

ASTRONOMY AUSTRALIA LIMITED
ABN 19 124 973 584

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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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 11th August 2016. The directors have the power to amend and reissue the financial report.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2016

Your directors present their report together with the financial statements on the company for the financial year ended 30 June 2016. 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. Brian P. Schmidt AC	Appointed 18 April 2007, reappointed 30 September 2008, 11 November 2011 and 11 November 2014 and retired 20 November 2015
Prof. Brian J. Boyle	Appointed 5 November 2009, reappointed 2 November 2012 and retired 20 November 2015
Dr. Ian Chessell	Appointed 5 November 2010, reappointed 19 November 2013
Prof. Anne Green	Appointed 5 November 2010, reappointed 19 November 2013
Prof. Robyn Owens	Appointed 2 November 2012 and retired 20 November 2015
Prof. Ronald Ekers	Appointed 19 November 2013
Prof. Lisa Kewley	Appointed 11 November 2014
Prof. Matthew Bailes	Appointed 20 November 2015
Dr. Rosalind Dubs	Appointed 20 November 2015
Prof. Rachel Webster	Appointed 20 November 2015

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

Special responsibilities- until 20 November 2015, the Board Chair and member of the Executive Remuneration Committee and Audit and Risk Management Committee.

Prof Brian Schmidt is Vice-Chancellor of the Australian National University. Previously, he was an ARC Australian Laureate Fellow at the Australian National University and the Project scientist for the new SkyMapper Telescope, which is undertaking 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. He is currently a member of the Commonwealth Science Council.

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

Special responsibilities - until 20 November 2015, a member of the Audit and Risk Management Committee and observer on Magellan Council.

Prof. Brian Boyle is Deputy Vice-Chancellor Research (Acting) and formerly Director of Research Strategy at the University of New South Wales. Previously, he was Acting Australian SKA Director for the Department of Industry, and had roles at CSIRO as SKA Director and Director of the Australia Telescope National Facility (2003-2009) where he initiated the construction of ASKAP. He was also Director of the Anglo-Australian Observatory (1996-2003). His main research interests are

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DIRECTORS' REPORT

For the year ended 30 June 2016

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. 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 and was the inaugural Chair of the Goyder Institute for Water Research (2011-15). He is currently a member 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 20 November 2015, Deputy Board Chair and a member of the Radio Telescope Advisory Committee. From 20 November 2015, Board Chair and 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. Robyn Owens BSc(Hons), MSc (Mathematics), PhD (Mathematics), FACS, GAICD, FTSE

Special responsibilities – until 20 November 2015, 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

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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 Radio Telescope Advisory Committee until February 2016 and then 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 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- 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 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 2011-2015 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 2015-2026 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.

Prof. Matthew Bailes BSc(Hons), PhD

Special responsibilities- from November 2015, a member of the Computing Infrastructure Planning Working Group.

Prof. Matthew Bailes is an ARC Laureate Fellow at Swinburne University of Technology and leads the Centre of Astrophysics and Supercomputing's pulsar group. His main scientific interests concern the

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DIRECTORS' REPORT

For the year ended 30 June 2016

discovery and high precision timing of millisecond radio pulsars and the discovery of extragalactic fast radio bursts (FRBs). He is the theme leader of the Dynamic Universe for the ARC Centre of Excellence for All-Sky Astrophysics (CAASTRO) and the chair of the advisory board for the Collaboration for Astronomical Signal Processing and Electronics Research (CASPER). 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 pulsar timing project on the South African Square Kilometre Array pathfinder the MeerKAT.

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

Special responsibilities- from November 2015, a member of the Audit and Risk Management Committee. From May 2016, Deputy Board Chair.

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, and ANU Enterprise Pty Ltd. Her diverse business career has spanned a range 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 - from November 2015, a member of the Radio Telescope Advisory 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.

ASTRONOMY AUSTRALIA LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2016

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 2016, 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
Prof. Brian P. Schmidt	2	2	1	1
Prof. Brian J. Boyle	2	2	1	1
Dr. Ian Chessell	4	3	2	2
Prof. Ron Ekers	4	4	-	-
Prof. Anne Green	4	4	1	1
Prof. Robyn Owens	2	1	-	-
Prof. Lisa Kewley	4	4	-	-
Prof. Matthew Bailes	2	2	-	-
Dr. Rosalind Dubs	2	2	-	-
Prof. Rachel Webster	2	2	-	-

Company Secretary

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

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

ASTRONOMY AUSTRALIA LIMITED
DIRECTORS' REPORT
For the year ended 30 June 2016

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 \$90,547 for the financial year ended 30 June 2016 (2015: surplus of \$115,011).

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.

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 9.

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

On behalf of the Directors

Director:



Prof. Anne Green

Director:



Dr. Ian Chessell

Dated this 11th day of August 2016

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

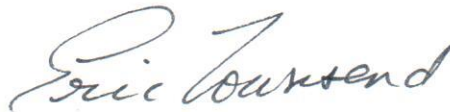
TO THE DIRECTORS OF ASTRONOMY AUSTRALIA LIMITED

I hereby declare, that to the best of my knowledge and belief, during the financial year ended 30 June 2016 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* 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 11th day of August 2016

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue including Government Grants	3	11,577,784	8,970,548
Expenses			
Depreciation	9	(2,581)	(1,698)
Grants paid		(10,633,681)	(8,072,689)
Direct grant project expenses		(29,265)	(4,223)
Employee benefits expenses		(601,494)	(539,017)
Other expenses	4	(220,216)	(237,910)
Surplus (Deficit) before income tax attributable to members of the entity	5	90,547	115,011
Income tax			
Surplus (Deficit) after income tax attributable to members of Astronomy Australia Ltd		90,547	115,011
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of Astronomy Australia Ltd		90,547	115,011

The Company is an income tax exempt charitable institution

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	10,990,676	9,892,249
Trade and other receivables	8	-	6,810
Total Current Assets		<u>10,990,676</u>	<u>9,899,059</u>
Non-Current Assets			
Property, plant and equipment	9	6,904	2,468
Total Non-Current Assets		<u>6,904</u>	<u>2,468</u>
Total Assets		<u>10,997,580</u>	<u>9,901,527</u>
Current Liabilities			
Trade and other payables	10	7,833,054	6,838,336
Employee benefits	11	48,289	40,041
Total Current Liabilities		<u>7,881,343</u>	<u>6,878,377</u>
Non-Current Liabilities			
Employee benefits	12	2,540	-
Total Non-Current Liabilities		<u>2,540</u>	<u>-</u>
Total Liabilities		<u>7,883,883</u>	<u>6,878,377</u>
Net Assets		<u>3,113,697</u>	<u>3,023,150</u>
Equity			
Reserves		2,752,248	2,693,161
Retained surpluses	13	361,449	329,989
Total Equity		<u>3,113,697</u>	<u>3,023,150</u>

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained Surpluses	Overseas Optical Reserve Account	NCRIS 2013-15 Reserve Account	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2014	245,127	2,639,737	23,275	2,908,139
Surplus attributable to equity members	115,011	-		115,011
Allocated to Reserves	(82,944)	69,932	13,012	-
Transfers from Reserves	52,795	(52,795)	-	-
Balance at 30 June 2015	329,989	2,656,874	36,287	3,023,150
Surplus attributable to equity members	90,547	-	-	90,547
Transfer to Reserves	(170,296)	62,914	107,382	-
Allocation from Reserves	111,209	(111,209)	-	-
Balance at 30 June 2016	361,449	2,608,579	143,669	3,113,697

ASTRONOMY AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities:			
Receipts from grants/members (inclusive of GST)		13,427,619	12,627,315
Interest received		178,727	98,983
Payments to suppliers & employees (inclusive GST)		(1,016,878)	(608,492)
Payments of grants (inclusive of GST)		(11,484,024)	(8,852,128)
Net Cash generated by (Used in) Operating Activities	14	1,105,444	3,265,678
Cash Flows from Investing Activities:			
Proceeds from sale of property, plant & equipment		-	-
Payment for property, plant & equipment	9	(7,017)	-
Net Cash generated by (Used in) Investing Activities		(7,017)	-
Net increase (decrease) in cash and cash equivalents		1,098,427	3,265,678
Cash at beginning of the financial year		9,892,249	6,626,571
Cash at 30 June 2016	7	10,990,676	9,892,249

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 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.

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 2016

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 2016

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 2016

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% (2015 - 2%) administration fee totalling \$53,137 (2015 - \$52,795) 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 2016.

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 2016

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 2016

	2016 \$	2015 \$	
3. Revenue including Government Grants			
Grants	10,604,666	8,076,649	
Administration grant	551,000	561,000	
Members subscriptions	243,390	233,916	
Interest received – General Account	8,224	15,776	
Interest received – NCRIS 2013-15 Account	107,590	13,178	
Interest received – Overseas Optical Reserve Account	62,914	70,029	
Total Revenue	11,577,784	8,970,548	
4. Other Expense Items			
Insurance	10,240	10,562	
Legal costs	24,420	57,578	
Meeting expenses	8,649	9,817	
Printing & stationery	6,780	7,119	
Consultant fees	19,413	1,462	
Optical project travel expenses	57,968	63,839	
Operational travel expenses	61,748	50,988	
Miscellaneous expenses	30,998	36,545	
	220,216	237,910	
5. Segmented Granting and Operating Revenue and Expenses			
	Grants	Administration	Total
	\$	\$	\$
Revenue			
Grant received	10,604,666	551,000	11,155,666
Interest	170,504	8,224	178,728
Membership	-	243,390	243,390
Total Revenue	10,775,170	802,614	11,577,784
Expenses			
Grants paid	10,633,681	-	10,633,681
Direct project expenses	28,801	31,000	59,801
Operating costs	464	793,291	793,755
Total Expenses	10,662,946	824,291	11,487,237
Surplus / (deficit)	112,224	(21,677)	90,547
Transfer to Reserves	(170,296)	-	(170,296)
Allocation from Reserves	58,072	53,137	111,209
	0	31,460	31,460

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

	2016	2015
	\$	\$
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	6,200	6,000
	<u>6,200</u>	<u>6,000</u>
7. Current Assets - Cash and Cash Equivalents		
Cash on hand	218	766
Cash at bank – General account	7,452	88
Cash at bank – General Maximiser account	504,754	481,158
Cash at bank – Grant account	90	78,960
Cash at bank – Grant Maximiser account	9,139,108	7,127,871
Term Deposit – Grant account USD	1,339,054	2,203,406
	<u>10,990,676</u>	<u>9,892,249</u>
8. Current Assets - Trade and Other Receivables		
Trade debtors	-	6,810
Other receivables	-	-
	<u>-</u>	<u>6,810</u>
9. Non-current Assets - Property, Plant and Equipment		
Office Furniture and Equipment		
At cost	19,004	22,559
Less accumulated depreciation	(12,100)	(20,091)
Total Office Furniture and Equipment	<u>6,904</u>	<u>2,468</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 2014	4,166	4,166
Additions	-	-
Disposals	-	-
Depreciation expense	(1,698)	(1,698)
Balance at 30 June 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

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

10. Current Liabilities - Trade and Other Payables

	2016	2015
	\$	\$
Trade creditors	501,775	34,387
Other payables	76,654	107,905
GST Payable	224,317	466,797
AAO Grant deferred	-	347,371
DIICCSRTE – Aust China scholarships Grant deferred	-	17,284
NCRIS 2013 Grant deferred	1,232,875	2,627,092
AAO 2014 Grant deferred	290,000	520,000
ANDS Grant deferred	-	2,000
NeCTAR-NCRIS Grant deferred	12,500	15,500
DoIIS* 2015 Grant deferred	1,531,620	2,700,000
NCRIS 2015 Grant deferred	801,986	-
DoIIS* 2016 Grant deferred	1,750,000	-
NCRIS 2016 Grant deferred	1,411,327	-
	<u>7,833,054</u>	<u>6,838,336</u>

*DoIIS –Department of Industry, Innovation and Science

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

Movement in Deferred Grants during the Financial Year

	DIICSRTE Aust China scholarship	AAO Grant	ANDS Grant
	\$	\$	\$
2015			
Opening Balance 1 July 2014	20,000	760,035	-
Grants Received	10,103	-	135,000
Grants Paid	(12,819)	(412,664)	(133,000)
Closing Balance 30 June 2015	17,284	347,371	2,000
2016			
Opening Balance 1 July 2015	17,284	347,371	2,000
Grants received	-	-	15,000
Grants paid	(17,284)	(347,371)	(17,000)
Closing Balance 30 June 2016	-	-	-

	NCRIS 2013 Grant	NCRIS 2015 Grant	NCRIS 2016 Grant
	\$	\$	\$
2015			
Opening Balance 1 July 2014	1,172,390	-	-
Grants Received	6,823,768	-	-
Grants Paid	(5,369,066)	-	-
Closing Balance 30 June 2015	2,627,092	-	-
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

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

	AAO 2014 Grant	NeCTAR NCRIS Grant	DoIIS 2015 Grant	DoIIS 2016 Grant
		\$	\$	\$
2015				
Opening Balance 1 July 2014	1,120,000	-	-	-
Grants Received	-	215,100	2,700,000	-
Grants Paid	(600,000)	(199,600)	-	-
Closing Balance 30 June 2015	520,000	15,500	2,700,000	-
2016				
Opening Balance 1 July 2015	520,000	15,500	2,700,000	-
Grants received	-	136,400	-	1,750,000
Grants paid	(230,000)	(139,400)	(1,168,380)	-
Closing Balance 30 June 2016	290,000	12,500	1,531,620	1,750,000

11. Current Liabilities – Employee Benefits

	2016 \$	2015 \$
Provision for Long Service Leave	20,070	16,574
Provision for Annual Leave	28,219	23,467
	<u>48,289</u>	<u>40,041</u>

12. Non-Current Liabilities – Employee Benefits

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

13. Equity – Retained Surpluses

Retained surpluses at the beginning of the financial year	329,989	245,127
Surplus (deficit) after income tax expense for the year	90,547	115,011
Transfer to Reserves	(170,296)	(82,944)
Allocation from Reserves	111,209	52,795
Retained surpluses at the end of the financial year	<u>361,449</u>	<u>329,989</u>

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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

	2016	2015
	\$	\$
Surplus/(deficit) from ordinary activities after income tax	90,547	115,011
Adjustments for:		
Depreciation	2,581	1,698
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	6,810	1,261,490
Increase/(decrease) in trade and other payables	994,718	1,895,079
Increase/(decrease) in current provisions	8,248	(7,600)
Increase/(decrease) in non-current provisions	2,540	-
Net cash from operating activities	<u>1,105,444</u>	<u>3,265,678</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 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

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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
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		7,833,054	-	-	-	7,833,054

	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
2015	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-	609,089	-	-	-	609,089
Other payables /Grants deferred	-	6,229,247	-	-	-	6,229,247
Total non-derivatives		6,838,336	-	-	-	6,838,336

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 2016

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

Net Financial Assets (liabilities) in AUD

	2016	2015
	\$	\$
Term deposit – Grant Account USD	1,339,054	2,203,406

16. Key Management Personnel Disclosures

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

	2016	2015
Less than \$4,999	5	1
\$5,000 to \$9,999	4	6
\$10,000 to \$19,999	1	1
\$150,000 to \$159,999	-	1
\$160,000 to \$169,999	1	-
Total	11	9

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

	2016	2015
	\$	\$
Short-term employee benefits	224,183	214,988

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 2015.

The company has the following commitments for expenditure:

Reserves to be allocated for future commitments as at 30 June 2016 is \$135,143 (2015: commitments \$168,364).

	NCRIS 2013-15 Reserve Account	Overseas Optical Reserve Account
	\$	\$
Balance 30 June 2016	143,669	2,608,579
Less committed for gSTAR Data platform	(33,748)	-
Less committed for Magellan nights	-	(101,395)
Uncommitted balance 30 June 2016	109,921	2,507,184

ASTRONOMY AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 2016 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 2016

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 financial statements and notes thereto give a true and fair view of the registered entity's financial position as at 30 June 2016 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. Anne Green

Director:



Dr. Ian Chessell

Dated this 11th day of August 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTRONOMY AUSTRALIA LIMITED

Report on the Financial Report

I have audited the accompanying financial report of Astronomy Australia Limited, which comprises the statement of financial position as at 30 June 2016, 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* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Independence

In conducting my audit, I have complied with the independence requirements of the *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**

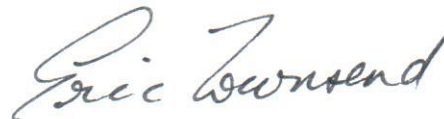
Auditors' Opinion

In my opinion the financial report of Astronomy Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30th June 2016 and of its financial performance and cash flows for the year ended on that date ;
and

- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Name of firm: E Townsend & Co



Name of Auditor: Eric Townsend, Chartered Accountant

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

Dated this 11th day of August 2016