

# **Menzies Inc.**

**ABN: 55 784 349 165**

**Financial Statements  
For the Year Ended 30 June 2021**

# **Menzies Inc.**

ABN: 55 784 349 165

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# Menzies Inc.

ABN: 55 784 349 165

## Committee's Report For the Year Ended 30 June 2021

Your Committee of Management (Committee) present this report of Menzies Inc. (Menzies) for the financial year ended 30 June 2021.

### Committee Members

The members of the Committee throughout the year and to the date of this report were:

<u>Name</u>	<u>Title</u>	<u>Member</u>
Mr Greg Lacey Vice President	Principal, Lyndhurst Primary School	Member since 2008
Mr Alan Splatt	Partner, Taylor Splatt & Partners Lawyers	Member since 2007
Mr Kevin Johnson President	Director, CMJ Solutions	Member since 2010
Ms Georgia Symmons	Communication and Stakeholder Relations Manager at WAYSS Ltd	Member since 2012
Ms Jacinta Larkins	Former CEO Menzies	Member since 2015
Ms Kim Jackson	Executive Manager Village Baxter	Member since 2017
Dr Kathy McMahon	Former Clinical Director of Paediatrics at Peninsula Health	Member since 2019
Mr Stuart Shaw Treasurer	General Manager Village Baxter	Member since 2020

Each Committee member has been in office since the start of the financial year to the date of this report unless otherwise stated.

# Menzies Inc.

ABN: 55 784 349 165

## Committee's Report (Continued)

For the Year Ended 30 June 2021

### Principal Activities

The principal activity of Menzies during the financial year has been that of a philanthropic organisation.

### Significant Changes

No significant change in the nature of these activities has occurred during the year.

### Operating Result

The loss before income tax for the year amounted to \$641,746 (2020: loss before income tax for the year amounted to \$365,443).

### Events after the Reporting Period Date

Coronavirus (COVID-19): The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect Menzies operations, the results of those operations, or Menzies state of affairs in future financial years.

### 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* can be found on page 4 following this report.

Signed in accordance with a resolution of the Committee of Menzies:



.....  
Alan Splatt



.....  
Stuart Shaw

Dated this 23 day of August 2021

**Committee's Statement  
For the Year Ended 30 June 2021**

The Committee of Menzies have determined that Menzies is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee of Menzies, the financial report:

1. Give a true and fair view of the financial position of Menzies as at 30 June 2021 and its performance and cash flows for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*; and
2. At the date of this statement, there are reasonable grounds to believe that Menzies will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Menzies and is signed for and on behalf of the Committee of Menzies by:



.....  
Alan Splatt



.....  
Stuart Shaw

Dated this 23 day of August 2021

### Auditor's Independence Declaration

To Menzies Inc.,

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Menzies Inc. (Menzies) for the year ended 30 June 2021, we declare that, to the best of our knowledge and belief, there have been:

- i) No contraventions of the auditor independence requirements of 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.

Dated at Frankston on the 23<sup>rd</sup> of August 2021



Shepard Webster & O'Neill Audit Pty Ltd  
Certified Practising Accountant  
Authorised Audit Company No 415478  
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Email – [szepfalusy@shepard.com.au](mailto:szepfalusy@shepard.com.au)



David A Szepfalusy  
Director

# Menzies Inc.

ABN: 55 784 349 165

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Revenue</b>		
Donations	18,166	7,683
Net investment income	49,760	46,981
Interest received	18,666	70,811
Other revenue	1,559	4,331
<b>Total revenue</b>	<u>88,151</u>	<u>129,806</u>
<b>Expenditure</b>		
Depreciation and amortisation	4,490	2,879
Project funding expenses	429,985	359,838
Other expenses from ordinary activities	295,422	132,532
<b>Total expenditure</b>	<u>729,897</u>	<u>495,249</u>
<b>Profit / (loss) before income tax</b>	<u>(641,746)</u>	<u>(365,443)</u>
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value (loss) gain on revaluation of financial assets	203,935	(157,173)
<b>Total comprehensive income / (loss)</b>	<u>(437,811)</u>	<u>(522,616)</u>

The accompanying notes form part of these financial statements

# Menzies Inc.

ABN: 55 784 349 165

## Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,984,223	4,659,564
Trade and other receivables	4	41,661	34,393
Financial assets	5	2,697,518	479,089
<b>Total current assets</b>		<u>4,723,402</u>	<u>5,173,046</u>
<b>Non-current assets</b>			
Plant and equipment	6	3,838	7,697
<b>Total non-current assets</b>		<u>3,838</u>	<u>7,697</u>
<b>Total assets</b>		<u>4,727,240</u>	<u>5,180,743</u>
<b>Current liabilities</b>			
Trade and other creditors	7	3,566	19,258
<b>Total current liabilities</b>		<u>3,566</u>	<u>19,258</u>
<b>Total liabilities</b>		<u>3,566</u>	<u>19,258</u>
<b>Net assets</b>		<u>4,723,674</u>	<u>5,161,485</u>
<b>Equity</b>			
Reserves – Financial assets		193,185	(10,750)
Retained earnings		4,530,489	5,172,235
<b>Total equity</b>		<u>4,723,674</u>	<u>5,161,485</u>

The accompanying notes form part of these financial statements

# Menzies Inc.

ABN: 55 784 349 165

## Statement of Changes in Equity

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Equity</b>		
<b>Retained earnings</b>		
Opening balance	5,172,235	5,537,678
Net income / (loss)	(641,746)	(365,443)
Closing balance	<u>4,530,489</u>	<u>5,172,235</u>
<b>Reserves – Financial assets</b>		
Opening balance	(10,750)	146,423
Profit on revaluation of financial assets	203,935	(157,173)
Closing balance	<u>193,185</u>	<u>(10,750)</u>
<b>Total Equity</b>	<u><u>4,723,674</u></u>	<u><u>5,161,485</u></u>

The accompanying notes form part of these financial statements

# Menzies Inc.

ABN: 55 784 349 165

## Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from supporters		80,883	190,625
Payments to suppliers		(311,114)	(236,176)
Payments for project funding expenses		(429,985)	(359,838)
<b>Net cash (used in) operating activities</b>	<b>8</b>	<u>(660,216)</u>	<u>(405,389)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(2,014,494)	(12,989)
Payments for plant & equipment (net)		(631)	-
<b>Net cash generated by / (used in) investing activities</b>		<u>(2,015,125)</u>	<u>(12,989)</u>
Net increase / (decrease) in cash held		(2,675,341)	(418,378)
Cash at the beginning of the financial year		4,659,564	5,077,942
<b>Cash at the end of the financial year</b>		<u><u>1,984,223</u></u>	<u><u>4,659,564</u></u>

The accompanying notes form part of these financial statements

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **Note 1: Summary of Significant Accounting Policies**

#### Basis of Accounting

##### **Financial Reporting Framework**

The Committee of Menzies have prepared the financial statements on the basis that Menzies is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Menzies is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

##### **Statement of Compliance**

The financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Statement of Cash Flows, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB: 1048: Interpretations of Standards and AASB 1054: Australian Additional Disclosures , as appropriate for not-for-profit oriented entities.

Menzies has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

##### **New or Amended Accounting Standards and Interpretations Adopted**

Menzies has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

##### **Basis of Preparation**

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements:

##### **a) Income Tax**

Menzies has self-assessed itself as a non-profit under subdivision 50B of the Income Tax Assessment Act 1997 and therefore believes it has an exemption from income tax. Menzies has therefore not adopted tax effect accounting.

##### **b) Comparative Figures**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **c) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

#### **Operating Grants, Donations and Bequests**

When Menzies receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, Menzies:

- 1 identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement
- 2 recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Menzies:

- i. recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- ii. recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- iii. recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, Menzies recognises income in profit or loss when or as it satisfies its obligations under the contract.

#### **Interest Income**

Interest income is recognised using the effective interest method.

#### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Volunteer services**

Menzies has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **d) 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.

#### **e) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### **f) Investments**

Investments, including term deposits, are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, available-for-sale investments are recorded at their market value with dividend income and distributions being recognised in the Income Statement when received.

Unrealised gains and losses arising from normal market movements of the available-for-sale investments are taken to the Financial Assets Reserve. In the event of a permanent impairment, any loss is charged to the Income Statement. When available-for-sale investments are sold, the total realised gains or losses, including those previously recognised through reserves, are included in the Income Statement.

Interest on term deposits is brought to account in the period in which it is earned.

**Notes to the Financial Statements****For the Year Ended 30 June 2021****Note 1: Summary of Significant Accounting Policies (Continued)****g) Accounts payable and other creditors**

Accounts payable and other creditors represent the liabilities outstanding at the end of the reporting period for goods and services received by Menzies during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**h) Accounts receivable and other debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(k) for further discussion on the determination of impairment losses.

**i) Provisions**

Provisions are recognised when Menzies has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

**j) Plant and equipment**

*Motor vehicles, office furniture and equipment and plant and equipment*

Motor vehicles, office furniture and equipment and plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. All assets are depreciated over the estimated useful lives of the assets to Menzies.

*Depreciation*

The depreciable amount of motor vehicles, office furniture and equipment and plant and equipment are depreciated on a written down value (WDV) or a straight line basis over their useful lives to Menzies commencing from the time the asset is held ready for use.

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

<b>Class of Asset</b>	<b>Depreciation Rate</b>	<b>Method</b>
Furniture, fittings & equipment	7.55% to 37.5%	Straight line and WDV
Motor vehicles	33.33%	WDV

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **k) Impairment of Assets**

At the end of each reporting period, Menzies reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in results from Continuing Operations.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when Menzies would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of a class of asset, Menzies estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### **l) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Menzies normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Menzies normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **m) 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.

#### ***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on Menzies based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which Menzies operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact Menzies unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### ***Estimation of useful lives of assets***

Menzies 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 amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

Menzies assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to Menzies 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 of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### ***Performance obligations under AASB 15***

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

	2021 \$	2020 \$
<b>Note 2: Revenue and expense items</b>		
<b>Auditor's remuneration for</b>		
Audit or review of financial statements	4,250	4,000
	<u>4,250</u>	<u>4,000</u>
<b>Note 3: Cash and cash equivalents</b>		
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand	13	13
Cash at bank	184,210	170,276
Term deposits	1,800,000	4,489,275
	<u>1,984,223</u>	<u>4,659,564</u>
<b>Note 4: Trade and other receivables</b>		
Sundry debtors	28,146	19,307
GST receivable	13,515	15,086
	<u>41,661</u>	<u>34,393</u>
<b>Provision for impairment of receivables</b>		
Current trade debtors are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts (if any) have been included in other expense items. There is no Provision for doubtful debts at 30 June 2021 (2020: None).		
<b>Note 5: Financial assets</b>		
Shares in listed companies – fair value	2,697,518	479,089
	<u>2,697,518</u>	<u>479,089</u>
Movements made up of:		
<b>Opening Balance</b>	479,089	623,273
Purchases	2,014,494	12,989
Unrealised gain	203,935	(157,173)
<b>Closing Balance</b>	<u>2,697,518</u>	<u>479,089</u>

# Menzies Inc.

ABN: 55 784 349 165

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Note 6: Plant and equipment</b>		
Motor vehicles	43,990	43,990
Less: accumulated depreciation	<u>(40,152)</u>	<u>(38,233)</u>
<b>Total motor vehicles</b>	<u>3,838</u>	<u>5,757</u>
Furniture and fittings and equipment – at cost	2,571	1,940
Less: accumulated depreciation	<u>(2,571)</u>	<u>-</u>
<b>Total furniture and fittings and equipment</b>	<u>-</u>	<u>1,940</u>
<b>Total plant and equipment</b>	<u>3,838</u>	<u>7,697</u>

### Movements in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment

	Motor Vehicles	Furniture and Fittings	Total
<b>Carrying amount at 30th</b>			
<b>June 2019</b>	<b>8,636</b>	<b>1,940</b>	<b>10,576</b>
<b>2020</b>			
Additions at cost	-	-	-
Depreciation expense	(2,879)	-	<b>(2,879)</b>
<b>Carrying amount at 30<sup>th</sup></b>			
<b>June 2020</b>	<b>5,757</b>	<b>1,940</b>	<b>7,697</b>
<b>2021</b>			
Additions at cost	-	631	<b>631</b>
Depreciation expense	(1,919)	(2,571)	<b>(4,490)</b>
<b>Carrying amount at 30<sup>th</sup></b>			
<b>June 2021</b>	<b>3,838</b>	<b>-</b>	<b>3,838</b>

### Note 7: Trade and other creditors

#### Current

Trade creditors	2,310	12,777
Other creditors (net)	<u>1,256</u>	<u>6,481</u>
	<u>3,566</u>	<u>19,258</u>

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Note 8: Cash flow information</b>		
<b>Reconciliation of cash flows from operations to income / (loss) for the year</b>		
Net income / (loss) after tax	(641,746)	(365,443)
Non-cash flows in net income / (loss) after tax:		
Depreciation	4,490	2,879
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	(7,268)	60,819
(Decrease) increase in trade and other creditors	(15,692)	(103,644)
<b>Net cash (used in) operating activities</b>	<u>(660,216)</u>	<u>(405,389)</u>

**Note 9: Capital and leasing commitments****Operating lease commitments**

There have been no operating lease commitments during the year (2020: None).

**Note 10: Contingent liabilities and contingent assets**

No contingent liabilities or assets exist at 30 June 2021 (2020: None).

**Note 11: Events after the reporting period date**

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect Menzies operations, the results of those operations, or Menzies state of affairs in future financial years.

**Note 12: Related party transactions**

During or since the end of the previous financial year, no Committee member of Menzies has received or become entitled to receive a benefit.

**Note 13: Association details**

The registered office is:

C/- Taylor and Splatt

Unit 14/10 Lakewood Blvd

CARRUM DOWNS VIC 3201

The principal place of business is at the registered office.

**Independent Auditor's Report  
To the Members of Menzies Inc.  
ABN: 55 784 349 165**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report Menzies Inc. (Menzies), which comprises the Statement of Financial Position as at 30 June 2021, the Statement of Profit or Loss and Other 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 Committee's Statement.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Menzies as at 30 June 2021 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of 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 Responsibilities for the Audit of the Financial Report section of our report. We are independent of Menzies in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to 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 opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Menzies to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

The Committee of Menzies is responsible for the other information. The other information comprises the information included in Menzies annual report for the year ended 30 June 2021, 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 the Committee for the Financial Report**

The Committee of Menzies is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee of Menzies determines 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, the Committee of Menzies is responsible for assessing Menzies 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 Committee of Menzies either intends to liquidate Menzies or to cease operations, or have no realistic alternative but to do so.

The Committee of Menzies is responsible for overseeing Menzies financial reporting process.

**Independent Auditor's Report (Continued)**  
**To the Members of Menzies Inc.**  
**ABN: 55 784 349 165**

**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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Menzies internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Menzies.
- Conclude on the appropriateness of the Committee of Menzies use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Menzies ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Menzies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of Menzies 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.

Dated at Frankston on the 23<sup>rd</sup> of August 2021



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