

Menzies Inc.

ABN: 55 784 349 165

**Financial Statements
For the Year Ended 30 June 2023**

Menzies Inc.

ABN: 55 784 349 165

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For the Year Ended 30 June 2023

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Menzies Inc.

ABN: 55 784 349 165

Committee's Report For the Year Ended 30 June 2023

Your Committee of Management (Committee) present this report of Menzies Inc. (Menzies) for the financial year ended 30 June 2023.

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 Kim Jackson	Chief Executive Officer Village Baxter	Member since 2017
Dr Kathy McMahon	Former Clinical Director of Paediatrics at Peninsula Health	Member since 2019
Mr Stuart Shaw Treasurer	Retired, General Manager Village Baxter	Member since 2020
Mr Murray Geddes		Member since 2022

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 2023

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 \$236,020 (2022: loss before income tax for the year amounted to \$673,780).

Events after the Reporting Period Date

No matter or circumstance has arisen since 30 June 2023 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:



.....
Kevin Johnson



.....
Stuart Shaw

Dated this 21st day of September 2023

Menzies Inc.

ABN: 55 784 349 165

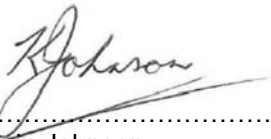
Committee's Statement For the Year Ended 30 June 2023

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 2023 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:


.....
Kevin Johnson


.....
Stuart Shaw

Dated this 21st day of September 2023

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 2023, 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 21st of September 2023



Shepard Webster & O'Neill Audit Pty Ltd
Certified Practising Accountant
Authorised Audit Company No 415478
31 Beach Street Frankston 3199, PO Box 309 Frankston Victoria 3199
Telephone (03) 9781 2633 Fax (03) 9781 3073
Email – szepfalusy@shepard.com.au



David A Szepfalusy
Director

Menzies Inc.

ABN: 55 784 349 165

**Statement of Profit or Loss and Other Comprehensive Income / (Loss)
For the Year Ended 30 June 2023**

	2023	2022
	\$	\$
Revenue		
Donations	12,254	1,315
Net investment income	209,109	165,573
Interest received	1,583	1,608
Other revenue	3,879	2,192
Total revenue	<u>226,825</u>	<u>170,688</u>
Expenditure		
Depreciation and amortisation	1,863	1,279
Project funding expenses	233,455	339,715
Loss / (Profit) on the Disposal of Investments (Net)	9,841	7,898
Other expenses from ordinary activities	217,686	495,576
Total expenditure	<u>462,845</u>	<u>844,468</u>
(Loss) / profit before income tax	<u>(236,020)</u>	<u>(673,780)</u>
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss:		
Fair value (loss) gain on revaluation of financial assets	76,430	(251,366)
Total comprehensive income / (loss)	<u>(159,590)</u>	<u>(925,146)</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 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	3	173,698	636,523
Trade and other receivables	4	123,496	106,771
Total current assets		<u>297,194</u>	<u>743,294</u>
Non-current assets			
Financial assets	5	2,919,088	3,120,721
Plant and equipment	6	424,623	2,559
Total non-current assets		<u>3,343,711</u>	<u>3,123,280</u>
Total assets		<u>3,640,905</u>	<u>3,866,574</u>
Current liabilities			
Trade and other creditors	7	1,967	68,046
Total current liabilities		<u>1,967</u>	<u>68,046</u>
Total liabilities		<u>1,967</u>	<u>68,046</u>
Net assets		<u>3,638,938</u>	<u>3,798,528</u>
Equity			
Reserves – Financial assets		18,249	(58,181)
Retained earnings		3,620,689	3,856,709
Total equity		<u>3,638,938</u>	<u>3,798,528</u>

The accompanying notes form part of these financial statement

Menzies Inc.

ABN: 55 784 349 165

Statement of Changes in Equity

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
Equity		
Retained earnings		
Opening balance	3,856,709	4,530,489
Net (loss) / income	(236,020)	(673,780)
Closing balance	<u>3,620,689</u>	<u>3,856,709</u>
Reserves – Financial assets		
Opening balance	(58,181)	193,185
Unrealised (loss) gain on revaluation of financial assets	76,430	(251,366)
Closing balance	<u>18,249</u>	<u>(58,181)</u>
Total Equity	<u><u>3,638,938</u></u>	<u><u>3,798,528</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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from supporters		210,100	105,578
Payments to suppliers		(293,606)	(438,994)
Payments for project funding expenses		(233,455)	(339,715)
Net cash (used in) operating activities	8	<u>(316,961)</u>	<u>(673,131)</u>
Cash flows from investing activities			
Payments for investments		278,063	(674,569)
Payments for plant & equipment (net)		<u>(423,927)</u>	<u>-</u>
Net cash (used in) investing activities		<u>(145,864)</u>	<u>(674,569)</u>
Net (decrease) in cash held		(462,825)	(1,347,700)
Cash at the beginning of the financial year		<u>636,523</u>	<u>1,984,223</u>
Cash at the end of the financial year		<u><u>173,698</u></u>	<u><u>636,523</u></u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Summary of Significant Accounting Policies

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

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Menzies.

Basis of Preparation

In the Committee of Menzies opinion, Menzies is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012*. The Committee of Menzies have determined that the accounting policies adopted are appropriate to meet the needs of the members of Menzies.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flows*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1048 '*Interpretation of Standards*' and AASB 1054 '*Australian Additional Disclosures*', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying Menzies accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(m).

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 2023

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 2023

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 2023****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:

Class of Asset	Depreciation Rate	Method
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 2023

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 2023

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 2023

	2023	2022
	\$	\$
Note 2: Revenue and expense items		
Auditor's remuneration for		
Audit or review of financial statements	5,940	4,675
	<u>5,940</u>	<u>4,675</u>

Note 3: Cash and cash equivalents

Reconciliation of cash and cash equivalents

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	-	-
Cash at bank	173,698	636,523
Term deposits	-	-
	<u>173,698</u>	<u>636,523</u>

Note 4: Trade and other receivables

Sundry debtors	96,436	45,294
GST receivable	27,060	19,412
Clearing - Property Account	-	42,065
	<u>123,496</u>	<u>106,771</u>

Provision for impairment of receivables

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 2023 (2022: None).

Note 5: Financial assets

Shares in listed companies – fair value	<u>2,919,088</u>	<u>3,120,721</u>
	<u>2,919,088</u>	<u>3,120,721</u>
Movements made up of:		
Opening Balance	3,120,721	2,697,518
Purchases	(278,063)	674,569
Unrealised (loss) / gain	76,430	(251,366)
Closing Balance	<u>2,919,088</u>	<u>3,120,721</u>

Menzies Inc.

ABN: 55 784 349 165

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 6: Plant and equipment

Motor vehicles	43,990	43,990
Less: accumulated depreciation	(45,865)	(41,431)
Total motor vehicles	<u>(1,875)</u>	<u>2,559</u>
Furniture and fittings and equipment – at cost	3,738	2,571
Less: accumulated depreciation	-	(2,571)
Total furniture and fittings and equipment	<u>3,738</u>	<u>-</u>
Freehold Land & Building - at cost	422,760	-
Less: Accumulated depreciation	-	-
Total Freehold Land and Building	<u>422,760</u>	<u>-</u>
Total plant and equipment	<u>424,623</u>	<u>2,559</u>

Movements in carrying amounts:

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

	Motor Vehicles	Furniture and Fittings	Total
Carrying amount at 30th June 2021	3,838	-	3,838
2022			
Additions at cost	-	-	-
Depreciation expense	(1,279)	-	(1,279)
Carrying amount at 30th June 2022	2,559	-	2,559
2023			
Additions at cost	423,927	-	423,927
Depreciation expense	(1,863)	-	(1,863)
Carrying amount at 30th June 2023	424,623	-	424,623

Note 7: Trade and other creditors

Current

Trade creditors	1,680	11,987
Other creditors (net)	287	56,059
	<u>1,967</u>	<u>68,046</u>

Menzies Inc.

ABN: 55 784 349 165

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 8: Cash flow information

Reconciliation of cash flows from operations to (loss) / income for the year

Net (loss) / income after tax	(236,020)	(673,780)
Non-cash flows in net (loss) / income after tax:		
Depreciation	1,863	1,279
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	(16,725)	(65,110)
Increase (decrease) in trade and other creditors	(66,079)	64,480
Net cash (used in) operating activities	(316,961)	(673,131)

Note 9: Capital and leasing commitments

Operating lease commitments

There have been no operating lease commitments during the year (2022: None).

Note 10: Contingent liabilities and contingent assets

No contingent liabilities or assets exist at 30 June 2023 (2022: None).

Note 11: 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 12: 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 2023, the Statement of Profit or Loss and Other Comprehensive Income / (Loss), 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 2023 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 2023, 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 21st of September 2023



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