

# **The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)**

ABN 43 008 543 897

**Annual Report**

For the Year Ended 31 December 2019

# The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

ABN 43 008 543 897

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These financial statements are the financial statements of The Sir Robert Menzies Memorial Foundation Limited as an individual entity. The financial statements are presented in Australian currency. Its registered office and principal place of business is:

The Commons  
Level 4, 80 Market Street  
South Melbourne, VIC 3205

The financial statements were authorised for issue by the directors on 12<sup>th</sup> June 2020. The directors have the power to amend and reissue the financial statements.

# The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

ABN 43 008 543 897

## Directors' Report

31 December 2019

The directors present their report on The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) for the financial year ended 31 December 2019.

### Directors

The following persons were directors of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) during the whole of the financial year and up to the date of this report.

Professor S Maddocks	(resigned 17/05/2019)
Dr J Stocker, AO	(resigned 24/05/2019)
Professor A-M Hill	(resigned 31/12/2019)
Mr TF Moran, AC	
Mr PJ Jopling, AM, QC	
Mr HH Kalman	
Mr JR Menzies	
Professor G Davis, AC	
Mr AJ Surtees	
Ms KT Greiner, AO	
Mr D Bowly	
Professor D Hilton, AO	(appointed 25/03/2019)
Ms F Maguire	(appointed 01/02/2020)

A list of the Directors' qualifications and experience is available on the Foundation's website at: <http://www.menziesfoundation.org.au/about-us/our-people.html>

### Vision

Raise the profile and importance of 'outstanding' leadership in Australia.

### Mission

The Menzies Foundation encourages Australians to reflect on leadership, build their own leadership capability and take leadership roles in the community.

### Objectives

The Menzies Foundation was established in 1979 to perpetuate the honour and memory of Sir Robert Menzies, Australia's longest serving Prime Minister.

During 2019, the Foundation focused on consolidating its strategic plan and developing initiatives in the areas of strategic focus including supporting entrepreneurial leaders in science and technology, school leaders and supporting law specialist's response to increasing cyber security legal challenges.

### Principal activities

Building on the work undertaken in 2018, the Foundation continued to develop the strategic framework to guide its work and launched a number of initiatives including the Menzies School Leader Fellowship Program, the Menzies Science Entrepreneur Fellowship Program and the Ninian Stephen Cyber Law Program.

The Foundation continued to support those talented Australians who have been awarded prestigious scholarships and

# **The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)**

ABN 43 008 543 897

## **Directors' Report**

**31 December 2019**

### **Principal activities (continued)**

fellowships by the Foundation, awarded the final grants in support of health and medical research and continued to support a range of initiatives that foster knowledge and leadership in the community.

No significant changes in the nature of the Company's activity occurred during the financial year.

### **Outcomes**

The Foundation measures its performance by:

- the success of the strategic planning process undertaken by the Foundation;
- the development and launch of new programs in support of the Foundation's strategic areas of focus;
- the number of scholarships/fellowships awarded during the year; and
- the dissemination of outcomes from its initiatives through a range of communication channels.

### **Significant changes in state of affairs**

No significant changes in the Foundation's state of affairs occurred during the financial year.

### **Matters or circumstances arising after the end of the year**

As a result of the COVID-19 pandemic, market conditions since year end have had an impact on the Foundation's investment portfolio market value. The extent to which this will impact on the Foundation's ability to carry out its planned activities is being closely monitored and it is anticipated that this will not significantly impact the Foundation's activities going forward.

### **Likely developments and expected results of operations**

The Foundation will continue to implement and maintain its activities during the next financial year.

### **Environmental regulation**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

# The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

ABN 43 008 543 897

## Directors' Report

31 December 2019

### Information on directors

The Menzies Foundation is governed by a Board of honorary directors with Mr Peter Jopling QC as appointed Chair of the Foundation.

Professor Simon Maddocks BAgSci (Hons) PhD, FAIAST, FAICD  
1987 Scholar in Medicine  
Appointed: 25 June 1993 Resigned: 17 May 2019

Mr Peter Jopling AM, QC, LLB (Melb)  
Appointed: 25 March 2014

Mr Terry Moran AC BA (Hons) (LaTrobe)  
Appointed: 18 December 2014

Dr John Stocker AO BmedSc (Melb), MBBS (Melb), PhD, FTS, FRACP  
Appointed: 18 June 2015 Resigned: 24 May 2019

Mr Harvey Kalman BEc, Grad Dip App Fin & Inv, Grad Dip Acc, CFTP (Snr), ACPA  
Appointed: 25 November 2017

Professor Anne-Marie Hill PhD (UQ), MSc, Post Grad Dip Pt, B App Pt, Grad Dip Uni Teaching  
2008 Sir Robert Menzies Memorial Scholar  
Appointed: 6 December 2017 Resigned: 31 December 2019

Mr John Robert Menzies, CA  
Appointed: 23 February 2018

Professor Glyn Davis AC BA Hons (UNSW), PhD (ANU); FASSA, FIPPA DUniv  
Appointed: 2 October 2018

Mr Tony Surtees BComm (UNSW), MS (Stanford), MAICD  
Appointed: 3 June 2018

Ms Kathryn Greiner AO B(Social Work) (UNSW); D Litt (honoris Causa) UNSW  
Appointed: 24 August 2018

Mr David Bowley, BMecEng(Hons)  
Appointed: 30 November 2018

Professor Douglas Hilton, AO FAA FTSE FAHMS  
Appointed: 25 March 2019

Ms Frances Maguire, LLB (UNSW)  
Appointed: 1 February 2020

# The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

ABN 43 008 543 897

## Directors' Report

31 December 2019

### Members' contributions

The Foundation is limited by guarantee and accordingly does not issue shares. Should the Foundation be wound up, any remaining assets shall be distributed to a public benefit institution with similar objectives and not to members of the Foundation. If there are insufficient assets to meet the liabilities, the liability of individual members shall be limited to \$50.

### Dividends

The Foundation is prohibited by its Memorandum and Articles of Association from making any distribution to its members. No dividends have been paid or declared during the year and no dividends are proposed.

### Meetings of directors

During the financial year, the following meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board of Directors' Meetings		Audit & Investment Meetings		Appointments & Governance Meetings	
	A	B	A	B	A	B
Mr PJ Jopling, AM, QC	3	4	*	4	2	2
Mr TF Moran, AC	4	4	*	4	1	2
Dr J Stocker, AO	2	2	*	4	1	1
Mr HH Kalman	3	4	4	4	*	2
Professor A-M Hill	4	4	*	4	*	2
Mr JR Menzies	4	4	4	4	*	2
Professor S Maddocks	1	1	*	4	*	2
Mr AJ Surtees	1	4	*	4	*	2
Ms KT Greiner, AO	4	4	*	4	2	2
Mr D Bowly	4	4	*	4	*	2
Professor D Hilton, AO	3	3	*	4	*	2
Professor G Davis, AC	4	4	*	4	*	2

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

\* = Not a member of the relevant committee

### Insurance of officers and indemnities

During the financial year, the Foundation paid a premium of \$4,096 (2018: \$3,747) to insure the directors of the Foundation in respect of claims against the directors and officers.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Foundation, and any other payments arising from liabilities incurred by the officer in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or information to gain advantage for themselves or someone else or to cause detriment to the Foundation. It is not possible to apportion the premium between the Directors and the Foundation.

**The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)**

ABN 43 008 543 897

**Directors' Report**

**31 December 2019**

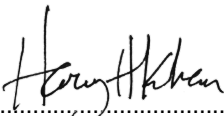
**Proceedings on behalf of company**

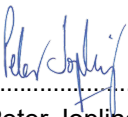
No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Foundation, or to intervene in any proceedings to which the Foundation is a party, for the purpose of taking responsibility on behalf of the Foundation for all or part of those proceedings.

**Auditor's independence declaration**

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 6 of the financial report.

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

Director: .....  
Harvey Hillary Kalman

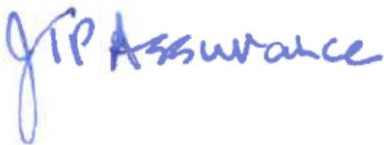
Director: .....  
Peter Jopling AM

Dated this 12<sup>th</sup> day of June 2020

**THE SIR ROBERT MENZIES FOUNDATION LIMITED**  
**ABN 43 008 543 897****AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE  
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE DIRECTORS OF THE SIR ROBERT MENZIES MEMORIAL FOUNDATION LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2019 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.



**JTP ASSURANCE**  
Chartered Accountants



**WAYNE TARRANT**  
Partner

Signed at Melbourne this 12<sup>th</sup> day of June 2020



# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
<b>Revenue from continuing operations</b>	3	<b>1,571,208</b>	2,207,039
Menzies health research centre grants		<b>(150,000)</b>	(150,000)
Scholarships and fellowships		<b>(595,248)</b>	(237,244)
Other memorial activities		<b>(12,835)</b>	(25,151)
Salaries and salary on-costs		<b>(212,952)</b>	(217,134)
Communications and operations		<b>(336,851)</b>	(369,818)
Clarendon Terrace repair and maintenance		-	(30,030)
Realised gain/(loss) on financial assets at fair value through profit or loss		<b>92,109</b>	700,008
Unrealised gain/(loss) on financial assets at fair value through profit or loss		<b>2,612,847</b>	(2,964,513)
<b>Surplus/(Deficit) before income tax</b>		<b>2,968,278</b>	(1,086,843)
Income tax expense	1(d)	-	-
<b>Surplus/(Deficit) for the year</b>		<b>2,968,278</b>	(1,086,843)
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>2,968,278</b>	(1,086,843)

The accompanying notes form part of these financial statements.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	556,679	1,423,199
Trade and other receivables	5	78,883	221,011
Investments	6	29,153,891	25,078,682
TOTAL CURRENT ASSETS		<u>29,789,453</u>	<u>26,722,892</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>29,789,453</u>	<u>26,722,892</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	7	191,060	93,445
Provisions	8	2,633	2,849
TOTAL CURRENT LIABILITIES		<u>193,693</u>	<u>96,294</u>
NON-CURRENT LIABILITIES			
Provisions	8	1,436	552
TOTAL NON-CURRENT LIABILITIES		<u>1,436</u>	<u>552</u>
TOTAL LIABILITIES		<u>195,129</u>	<u>96,846</u>
NET ASSETS		<u>29,594,324</u>	<u>26,626,046</u>
<b>EQUITY</b>			
Accumulated surplus	11	29,594,324	26,626,046
TOTAL EQUITY		<u>29,594,324</u>	<u>26,626,046</u>

The accompanying notes form part of these financial statements.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	<b>Accumulated Surplus</b>
	<b>\$</b>
<b>Balance at 1 January 2019</b>	<b>26,626,046</b>
Surplus/(Deficit) for the year	<b>2,968,278</b>
<b>Total comprehensive income for the year</b>	<b>2,968,278</b>
<b>Balance at 31 December 2019</b>	<b>29,594,324</b>

2018

	<b>Accumulated Surplus</b>
	<b>\$</b>
<b>Balance at 1 January 2018</b>	<b>27,712,889</b>
(Deficit)/Surplus for the year	<b>(1,086,843)</b>
<b>Total comprehensive income for the year</b>	<b>(1,086,843)</b>
<b>Balance at 31 December 2018</b>	<b>26,626,046</b>

The accompanying notes form part of these financial statements.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897S

## Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from investments, trade and other debtors (inclusive of GST)	1,736,836	2,212,688
Payments to creditors, employees, fellowships and similar (inclusive of GST)	<u>(1,233,103)</u>	<u>(974,322)</u>
Net cash provided by/(used in) operating activities	14 <u>503,733</u>	<u>1,238,366</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of marketable securities	<u>(1,370,253)</u>	<u>(3,591,094)</u>
Net cash provided by/(used in) investing activities	<u>(1,370,253)</u>	<u>(3,591,094)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	<b>(866,520)</b>	<b>(2,352,728)</b>
Cash and cash equivalents at beginning of year	<u>1,423,199</u>	<u>3,775,927</u>
Cash and cash equivalents at end of financial year	4 <u><u>556,679</u></u>	<u><u>1,423,199</u></u>

The accompanying notes form part of these financial statements.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

### For the Year Ended 31 December 2019

The Menzies Foundation was established in 1979 to perpetuate and honour the memory of Sir Robert Menzies, Australia's longest-serving Prime Minister. The Foundation promotes excellence in medical and health research, in education through the awarding of scholarships, and in other activities of national importance. It is a non-political, not-for-profit organisation.

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

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standard - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Sir Robert Menzies Memorial Foundation Limited is a not-for-profit entity for the purpose of preparing the financial statements.

##### (i) *Compliance with Australian Accounting Standards - Reduced Disclosure Requirements*

The financial statements of The Sir Robert Menzies Memorial Foundation Limited comply with the Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

##### (ii) *New and amended standards adopted by the company*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2019 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The applicable new standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities

##### (iii) *Cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

##### (iv) *Comparatives*

Comparative information is reclassified where appropriate to enhance comparability.

##### (b) Foreign currency transactions and balances

##### (i) *Functional and presentation currency*

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Foundation.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (b) Foreign currency transactions and balances (continued)

##### (ii) *Transaction and balances*

Foreign currency translations are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

#### (c) Revenue recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

##### **Interest income**

Interest income is recognised using the effective interest method. When a receivable is impaired, the Foundation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

##### **Dividend income**

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer to note 1(f).

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (c) Revenue recognition (continued)

##### Donations

Donations and contributions are brought to account on cash received basis, whereas all other revenue and expense items are accounted for on an accrual basis.

##### Grant Income

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

##### Other income

Profit on sale of investments, unrealised gains/losses on recognition of investments are recorded at market value.

Imputation credits on distribution income are recognised as revenue on an accrual basis.

#### (d) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The Foundation is nevertheless entitled to a refund of any dividend imputation credits which attach to distributions from the Foundation's investments.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Investments and other financial assets

##### *Classification*

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.



# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (f) Investments and other financial assets (continued)

##### *Recognition and derecognition*

Purchases and sales of financial assets are recognised on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

##### *Subsequent measurement*

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Interest income from financial assets at fair value through profit or loss is included in the net gains or losses.

##### *Impairment*

The Foundation assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

#### (g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

#### (h) Employee benefits

##### *(i) Wages and salaries and annual leave*

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the end of the reporting period at the current pay rates in respect of employees' services up to that date.

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (h) Employee benefits (continued)

##### (ii) Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. 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 end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

##### (iii) Superannuation

Contributions to employees superannuation plans are recognised as an expense as they become payable. Superannuation contributions by the Foundation comply with the Superannuation Guarantee rate of 9.5% with the Foundation contributing additional payments.

#### (i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### 2 Financial Risk Management

#### (a) Market risk

##### (i) Price risk

##### Exposure

The Foundation is exposed to equity securities price risk. This arises from investments held by the Foundation and classified on the balance sheet as held at fair value through profit and loss.

To manage its price risk arising from investments in equity securities, the Foundation diversifies its portfolio in accordance with limits set by the Foundation. Analysis of the sensitivity of the market value of the equities fluctuating by +/- 10% indicates the following potential impact on surplus and equity, where the sensitivity analysis is assessed against the fair value of the investments held, as identified in the Balance Sheet.

	2019	2018
	\$	\$
<b>Impact on equity</b>		
Listed and unlisted securities	2,915,389	2,507,868

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 3 Revenue and Other Income

#### Revenue from continuing operations

	2019	2018
	\$	\$
<b>From continuing operations</b>		
Net investments income	1,406,734	1,543,336
Donations and grants	91,619	523,925
	<u>1,498,353</u>	<u>2,067,261</u>
Other revenue		
- Rent	-	32,285
- Interest on financial assets - cash/deposits	71,502	74,202
- Miscellaneous income	1,353	33,291
	<u>72,855</u>	<u>139,778</u>
<b>Total Revenue</b>	<u><u>1,571,208</u></u>	<u><u>2,207,039</u></u>

### 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank	556,679	1,423,199
	<u>556,679</u>	<u>1,423,199</u>

### 5 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Imputation tax credit receivables	-	190,433
Prepayments	23,500	-
Other receivables	55,383	30,578
	<u>78,883</u>	<u>221,011</u>

### 6 Investments

During 2019, investments consisted of various managed investment funds and shares in listed companies. The aggregate market values of tradeable investments and those listed on prescribed stock exchange are:

	2019	2018
	\$	\$
Units in managed investment funds	29,153,891	25,078,682
	<u>29,153,891</u>	<u>25,078,682</u>

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 7 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables and accruals	191,060	93,445
	<u>191,060</u>	<u>93,445</u>

### 8 Provisions

	2019	2018
	\$	\$
CURRENT		
Employee benefits (a)	2,633	2,849

#### (a) Leave obligations

The leave obligations cover the Foundation's liabilities for long service leave and annual leave. Refer to note 1(h).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$2,633 (2018: \$2,849) is presented as current, since the Foundation does not have an unconditional right to defer settlement for any of these obligations.

	2019	2018
	\$	\$
NON-CURRENT		
Employee benefits	1,436	552

### 9 Auditors' Remuneration

	2019	2018
	\$	\$
Audit and other assurance services - JTP Assurance (2018: PricewaterhouseCoopers)		
- audit and review of financial statements	9,500	13,000
Other assurance services - JTP Assurance (2018: PricewaterhouseCoopers)		
- compilation of statutory financial statements	2,000	3,000
<b>Total remuneration for audit and other assurance services</b>	<u>11,500</u>	<u>16,000</u>

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 10 Commitments

Expenditure commitments which have not been provided for in the financial statements include:

	2019	2018
	\$	\$
<i>Grants: Institution</i>		
Within one year	-	150,000
Later than one year but not later than two years	-	-
Later than two years	-	-
	<hr/>	<hr/>
	-	150,000
<i>Grants: Scholarships and other educational</i>		
Within one year	365,250	39,300
Later than one year but not later than two years	355,000	5,000
Later than two years	-	-
	<hr/>	<hr/>
	720,250	44,300

The above includes the Foundation's formal commitment to institutions and scholarship holders as approved by the Board. However, the above information excludes any future costs associated with the scholarships or institutional grants which may subsequently be approved and committed by the Board.

### 11 Accumulated Surplus

	2019	2018
	\$	\$
Balance 1 January	26,626,046	27,712,889
Net surplus/(deficit) for the year	2,968,278	(1,086,843)
<b>Balance 31 December</b>	<hr/> <b>29,594,324</b>	<hr/> <b>26,626,046</b>

### 12 Related Parties

#### (a) Directors

The names of persons who were directors of the Foundation at any time during the financial year are as follows: Mr PJ Jopling AM QC, Mr TF Moran AC, Dr J Stocker AO, Mr HH Kalman, Professor A-M Hill, Professor S Maddocks, Mr JR Menzies, Professor G Davis AC, Mr AJ Surtees, Ms KT Greiner AO, Mr D Bowly and Professor D Hilton AO.

#### (b) Remuneration of directors

There was no payment made to any of the directors during the year (2018: \$nil).

#### (c) Transactions with directors and director-related entities

There were no transactions with any directors during the year (2018: \$nil).

# The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 12 Related Parties (continued)

#### (d) Key management personnel compensation

	2019	2018
	\$	\$
Key management personnel compensation	122,024	124,442

### 13 Events after the end of the Reporting Period

As a result of the COVID-19 pandemic, market conditions since year end have had an impact on the Foundation's investment portfolio market value. The extent to which this will impact on the Foundation's ability to carry out its planned activities is being closely monitored and it is anticipated that this will not significantly impact the Foundation's activities going forward.

### 14 Cash Flow Information

Reconciliation of net surplus/(deficit) to net cash provided by operating activities:

	2019	2018
	\$	\$
Net surplus/(deficit) for the year	2,968,278	(1,086,843)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- unrealised (gains)/losses on investments	(2,612,847)	2,964,513
- decrease in investment	(92,109)	(700,008)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	165,628	60,322
- (increase)/decrease in prepayments	(23,500)	-
- increase/(decrease) in trade and other payables	97,615	30,521
- increase/(decrease) in employee benefits	668	(30,139)
Cashflows from operations	<u>503,733</u>	<u>1,238,366</u>

### 15 Capital

The company is limited by guarantee which means the Foundation was formed on the principle of having the liability of its members limited by the Memorandum of Association to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.

### 16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018:None).

**The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)**


ABN 43 008 543 897

**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 20, are in accordance with *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....  
  
Harvey Hillary Kalman

Director .....  
  
Peter Jopling AM

Dated 12<sup>th</sup> June 2020

**THE SIR ROBERT MENZIES MEMORIAL FOUNDATION LIMITED**  
**ABN 43 008 543 897**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SIR ROBERT MENZIES MEMORIAL  
FOUNDATION LIMITED**

**Report on the audit of the financial report**

**Opinion**

We have audited the accompanying financial report of The Sir Robert Menzies Memorial Limited, which comprises the statement of financial position as at 31 December 2019, 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 directors' declaration.

In our opinion the financial report of The Sir Robert Menzies Memorial Foundation Limited is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the ACNC Act and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Responsibilities of those charged with governance for the Financial Report**

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

In preparing the financial report, directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our 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 our 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Further information about our responsibilities can be found at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**JTP Assurance**  
Chartered Accountants

**WAYNE TARRANT**  
Partner

**Signed at Melbourne this 12<sup>th</sup> day of June 2020**