

**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 2018**

**The Sir Robert Menzies Memorial Foundation Limited (A
Company Limited by Guarantee) ABN 43 008 543 897
Annual report - 31 December 2018**

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Directors' report

Your directors present their report on The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee), referred to hereafter as the Foundation, for the year ended 31 December 2018.

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:

Mr CM Butler (resigned September 2018)
Dr S Hum
Mr HH Kalman
Mr PJ Jopling, AM QC
Professor S Maddocks
Ms DL Menzies (resigned February 2018)
Dr J Stocker, AO
Mr TF Moran, AC
Assoc Professor A-M Hill
Mr JR Menzies (appointed February 2018)
Ms KT Greiner AO (appointed June 2018)
Mr AJ Surtees (appointed June 2018)
Professor G Davis AC (appointed November 2018)

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

Vision

To inspire and nurture Australia's future leaders.

Mission

The Menzies Foundation works to create a vibrant future for all Australians by:

- supporting the development of entrepreneurial leaders to harness and exploit new opportunities from innovation in science and technology
- supporting school-based education leaders from all sectors and systems who have the capacity to improve student learning
- supporting international law specialists who can help shape Australia's response to increasingly complex global issues

Objectives

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 completed an extensive strategic planning program during the year and undertook due diligence on areas of strategic focus including entrepreneurial leaders in science and technology, school-based education leaders who have the capacity to improve student learning outcomes and supporting law specialists response to increasingly complex global issues.

Principal activities

Building on the work undertaken in 2017, the Foundation continued to develop the strategic framework to guide its work over the coming years. Due diligence was undertaken regarding the three focus areas of the Foundation's work in entrepreneurship in science, school leadership and supporting the legal sector's response to increasingly complex global issues with a focus on cyber security.

During this time of transition, the Foundation continued to support those talented Australians who had been awarded prestigious scholarships and fellowships by the Foundation, awarded the final grants in support of health and medical research and supported a range of initiatives that foster knowledge about the leadership in the community.

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
- the dissemination of outcomes from its initiatives through a range of communication channels

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Foundation during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected or may significantly affect:

- (a) the Foundation's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Foundation's state of affairs in future financial years.

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 Foundation is not affected by any significant environmental regulation in respect of its operations.

Information on directors

The Menzies Foundation is governed by a Board of honorary directors. Dr John Stocker AO was Acting Chair until February 2018, at which time Mr Peter Jopling QC was appointed Chair of the Foundation.

Mr Chris Butler BComm (Melb), BLaw(Melb) CA
Treasurer
Appointed: December 2017 Resigned: September 2018

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

Ms Kathryn Greiner AO Bachelor of Social Work (UNSW); D Litt (honoris Causa) UNSW
Appointed June 2018

Assoc 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: February 2018

Dr Sheree Hum PhD (UQ), BHSc (Pod) (Hons 1) (QUT), GradCertAcaPrac (QUT)
2010 Sir Robert Menzies Memorial Scholar
Appointed: February 2017

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

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

Ms Diana Menzies BA (Melb), Grad Dip (Couns Psych), MAPS
Appointed: December 2008 Resigned February 2018

Mr John Menzies CA
Appointed February 2018

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

Professor Simon Maddocks BAgSci (Hons) PhD, BHSc (Pod) (Hons 1) (QUT) GradCertAcaPrac (QUT)
1987 Scholar in Medicine
Appointed July 1993

Dr John Stocker AO BMedSc (Melb), MBBS (Melb), PhD, FTS, FRACP
Appointed June 2015

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

Insurance of officers and indemnities

During the financial year, the Foundation paid a premium of \$3,747 (2017: \$3,274) to insure the directors and 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 of 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.

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

The numbers of meetings of the Foundation's board of directors and of each board committee held during the year ended 31 December 2018, and the numbers of meetings attended by each director were:

	Board of Directors meetings		Audit & Investment meetings		Appointments & Governance meetings	
	A	B	A	B	A	B
Mr CM Butler	1	3	1	3	*	*
G Davis	0	1	*	*	*	*
K Greiner	1	2	*	*	*	*
A-M Hill	3	4	*	*	*	*
S Hum	4	4	*	*	3	3
P Jopling	4	4	4	4	*	*
H Kalman	1	1	*	*	*	*
D Menzies	3	3	3	3	*	*
J Menzies	3	4	*	*	2	3
T Moran	3	4	*	*	*	*
S Maddocks	4	4	*	*	3	3
J Stocker	4	4	*	*	*	*
T Surtees	2	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

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 (ACNC) Act 2012* is set out on page 6 and forms part of the Directors Report.

Proceedings on behalf of the Foundation

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.

This report is made in accordance with a resolution of directors.



Peter Jopling AM QC
Chair



Harvey Kalman
Chair, Audit & Investment Committee

Melbourne
_____ 2019



Auditor's Independence Declaration

As lead auditor for the audit of The Sir Robert Menzies Memorial Foundation Limited for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'DK', is written over a horizontal line.

David Kennett
Partner
PricewaterhouseCoopers

Melbourne
30 April 2019

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**The Sir Robert Menzies Memorial Foundation Limited (A
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These financial statements are the financial statements of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) 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 _____ 2019. The directors have the power to amend and reissue the financial statements.



The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue from continuing operations	3	2,207,039	2,422,317
Menzies health research centre grants		(150,000)	(300,620)
Scholarships and fellowships		(237,244)	(512,673)
Other memorial activities		(25,151)	(41,692)
Salaries and salary on-costs		(217,134)	(520,822)
Communications and operations		(369,818)	(253,636)
Clarendon Terrace maintenance and repair		(30,030)	(72,149)
Realised (loss) on financial assets at fair value through profit or loss		700,008	-
Unrealised gains/(loss) on financial assets at fair value through profit or loss		<u>(2,964,513)</u>	<u>646,117</u>
Surplus/(deficit) before income tax		(1,086,843)	1,366,842
Income tax expense	1(d)	<u>-</u>	<u>-</u>
Surplus/(deficit) for the year		(1,086,843)	1,366,842
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		(1,086,843)	1,366,842

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Statement of financial position
As at 31 December 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,423,199	3,775,927
Trade and other receivables	5	221,011	281,333
Investments	6	<u>25,078,682</u>	<u>23,752,093</u>
Total current assets		<u>26,722,892</u>	<u>27,809,353</u>
Total assets		<u>26,722,892</u>	<u>27,809,353</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	93,445	62,924
Provisions	8	<u>2,849</u>	<u>23,773</u>
Total current liabilities		<u>96,294</u>	<u>86,697</u>
Non-current liabilities			
Provisions	9	<u>552</u>	<u>9,767</u>
Total non-current liabilities		<u>552</u>	<u>9,767</u>
Total liabilities		<u>96,846</u>	<u>96,464</u>
Net assets		<u>26,626,046</u>	<u>27,712,889</u>
EQUITY			
Accumulated funds	12	<u>26,626,046</u>	<u>27,712,889</u>
Total equity		<u>26,626,046</u>	<u>27,712,889</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Statement of changes in equity
For the year ended 31 December 2018

	Accumulated surplus \$
Balance at 1 January 2017	<u>26,346,047</u>
(Deficit) for the year	<u>1,366,842</u>
Total comprehensive (loss) for the year	<u>1,366,842</u>
Balance at 31 December 2017	<u>27,712,889</u>
Balance at 1 January 2018	<u>27,712,889</u>
(Deficit)/surplus for the year	<u>(1,086,843)</u>
Total comprehensive income for the year	<u>(1,086,843)</u>
Balance at 31 December 2018	<u>26,626,046</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Statement of cash flows
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from investments, trade and other debtors (inclusive of GST)		2,212,688	2,635,803
Payments to creditors, employees, fellowships and similar (inclusive of GST)		<u>(974,322)</u>	<u>(1,779,583)</u>
Net cash inflow (outflow) from operating activities	16	<u>1,238,366</u>	<u>856,220</u>
Cash flows from investing activities			
Cash flows from (purchasing)/selling marketable securities		<u>(3,591,094)</u>	-
Net cash (outflow) from investing activities		<u>(3,591,094)</u>	-
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net (decrease) increase in cash and cash equivalents		(2,352,728)	856,220
Cash and cash equivalents at the beginning of the financial year		<u>3,775,927</u>	<u>2,919,707</u>
Cash and cash equivalents at the end of the financial year	4	<u>1,423,199</u>	<u>3,775,927</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

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.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards 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 (A Company Limited by Guarantee) 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 (A Company Limited by Guarantee) comply with 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 2018 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 standard is:

- AASB 9 *Financial Instruments*

(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, certain classes of property, plant and equipment and investment property.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 *Revenue from Contracts with Customers*

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for the first interim period within annual reporting periods beginning on or after 1 January 2019 and will allow early adoption however AASB 1058 will need to be adopted at the same time.

Management does not expect the new standard to have a significant impact on the results of the Foundation.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted (continued)

AASB 16 Leases

AASB 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for the first interim period within annual reporting periods beginning on or after 1 January 2019 and will only allow early adoption if AASB 15 is adopted at the same time.

Management are still assessing the impact of AASB 16 will have on the results of the Foundation in relation to 80 Market Street property.

AASB 1058 Income for Not-for-Profit Entities

AASB 1058 introduces major changes to the income recognition by public and private sector not-for-profit (NFP) entities. Rather than accounting for all contribution transactions under AASB 1004 Contributions, NFPs will now need to determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15 Revenue from Contracts with Customers). Implementation guidance has been added to AASB 15 to assist with this determination.

Under AASB 15 income will only be recognised as the obligations under the contract are satisfied, potentially resulting in a deferral of income as compared to the current accounting under AASB 1004.

AASB 1058 also introduces new requirements for income recognition in several other types of transactions which don't fall within the scope of AASB, including:

- below-market leases
- obligations to acquire or construct a specific asset for an entity's own use, and
- other transactions such as volunteer services, donated inventories, endowments and bequests.

If NFPs account for income under AASB 15, the relevant disclosures will also apply. In addition, AASB 1058 includes incremental disclosures for NFPs such as the disaggregation of income.

The mandatory application date of AASB 15 has been deferred to 1 January 2019 for NFP entities and will only allow early adoption if AASB 15 is adopted at the same time.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.

(v) Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

(b) Foreign currency translation

(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.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions 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 translation 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 to part of the net investment 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 differences 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 measured at the fair value of the consideration received or receivable.

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.

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 note 1(f).

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 accruals basis.

Government and other grants are recognised when received from government or other institutions. Donations and contributions are brought to account on a cash received basis, whereas all other revenue and expense items are accounted for on an accrual basis.

(d) Income tax

The Foundation is exempt from taxation under Section 50-5 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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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 changes in value.

1 Summary of significant accounting policies (continued)

(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.

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/ (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 estimated.

(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.

(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.

1 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(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)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation 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 taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented 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 is assessed against the fair value of the investments held, as identified in the Balance Sheet.

	Impact on equity	
	2018	2017
	\$	\$
Listed and unlisted securities	2,507,868	2,375,210

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Notes to the financial statements
31 December 2018
(continued)

3 Revenue

	2018	2017
	\$	\$
From continuing operations		
Net investments income	1,543,336	2,181,811
Donations and grants	523,925	111,849
Publication sales	-	204
	2,067,261	2,293,864
<i>Other revenue</i>		
Rent	32,285	45,936
Interest on financial assets not at fair value through profit or loss	74,202	67,419
Miscellaneous income	33,291	15,098
	139,778	128,453
Total revenue from continuing operations	2,207,039	2,422,317

4 Current assets - Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank	1,423,199	1,751,329
Deposits at call	-	2,024,598
	1,423,199	3,775,927

5 Current assets - Trade and other receivables

	2018	2017
	\$	\$
Other receivables	30,578	257,544
Imputation tax credit receivables	190,433	23,789
	221,011	281,333

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Notes to the financial statements
31 December 2018
 (continued)

6 Current assets - Investments

During 2018 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:

	2018	2017
	\$	\$
Shares in listed companies	-	2,669,670
Units in managed investment funds	<u>25,078,682</u>	<u>21,082,423</u>
	<u>25,078,682</u>	<u>23,752,093</u>

7 Current liabilities - Trade and other payables

	2018	2017
	\$	\$
Trade payables and accruals	<u>93,445</u>	<u>62,924</u>

8 Current liabilities - Provisions

	2018	2017
	\$	\$
Employee benefits (a)	<u>2,849</u>	<u>23,773</u>

(a) Leave obligations

The leave obligations cover the Foundation's liabilities for long service leave and annual leave.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 \$2,849 (2017: \$23,773) is presented as current, since the Foundation does not have an unconditional right to defer settlement for any of these obligations.

9 Non-current liabilities - Provisions

	2018	2017
	\$	\$
Employee benefits	<u>552</u>	<u>9,767</u>

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Notes to the financial statements
31 December 2018
 (continued)

10 Remuneration of auditors

<i>Audit and other assurance services</i>	2018	2017
	\$	\$
<i>Audit and other assurance services</i>	13,000	16,000
Audit and review of financial statements		
Other assurance services	3,000	3,000
Compilation of statutory financial statements		
Total remuneration for audit and other assurance services	16,000	19,000

11 Commitments

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

	2018	2017
	\$	\$
<i>Grants: Institutions</i>		
Within one year	150,000	150,000
Later than one year but not later than two years	-	150,000
Later than two years	-	-
	150,000	300,000
 <i>Grants: Scholarships and other educational</i>		
Within one year	39,300	257,000
Later than one year but not later than two years	5,000	60,000
Later than two years	-	5,000
	44,300	322,000

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.

12 Accumulated surplus

Movements in accumulated surplus were as follows:

	2018	2017
	\$	\$
Balance 1 January	27,712,889	26,346,047
Net surplus/(deficit) for the year	(1,086,843)	1,366,842
Balance 31 December	26,626,046	27,712,889

13 Related party transactions

(a) Directors

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

(b) Remuneration of directors

There was no payment made to any of the directors during the year (2017: \$nil).

(c) Transactions with directors and director-related entities

There were no transactions with any directors during the financial year (2017: \$nil).

(d) Key management personnel compensation

	2018	2017
	\$	\$
Key management personnel compensation	124,442	199,200

14 Events occurring after the reporting period

The directors are not aware of any matters or circumstances that has or may significantly affect the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in subsequent financial years.

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 Cash flow information

Reconciliation of loss after income tax to net cash inflow from operating activities

	2018	2017
	\$	\$
(Deficit) for the year	(1,086,843)	1,366,842
Unrealised (gains)/losses on investments	2,964,513	(646,117)
Decrease in investment	(700,008)	(36,051)
Change in operating assets and liabilities:		
(Increase) in receivables	60,322	195,050
Increase/(decrease) in trade and other creditors	30,521	(2,221)
(Decrease) in employee benefits	(30,139)	(21,283)
Net cash (outflow) from operating activities	1,238,366	856,220

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Directors' declaration
31 December 2018

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 21 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
- (i) complying with Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Peter Jopling AM QC
Chair



Harvey Kalman
Chair, Audit & Investment Committee

Melbourne

2019

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Independent auditor's report to the members
31 December 2018

Independent auditor's report to the members of

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

{The Auditor's report will be provided by your Auditor.}

