500	290,000	-
Grants received	112,500	-	100,000
Grants paid	(125,000)	(230,000)	(40,000)
Closing Balance 30 June 2017	-	60,000	60,000

	NCRIS 2013 Grant	NCRIS 2015 Grant	NCRIS 2016 Grant
	\$	\$	\$
2016			
Opening Balance 1 July 2015	2,627,092	-	-
Grants Received	-	8,644,000	1,411,327
Grants Paid	(1,394,217)	(7,842,014)	-
Closing Balance 30 June 2016	1,232,875	801,986	1,411,327
2017			
Opening Balance 1 July 2016	1,232,875	801,986	1,411,327
Grants received	-	-	7,405,673
Grants paid	(884,831)	(316,986)	(6,897,000)
Closing Balance 30 June 2017	348,044	485,000	1,920,000

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	NeCTAR NCRIS 2016 Grant	DollIS 2015 Grant	DollIS 2016 Grant	DollIS 2017 Grant
	\$	\$	\$	\$
2016				
Opening Balance 1 July 2015	-	2,700,000	-	-
Grants Received	-	-	1,750,000	-
Grants Paid	-	(1,168,380)	-	-
Closing Balance 30 June 2016	-	1,531,620	1,750,000	-
2017				
Opening Balance 1 July 2016	-	1,531,620	1,750,000	-
Grants received	141,600	-	-	350,000
Grants paid	(128,800)	(766,966)	(70,000)	-
Closing Balance 30 June 2017	12,800	764,654	1,680,000	350,000

11. Current Liabilities – Employee Benefits

	2017 \$	2016 \$
Provision for Long Service Leave	15,614	20,070
Provision for Annual Leave	33,995	28,219
	<u>49,609</u>	<u>48,289</u>

12. Non-Current Liabilities – Employee Benefits

Provision for Long Service Leave	5,670	2,540
	<u>5,670</u>	<u>2,540</u>

13. Equity – Retained Surpluses

Retained surpluses at the beginning of the financial year	361,449	329,989
Surplus (deficit) after income tax expense for the year	41,245	90,547
Transfer to Reserves	(116,707)	(170,296)
Allocation from Reserves	185,186	111,209
Retained surpluses at the end of the financial year	<u>471,173</u>	<u>361,449</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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

	2017	2016
	\$	\$
Surplus/(deficit) from ordinary activities after income tax	41,245	90,547
Adjustments for:		
Depreciation	3,384	2,581
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(209,442)	6,810
Increase/(decrease) in trade and other payables	(2,071,289)	994,718
Increase/(decrease) in current provisions	1,320	8,248
Increase/(decrease) in non-current provisions	3,130	2,540
Net cash from operating activities	<u>(2,231,652)</u>	<u>1,105,444</u>

15. 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

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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.

	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
2017	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-	81,267	-	-	-	81,267
Other payables /Grants deferred	-	5,680,498	-	-	-	5,680,498
Total non-derivatives		5,761,765	-	-	-	5,761,765

	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
2016	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-	802,746				802,746
Other payables /Grants deferred	-	7,030,308				7,030,308
Total non-derivatives		7,833,044				7,833,044

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 2017

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

Net Financial Assets (liabilities) in AUD

	2017	2016
	\$	\$
Term deposits – Grant Account USD	4,024,125	1,339,054

16. Key Management Personnel Disclosures

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

	2017	2016
Less than \$4,999	1	5
\$5,000 to \$9,999	6	4
\$10,000 to \$19,999	3	1
\$160,000 to \$169,999	-	1
\$190,000 to \$199,999	1	-
Total	11	11

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

	2017	2016
	\$	\$
Short-term employee benefits	259,723	224,183

17. 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 2017.

18. Commitments

The company had no commitments for capital expenditure as at 30 June 2016 and 30 June 2017.

The company has the following commitments for expenditure:

Reserves to be allocated for future commitments as at 30 June 2017 is \$673,304 (2016: commitments \$135,143).

	NCRIS 2013-16 Reserve Account	Overseas Optical Reserve Account
	\$	\$
Balance 30 June 2017	2,595,370	88,399
Less committed for Magellan & Subaru	673,304	-
Uncommitted balance 30 June 2017	1,922,066	88,399

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

19. 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.

20. Economic Dependency

The company receives the majority of its grant funds from the Department of Education and the Department of Industry, Innovation and Science (formerly Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)) and is dependent on the continuation of these grant funds. 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.

21. Related Party Transactions

Disclosures relating to key management personnel are set out in note 16.

There were no transactions with related parties during the current and previous financial year.

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

There were no loans to or from related parties at the current and previous reporting date.

22. Events After the Reporting Period

No material or circumstance has arisen since 30 June 2017 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.

23. 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 2017

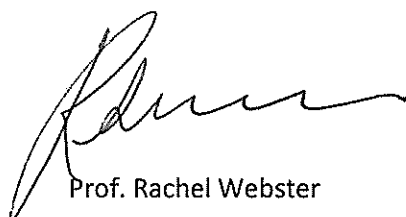
In the directors' opinion:

- the financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the financial statements and notes thereto give a true and fair view of the registered entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed 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* and section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Director:



Prof. Rachel Webster

Director:



Dr. Rosalind Dubs

Dated this 8th day of August 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTRONOMY AUSTRALIA LIMITED

Opinion

I have audited the financial report of Astronomy Australia Limited (the Entity) which comprises the Statement of Financial Position as at 30th June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the declaration by those charged with governance.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Entity as at the 30th June 2017 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the Corporations Act 2001 and Division 60 of the Australian Charities and Not-for-profits Commission regulation 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists. I am required to draw attention in my auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease or continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including deficiencies in internal control that I identify during my audit.

Name of firm: E Townsend & Co



Name of Auditor: Eric Townsend, Chartered Accountant

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

Dated this 8th day of August 2017