

**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 2014**

**The Sir Robert Menzies Memorial Foundation Limited (A
Company Limited by Guarantee) ABN 43 008 543 897**
Annual report - 31 December 2014

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Director's report

Your directors present their report on The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee), referred to hereafter as the Company, for the year ended 31 December 2014.

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 BJ Doyle AM (Chairman and Secretary)
Professor S Maddocks (Deputy Chairman)
Ms D De Sousa
Ms SK Mackenzie OAM
Ms DL Menzies

The following persons were appointed directors of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) during the financial year and continue in office at the date of this report:

Mr PJ Jopling AM was appointed on 25 March 2014
Mr AV Connon (Treasurer; Chairman, Investment and Finance Committee) was appointed on 23 May 2014
Mr C Thorburn was appointed on 25 July 2014
Dr J Barbaro was appointed on 11 December 2014
Mr TF Moran AC was appointed on 18 December 2014

The following persons retired as directors of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) during the financial year:

Mr CPH Kiefel OAM (Chairman, Investment and Finance Committee) retired on 24 February 2014.
Mr RA Illingworth retired on 9 May 2014
Mr B Jamieson (Treasurer) retired on 31 July 2014
Dr AB McCallum retired on 28 November 2014.

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

Vision

As a catalyst for achievement, we identify and promote the next generation of Australian leaders, invest in world class health research and advance initiatives of national importance.

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 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.

Specifically, the objectives are:

- to provide post graduate scholarships to Australians in the areas of allied health, engineering, law and medical research, and scholarships to Harvard University in a wider range of disciplines;
- to provide financial support for health and medical research institutes that deliver research outcomes to the Australian community;

- to provide financial support for Australian health and medical researchers to undertake high quality research and professional development in areas which benefit the broader Australian community;
- to explore issues of national importance through workshops and forums;
- to support initiatives that foster knowledge about the leadership and legacy of Sir Robert Menzies.

Principal activities

In 2014, the Menzies Foundation continued to impact on the health and medical research agenda. Potential leaders were identified and supported through the awarding of scholarships and fellowships. Initiatives that preserved the legacy of Sir Robert Menzies were also supported.

The principal activities were:

- the award of five Menzies Scholarships in the disciplines of allied health, engineering and law;
- support for Menzies Scholarships to Harvard in association with the Harvard Club of Australia ;
- support for the NHMRC/RG Menzies Fellowship in medical research;
- grants to the research institutes: the Menzies School of Health Research in Darwin, the Menzies Research Institute Tasmania in Hobart, and the Menzies Centre for Health Policy in Sydney and Canberra;
- support for the development of Menzies Square, Jeparit, Victoria, the birthplace of Sir Robert Menzies;
- a Memorandum of Understanding with Griffith University, Queensland, to establish the Menzies Health Institute Queensland (MHIQ);
- development of an undergraduate scholarship program: the Fielding Menzies Tertiary Scholarships;
- the award of an early career grant in the Allied Health Sciences;
- the Menzies Oration on Higher Education at the University of Melbourne;
- the Menzies Centenary Prize at Dimboola Memorial Secondary College;
- support for the activities and initiatives of the Menzies Memorial Scholars Association.

Outcomes

The Foundation measures its performance by:

- the number of scholarships awarded each year;
- the continuing documented successes of the research institutions; and
- the dissemination of outcomes from its workshops and other initiatives.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Foundation during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2014 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 company will continue to pursue its policy of increasing the scope and impact of its activities during the next financial year.

Environmental regulation

The Foundation is not subject to any significant environmental regulation in respect of its operating activities.

Insurance of officers

During the financial year, The Sir Robert Menzies Memorial Foundation Limited paid a premium of \$2,835 (2013: \$2,670) 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

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.

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 2014, and the numbers of meetings attended by each director were:

	Board of Directors meetings		Investment and Finance Committee meetings		Board Appointments Sub-Committee	
	A	B	A	B	A	B
Dr J Barbaro	-	-	*	-	*	-
Mr AV Connon	2	2	3	3	*	-
Ms D de Sousa	4	3	*	-	*	-
Mr BJ Doyle, AM	4	4	5	5	*	-
Mr RA Illingworth	1	1	2	2	*	-
Mr B Jamieson	2	0	2	1	*	-
Mr PJ Jopling, AM	4	2	*	-	2	2
Mr CPH Kiefel, OAM	-	-	1	1	*	-
Ms SK Mackenzie, OAM	4	4	*	-	2	2
Professor S Maddocks	4	4	*	-	*	-
Dr AB McCallum	4	2	*	-	*	-
Ms DL Menzies	4	1	*	-	2	2
Mr T F Moran AC	-	-	*	-	*	-
Mr C Thorburn	2	1	3	3	*	-

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

B = Number of meetings attended

* = Not a member of the relevant committee

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*.

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



Brian Doyle, AM
Chairman

Melbourne

19.3.2015



Tony Connon
Director

Melbourne

19.3.2015

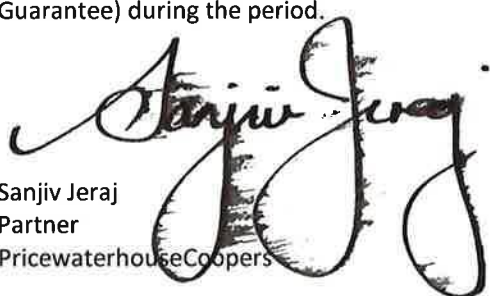


Auditor's Independence Declaration

As lead auditor for the audit of The Sir Robert Menzies Memorial Foundation Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) during the period.


Sanjiv Jeraj
Partner
PricewaterhouseCoopers

Melbourne
19 March 2015

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee) ABN 43 008 543 897

Annual report - 31 December 2014

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These financial statements cover The Sir Robert Menzies Memorial Foundation Limited as an individual entity. The financial statements are presented in the Australian currency. Its principal place of business is 210 Clarendon Street, East Melbourne Vic 3002.

The financial statements were authorised for issue by the directors on
have the power to amend and reissue the financial statements.

19.3.2015. The directors

The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)
Statement of comprehensive income
for the year ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue from continuing operations	2	2,600,164	4,654,625
Menzies health research centres		(234,039)	(225,000)
Scholarships and fellowships		(470,064)	(241,937)
Other Memorial activities		(71,836)	(91,574)
Salaries and salary on-costs		(384,390)	(385,754)
Other expenses		(237,000)	(220,666)
Total expenses (excluding gains/losses from financial assets)		(1,397,329)	(1,164,931)
Operating surplus		1,202,835	3,489,694
Unrealised gain/(loss) on financial assets at fair value through profit or loss		(259,411)	2,732,455
Realised gain/(loss) on financial assets at fair value through profit or loss		(136,089)	837,333
Total gain/(loss) from financial assets		(395,500)	3,569,778
Surplus for the year		807,335	7,059,472
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit for the year		807,335	7,059,472

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 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,135,602	1,171,848
Trade and other receivables	4	244,533	104,986
Investments	5	23,080,414	23,399,391
Total current assets		25,460,549	24,676,225
Total assets		25,460,549	24,676,225
LIABILITIES			
Current liabilities			
Trade and other payables	6	33,728	47,482
Provisions	7	10,582	17,022
Total current liabilities		44,310	64,504
Non-current liabilities			
Provisions	8	8,085	10,902
Total non-current liabilities		8,085	10,902
Total liabilities		52,395	75,406
Net assets		25,408,154	24,600,819
EQUITY			
Accumulated funds	11	25,408,154	24,600,819
Total equity		25,408,154	24,600,819

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 2014

	Accumulated funds
	\$
Balance at 1 January 2013	17,541,347
Surplus for the year	<u>7,059,472</u>
Balance at 31 December 2013	<u>24,600,819</u>
 Balance at 1 January 2014	 24,600,819
Surplus for the year	<u>807,335</u>
Balance at 31 December 2014	<u>25,408,154</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 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from investments, trade and other debtors (inclusive of GST)		2,600,564	4,654,764
Payments to creditors, employees, fellowships and similar (inclusive of goods and services tax)		(1,560,286)	(1,205,116)
Net cash inflow from operating activities	16	1,040,278	3,449,648
Cash flows from purchasing/selling marketable securities and term deposits		(76,524)	(3,500,000)
Net cash (outflow) from investing activities		(76,524)	(3,500,000)
Cash flows from financing activities		-	-
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		963,754	(50,352)
Cash and cash equivalents at the beginning of the financial year		1,171,848	1,222,200
Cash and cash equivalents at end of year	3	2,135,602	1,171,848

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

Notes to the financial statements

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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.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

Historical 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.

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.

(b) Revenue recognition

Operating revenue includes interest income, dividends, donations, profit on sale of investments, unrealised gains/losses on recognition of investments at market value and rental income from Clarendon Terrace. Amounts disclosed as revenue are net of taxes paid.

Government and other grants are recognised when received from government or other institutions.

Imputation credits are recognised as revenue when they are received from the ATO.

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.

(c) 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.

(d) 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.

(e) Investments and other financial assets

Classification

The Foundation classifies its investments as financial assets at fair value through profit or loss.

Recognition and derecognition

Investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. 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.

Subsequent measurement

Gains and losses arising from changes in the fair value of investments are presented in the statement of comprehensive income in the period in which they arise. Dividend income from investments is recognised when the Foundation's right to receive payments is established.

The fair values of quoted investments are based on current market values.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) 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 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 interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions to employee superannuation plans are recognised as an expense as they become payable. Superannuation contributions by the Foundation comply with the Superannuation Guarantee rate of 9.25% up to 30 June 2014 and 9.5% after 1 July 2014 with the Foundation contributing additional payments.

(h) 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 Revenue

	2014 \$	2013 \$
From continuing operations		
Net investments income	2,234,744	1,216,963
Donations and grants (a)	64,358	1,219,288
Publication sales	67	1,376
Room hire	1,770	3,005
Imputation tax credit refund	244,261	205,735
	<u>2,545,200</u>	<u>2,646,367</u>
Other revenue		
Rent	40,417	40,721
Miscellaneous income	14,547	8,212
Capital Endowment (b)	-	1,959,325
	<u>54,964</u>	<u>2,008,258</u>
	<u>2,600,164</u>	<u>4,654,625</u>

(a) Donations and grants

Funds were received in 2013 from the Australian Government, organisations and individuals to support an additional law scholarship commencing in 2014.

(b) Capital Endowment

Until 31 December 2012, the Sir Robert Menzies Memorial Trust in the United Kingdom held responsibility for payment of scholarships undertaken in the United Kingdom. On 1 January 2013 a Deed of Accession came into effect which transferred ownership of the funds to the Sir Robert Menzies Memorial Foundation Limited and supported the formal UK scholarship commitments in 2013.

3 Current assets - Cash and cash equivalents

	2014 \$	2013 \$
Cash on hand	200	200
Cash at bank	2,135,402	1,171,648
	<u>2,135,602</u>	<u>1,171,848</u>

4 Current assets - Trade and other receivables

	2014 \$	2013 \$
Trade receivables	36	436
Other receivables	231,316	91,370
Prepayments	13,181	13,180
	<u>244,533</u>	<u>104,986</u>

5 Current assets – Investments

During 2014, 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:

	2014 \$	2013 \$
Marketable securities (market value)		
Shares in listed companies	2,228,425	2,076,949
Units in managed investment funds	20,851,989	21,322,442
	<u>23,080,414</u>	<u>23,399,391</u>
	2014 \$	2013 \$
Marketable securities (at cost)		
Shares in listed companies	1,562,793	1,562,793
Units in managed investment funds	19,803,585	18,541,154
	<u>21,366,378</u>	<u>20,103,947</u>

6 Current liabilities - Trade and other payables

	2014 \$	2013 \$
Trade payables and accruals	<u>33,728</u>	<u>47,482</u>

7 Current liabilities - Provisions

	2014 \$	2013 \$
Employee benefits	<u>10,582</u>	<u>17,022</u>

Amounts not expected to be settled within 12 months

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements 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 is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

8 Non-current liabilities - Provisions

	2014 \$	2013 \$
Employee benefits	<u>8,085</u>	<u>10,902</u>

9 Remuneration of auditors

	2014 \$	2013 \$
(a) PwC Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	18,000	20,910
Total remuneration for audit and other assurance services	18,000	20,910

10 Commitments

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

	2014 \$	2013 \$
<i>Grants: Institutions</i>		
Payable:		
Within one year	375,000	225,000
Later than one year but not later than two years	225,000	-
	600,000	225,000
<i>Grants: Scholarships and other educational</i>		
Payable:		
Within one year -	487,500	433,600
Later than one year but not later than two years	264,000	106,500
	751,500	540,100

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

11 Accumulated surplus

Movements in accumulated surplus were as follows:

	2014 \$	2013 \$
Balance 1 January	24,600,819	17,541,347
Surplus for the year	807,335	7,059,472
Balance 31 December	25,408,154	24,600,819

12 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.

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: Dr J Barbaro, Mr AV Connon, Ms D de Sousa, Mr BJ Doyle AM, Mr RA Illingworth, Mr B Jamieson, Mr PJ Jopling AM, Mr PH Kiefel OAM, Ms SK Mackenzie OAM, Professor S Maddocks, Dr AB McCallum, Ms DL Menzies, Mr TF Moran AC and Mr C Thorburn.

(b) Remuneration of directors

There was no payment made to any of the directors during the year.

(c) Transactions with directors and director-related entities

There were no transactions with any directors during the financial year.

On 2nd May 2013 at the recommendation of the Investment & Finance Committee the Board resolved to transfer the administration of the Foundation's portfolio to Colonial Nominees Pty Ltd (Excelsior Discretionary Trust) trading as Kingfisher Capital Partners (AFS Licence No.420237) "Kingfisher Capital Partners". Mr Ross Illingworth is executive director and responsible officer of Kingfisher Capital Partners. Mr Illingworth was a director of The Sir Robert Menzies Memorial Foundation Limited until his resignation on 9 May 2014. Access to the portfolio administration service and share execution facility is available via Kingfisher Capital Partners agreements with Praemium Limited's V-Wrap platform, Cavendish Administration Pty Ltd (an AMP company), Pershing Securities Australia Pty Ltd (A Bank of New York Mellon Company & Affiliate of ASX) and Macquarie Bank Limited's cash management account. Kingfisher receives remuneration from Macquarie Bank Limited on client cash management deposits of 0.275% p.a. (inclusive of GST). This is paid by Macquarie Bank Limited from their management fees at no cost to the Foundation.

Payments totalling \$6,825 were made to Kingfisher Capital Partners during the year for administration services. The administration service is available to the Foundation on terms and conditions no more favorable than those available, or which might reasonably be expected to be available on a similar administration service to non-director related entities on an arm's length basis.

14 Events occurring after the end of the reporting period

The directors are not aware of any other matters or circumstances not otherwise dealt with in the Directors' Report of the financial statements 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 Reconciliation of surplus from ordinary activities to net cash inflow from operating activities

	2014	2013
	\$	\$
Surplus from ordinary activities	807,335	7,059,472
Net (profit)/loss on investments	395,500	(3,569,778)
Change in operating assets and liabilities		
(Increase) in receivables	(139,547)	(53,243)
(Decrease)/Increase in trade and other creditors	(13,754)	663
(Decrease)/Increase in employee benefits	(9,256)	12,534
Net cash inflow from operating activities	1,040,278	3,449,648

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Brian J Doyle, AM
Chairman

Melbourne
19.3. 2015



Tony Connon
Director

Melbourne
19.3. 2015



Independent auditor's report to the members of The Sir Robert Menzies Memorial Foundation Limited

Report on the financial report

We have audited the accompanying financial report of The Sir Robert Menzies Memorial Foundation Limited (the company), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Liability limited by a scheme approved under Professional Standards Legislation.



Independent auditor's report to the members of The Sir Robert Menzies Memorial Foundation Limited (continued)

Report on the financial report (continued)

Auditor's opinion

In our opinion, the financial report of The Sir Robert Menzies Memorial Foundation Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of The Sir Robert Menzies Memorial Foundation Limited for the year ended 31 December 2014 included on The Sir Robert Menzies Memorial Foundation Limited's web site. The Company's directors are responsible for the integrity of The Sir Robert Menzies Memorial Foundation Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

Sanjiv Jeraj
Partner

Melbourne
19 March 2015