

Annual Financial Report

Menzies School of Health Research
31 December 2011

discovery for a healthy tomorrow

Statement on Behalf of the Board of Governors

The following persons were members of the Menzies School of Health Research Board of Governors and Finance Committee for the year ended 31 December 2011

	Board of Governors			Finance Committee			Risk and Audit Committee		
	Meetings			Meetings			Meetings		
	Member	Attended	Eligible	Member	Attended	Eligible	Member	Attended	Eligible
Prof Simon Maddocks (Chair)	Y	4	4	N			N		
Ms Clare Martin (Deputy Chair)	Y	4	4	N			Y	2	2
Dr Shane Houston- resigned 10/8/11	Y	0	2	N			N		
Ms Kate George- resigned 10/08/11	Y	1	2	N			N		
Mr Richard Ryan	Y	4	4	Y	3	3	N		
Prof Jonathan Carapetis	Y	4	4	Y	3	3	Y	2	2
Prof David Celemajer	Y	4	4	N			N		
Mr Bob Wells	Y	3	4	N			Y	1	2
Prof Bob Wasson- resigned 11/5/11	Y	1	2	N			N		
Mr Gary Barnes	Y	2	4	N			N		
Prof Barney Glover	Y	3	4	N			N		
Mr Jeffrey Moffet	Y	4	4	Y	3	3	N		
Prof Sharon Bell- appointed 11/5/11	Y	3	4	N			N		
Ms Hilary Hannam- appointed 11/5/11	Y	3	4	N			N		
Mr Tom Ganley	N			Y	3	3	N		
Ms Julie Crisp	N			Y	2	3	N		
Mr Bob Hudson	N			N			Y	2	2
Mr Peter Hopton	N			N			Y	2	2
Ms Louise Dutton	N			N			Y	2	2

Principal Activities

During the year, the principal continuing activities of Menzies consisted of:

- Promoting a broad understanding of health that reflects underlying socioeconomic, environmental, health and disease;
- Conducting high quality multidisciplinary research, research training, and public health education with a focus on Indigenous, remote and
- Advancing the local, national and international application of research findings to improve health;
- Advocating for research that will contribute to better health for people of the region; and
- Building strong partnerships with community groups, service providers, policymakers and other academic organisations.

There were no significant changes to the activities of Menzies during the 2011 year.

Review of Operations

In 2011 Menzies income was \$37.934 m and with expenditure of \$34.146m resulting in a net surplus of \$3.788m. The income and surplus figures need to be considered in conjunction to note 31 referring to the accounting treatment of the new building projects. In addition, funds for recurrent grants were treated as revenue in accordance with AASB 1004.

Likely Developments and Expected Results of Operations

In 2011 Menzies commenced the final year of its Strategic Plan 2007 - 2011. At the core of this Strategic Plan is a commitment to research, education and training, and translation of research outcomes into policy and practice. Research activities will continue to have a major focus on Indigenous health, and be housed within six major, inter-disciplinary health research themes for the five years. These themes are: Child Health; Healing and Resilience; Global Health; Tropical and Emerging Infectious Diseases; Preventable Chronic Diseases; and Primary Health Care Systems. A new strategic plan has been approved by the board. In addition, the director, Professor Jonathan Carapetis has resigned and will leave Menzies in June 2012.

Significant Changes in the State of Affairs

There were no significant changes in Menzies affairs during the year.

Matters subsequent to the End of the Financial Year

Building Projects

Please see note 32 of the attached financial statements. This should be read in conjunction with note 31

Environmental regulations

Menzies is subject to the following environment regulations:

- Gene Technology Act 2000 (amended 2008)
- Northern Territory Radiation Protection Act 2009
- Transport of Dangerous goods by road and rail (National Uniform Legislation) Act 2010
- Industry Code of Practice for the Management of Clinical & Related Wastes 5th Edition 2007

Insurance of Officers

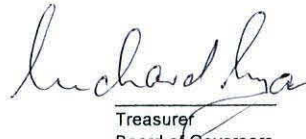
Menzies has not for profit organisation insurance to insure the members of the board of Governors and the officers of Menzies against any claim arising from the Menzies related activities. Cover is limited to \$5,000,000 in any one year and in 2011 the premium was \$9,790.

Proceedings on Behalf of Menzies School of Health Research

There were no legal proceedings undertaken by Menzies in the 2011 year and no legal proceedings taken against Menzies.

This report is made in accordance with a resolution of the members of the Menzies School of Health Research.


Chair
Board of Governors
Location Darwin
2 May 2012


Treasurer
Board of Governors
Location Darwin
2 May 2012


Director
Location Darwin
2 May 2012

Menzies School of Health Research

Annual financial report – 31 December 2011

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The financial report was authorised for issue by the members on 2 May 2012.
The Menzies School of Health Research has the power to amend and reissue the financial report

Income Statement
Menzies School of Health Research for the Year Ended 31 December 2011

	Notes	2011 \$	2010 \$
Income from continuing operations			
Australian Government financial assistance	2	18,769,893	20,275,487
NT Government funding	3	5,934,458	6,223,675
Fees and charges	4	1,780,421	2,244,855
Investment income	5	2,355,122	2,158,578
Consultancy and contract research	6	6,837,084	4,692,057
Gain (loss) on disposal of assets	7	-	5,167
Other revenue	7	2,257,357	1,742,085
Total revenue from continuing operations		37,934,335	37,341,903
Total income from continuing operations		37,934,335	37,341,903
Expenses from continuing operations			
Employee related expense	8	22,383,263	20,895,003
Depreciation	9	375,635	341,438
Repairs and maintenance	10	585,780	537,742
Other expenses	11	10,801,008	10,789,037
Total expenses from continuing operations		34,145,685	32,563,219
Operating result from continuing operations		3,788,650	4,778,684
Operating result attributable to members of MSHR		3,788,650	4,778,684

* To be read in conjunction with the Notes to the Financial Statements

Statement of Comprehensive Income
Menzies School of Health and Research for the Year Ended 31 December 2011

	2011	2010
	\$	\$
Operating result for the year	3,788,650	4,778,684
Gain (loss) on revaluation of investments	<u>(2,935)</u>	<u>(24,951)</u>
Total Comprehensive Income	<u>3,785,715</u>	<u>4,753,733</u>
Total Comprehensive Income attributable to the members of MSHR	<u>3,785,715</u>	<u>4,753,733</u>

* To be read in conjunction with the Notes to the Financial Statements

Statement of Financial Position
Menzies School of Health Research as at 31 December 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	12	38,588,253	36,712,746
Trade and other receivables	13	2,449,223	3,863,779
Other financial assets	14	2,722,481	426,073
Other non financial assets	15	276,919	198,263
Total Current Assets		44,036,876	41,200,861
Non-Current Assets			
Property, plant and equipment	16	3,088,209	848,234
Other financial assets	14	24,455	27,391
Total Non-Current Assets		3,112,664	875,625
Total Assets		47,149,540	42,076,486
Current Liabilities			
Trade and other payables	17	1,323,566	632,586
Provisions	18	2,755,273	2,310,107
Other liabilities	19	42,366	87,076
Total Current Liabilities		4,121,205	3,029,769
Non-Current Liabilities			
Provisions	18	413,692	217,790
Total Non-Current Liabilities		413,692	217,790
Total Liabilities		4,534,897	3,247,558
Net Assets		42,614,643	38,828,928
Equity			
Reserves	20	15,318,890	3,475,969
Retained earnings	21	27,295,754	35,352,959
Total Equity		42,614,644	38,828,928

* To be read in conjunction with the Notes to the Financial Statements

Statement of Changes in Equity
Menzies School of Health and Research for the Year Ended 31 December 2011

	Reserves (Note 20) \$	Retained Surplus (Note 21) \$	Total \$
Balance at 1 January 2010	3,159,484	30,915,711	34,075,194
Profit or Loss	-	4,778,685	4,778,685
Net Revaluation loss on investments	(24,951)	-	(24,951)
Total Comprehensive Income	3,134,533	35,694,396	38,828,928
Transfers	341,437	(341,437)	-
Balance at 31 December 2010	3,475,969	35,352,959	38,828,928
Balance at 1 January 2011	3,475,969	35,352,959	38,828,928
Profit or Loss	-	3,788,650	3,788,650
Net Revaluation loss on investments	(2,935)	-	(2,935)
Total Comprehensive Income	3,473,034	39,141,609	42,614,643
Transfers	11,845,855	(11,845,854)	1
Balance at 31 December 2011	15,318,889	27,295,754	42,614,643

* To be read in conjunction with the Notes to the Financial Statements. In particular, note 31

Statement of Cash Flows
Menzies School of Health Research for the Year Ended 31 December 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Australian Government grants		18,767,675	18,956,902
NT Government funding		6,139,977	6,003,374
Receipts from Student Fees		1,780,421	2,244,855
Interest received		2,355,122	2,158,220
Consultancies and contract research.		8,052,958	3,301,134
Other receipts		255,896	1,918,963
Payments to suppliers		(11,118,739)	(11,247,375)
Payments to employees		(21,742,196)	(20,421,880)
Net cash provided by operating activities	26	4,491,116	2,914,193
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	9,591
Payments for property, plant and equipment		(444,207)	(204,307)
Payment for Work In Progress		(2,171,402)	
Net cash outflow from investing activities		(2,615,609)	(194,716)
Net increase in cash and cash equivalents		1,875,507	2,719,478
Cash and cash equivalents at the beginning of the year	12	36,712,745	33,993,268
Cash and cash equivalents at end of the year	12	38,588,252	36,712,746

* To be in conjunction with the Notes to the Financial Statements

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INTRODUCTION

The Menzies School of Health Research (Menzies) was established as a body corporate of the Northern Territory Government under the Menzies School of Health Research Act, No 60 of 1985. Menzies School of Health Research operates as a medical research institute within the Northern Territory of Australia.

The principal place of business is:

Building 58, Royal Darwin Hospital Campus,
Rocklands Drive, Tiwi, Northern Territory 0810, Australia
Telephone Number: +61 8 8922 8196

Under the Menzies School of Health Research Amendment Act ('the Act') assented to on 29 August 2003 and coming into force on 1 January 2004, Menzies School of Health Research became a controlled entity of Charles Darwin University. The Act stipulates that the Charles Darwin University will be responsible for nominating seven of the 13 board positions required under the Act.

Menzies School of Health Research is still required to furnish an annual report and audited financial statements at an annual general meeting, however, the results will be consolidated with those of the Charles Darwin University.

Operations and principal activities

Menzies School of Health Research mission is to improve the health of people of northern and central Australia and regions to the near north through multidisciplinary research and education by:

- Promoting a broad understanding of health that reflects underlying socioeconomic, environmental, health and disease.
- Conducting high-quality multidisciplinary research, research training and public health education with a focus on Indigenous, remote and tropical health.
- Advancing the local, national and international application of research findings to improve health.
- Advocating for research that will contribute to better health for people of the region.
- Building strong partnerships with community groups, service providers, policymakers, and other academic organisations.

Currency

The financial report is presented in Australian dollars and rounded to the nearest dollar.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements

Compliance with IFRS

The financial statements and notes of Menzies School of Health Research comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The financial statements were authorised for issue by the members of Menzies School of Health Research on 2 May 2012.

Menzies School of Health Research is a not-for-profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards, including Australian Equivalents to International Financial Reporting Standards (AEIFRS), the statement that this financial report complies with IFRS cannot be made.

Adoption of New Australian Accounting Standard Requirements

In the current year, Menzies has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the entity's accounting policies. Menzies School of Health Research adopted *AASB 101 Presentation of Financial Statements (revised 2007)* effective 1 January 2009.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by certain classes of property, plant and equipment being recognised at fair value through profit and loss.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the MSHR accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

b. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The organisation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it and specific criteria have been met for each of the organisation's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. MSHR bases its estimates on historical costs, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised for the major business activities as follows:

(1) Government Grants

MSHR treats operating grants received from Australian Government entities as income in the year of receipt.

Grants from the government are recognised at their fair value where the School obtains control of the right to receive the grant. It is probable that economic benefits will flow to the School and it can be reliably measured.

(2) Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(3) Other income

All other income is recognised when it is earned and can be reliably measured.

c. Employee Benefits

(i) Wages & Salaries

Liabilities for short term employee benefits including wages and salaries, non-monetary benefits due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Annual Leave and Sick Leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(iv) Retirement benefit obligations

All employees of the group are entitled to benefits on retirement, disability or death from the organisations superannuation plan. The organisation has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the organisation and the organisations legal or constructive obligation is limited to these contributions.

(v) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The organisation recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

d. Tax Income

Menzies is exempt from income tax pursuant to the provisions of Section 50-5 of the Income Tax Assessment Act, 1997.

e. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

f. Depreciation

Depreciation is calculated on a straight line (except for Motor Vehicles which is calculated on a diminishing value) basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used consistently in both years in the calculation of depreciation:

. Leasehold Improvements	5 years
. Plant and Equipment	3-5 years
. Motor Vehicles	4.4 years

g. Impairment of Assets

The carrying values of all assets are reviewed for impairment at each reporting date with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying amount may be impaired. Menzies values the recoverable amount of plant and equipment at the equivalent to its depreciated replacement cost. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, when the impairment loss will be treated as a revaluation decrement.

h. Property Plant & Equipment

Plant & equipment is stated at historical cost, less depreciation and impairment, except where plant & equipment has undergone a valuation by an external independent valuer, where it is stated at fair value, less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Gains and losses on disposal of plant and equipment are taken into account in determining the result for the year.

i. Trade and other receivables

Trade and other receivables are recognised initially at fair value less provision for impairment. An estimate for impairment is made when collection of the full amount is no longer probable. Bad debts are written-off to the Profit & Loss account as incurred.

j. Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. The amounts are unsecured and are usually paid within 30 days of recognition.

k. Investments and other financial assets

Shares

Menzies holds publicly listed shares that have been donated to the School. These shares are not actively traded and are designated as available for sale instruments. Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the income statement within other income or expenses in the period in which they arise

l. Cash and cash equivalents

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 six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where accounts at financial institutions are overdrawn, balances are shown in current liabilities on the statement of financial position.

m. Leases

Menzies leases property for their Winnellie office as also for office space at Adelaide and Brisbane, as also for a motor vehicle and some items of office equipment. These are leases in which a significant portion of the risks and rewards are retained by the lessor, and hence classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease

n. Adoption of new Australian Accounting Standards Requirements

No accounting standards have been adopted earlier than the application date as noted in the standard.

New standards, revised standards, interpretations or amending standards that were issued prior to the signing of the statement on behalf of the Board of Governors, and are applicable to the current reporting period did not have a financial impact and are not expected to have a future financial impact on Menzies.

o. Future Australian Accounting Standards Requirements

New standards, revised standards, interpretations or amending standards issued by the Australian Accounting Standards Board prior to the signing of the statement on behalf of the Board of Governors, that are applicable to future reporting period are not expected to have a future financial impact on Menzies.

p. Work in Progress

Work in progress captures direct costs plus attributable costs that are capable of being allocated on a reasonable basis

		2011	2010
		\$	\$
NOTE 2.	AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE		
National Health & Medical Research Council grants		8,350,834	11,079,649
Australian Research Council		653,581	39,806
Australian Agency for International Development (AusAid)		1,295,781	1,693,587
Department of Health & Aged Care grants		8,469,697	7,462,445
Total Australian Government Financial Assistance		18,769,893	20,275,487
		2011	2010
		\$	\$
NOTE 3.	NORTHERN TERRITORY GOVERNMENT FINANCIAL ASSISTANCE		
NT Government other grant funding		5,934,458	6,223,675
Total Northern Territory Government Financial Assistance		5,934,458	6,223,675
		2011	2010
		\$	\$
NOTE 4.	FEES AND CHARGES		
Course fees and charges			
Fee-paying overseas students		58,858	74,400
Fee-paying domestic postgraduate students		1,011,775	829,220
Total course fees and charges		1,070,633	903,620
Other Fees and charges			
Administration receipts		23,146	36,749
CRC Reimbursements		686,642	1,304,486
Total other fees and charges		709,788	1,341,235
Total Fees and Charges		1,780,421	2,244,855
		2011	2010
		\$	\$
NOTE: 5.	INVESTMENT INCOME		
Interest		2,355,122	2,158,578
Total Investment Income		2,355,122	2,158,578
		2011	2010
		\$	\$
NOTE 6.	CONSULTANCY AND CONTRACT RESEARCH		
Consultancies		169,458	400,288
Contract Research		6,667,626	4,291,768
Total Consultancy and Contract Research		6,837,084	4,692,057
		2011	2010
		\$	\$
NOTE 7.	OTHER REVENUE		
Menzies Foundation		150,000	150,000
Charles Darwin University		1,864,097	1,429,519
Gain (loss) on disposal of assets		-	5,167
Donations		218,323	147,027
Other		24,937	15,539
Total Other Revenue		2,257,357	1,747,252

NOTE 8. EMPLOYEE RELATED EXPENSES		2011	2010
		\$	\$
Research:			
Salaries	14,100,735	12,994,406	
Superannuation	1,706,272	1,598,366	
Payroll tax	744,125	808,290	
Worker's compensation	119,660	88,602	
Long services leave expense	181,392	193,547	
Leave Loading	229,696	209,457	
Annual leave	1,599,951	1,517,459	
Total Research	18,681,831	17,410,127	
Education and Training:			
Salaries	416,766	405,048	
Superannuation	39,332	39,227	
Payroll tax	21,994	25,532	
Worker's compensation	3,537	2762	
Long services leave expense	4,951	6,169	
Leave Loading	6,920	6,462	
Annual leave	51,175	46,985	
Total Education	544,675	532,185	
Non Research and Education:			
Salaries	2,182,805	2,214,706	
Superannuation	320,372	363,104	
Payroll tax	115,191	(82,450)	
Worker's compensation	18,523	15,101	
Long services leave expense	146,058	(4,181)	
Leave Loading	38,682	79,073	
Annual leave	335,126	367,339	
Total Non-Research and Education	3,156,757	2,952,691	
Total Employee Benefits	22,383,262	20,895,003	
NOTE 9. DEPRECIATION		2011	2010
		\$	\$
Plant and Equipment	340,843	321,171	
Leasehold Improvements	3,055	3,759	
Motor Vehicles	31,736	16,508	
Total Depreciation	375,635	341,438	
NOTE 10. REPAIRS AND MAINTENANCE		2011	2010
		\$	\$
General	64,681	98,510	
Maintenance Contracts	521,100	439,232	
Total Repairs and Maintenance	585,780	537,742	

NOTE 11.	OTHER EXPENSES	2011	2010
		\$	\$
Administration		38,178	5,347
Communications		258,728	174,092
Consultants		1,050,210	904,475
Education		111,496	82,579
Equipment Costs		164,435	242,845
Information Technology		331,317	314,609
Insurance		200,472	190,412
Joint Venture Costs - CRC		200,000	200,000
Laboratory		577,668	649,720
Licences, Memberships, Fees and Charges		179,803	119,378
Materials		104,583	158,885
Research Project Costs		1,782,022	2,923,478
Scholarship Payments		501,940	404,578
Stationery, Printing and Postage		486,464	309,756
Travel, Staffing and Related Costs		3,665,017	2,960,401
Utilities and Facilities Management		330,199	333,846
Other		818,473	814,634
Total Other Expenses		10,801,008	10,789,037

NOTE 12.	CASH AND CASH EQUIVALENTS	2011	2010
		\$	\$
Cash at Bank		4,329,794	2,945,458
Term Deposits & Call Accounts		34,258,459	33,767,288
Total cash and cash equivalents		38,588,253	36,712,746

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balance as per statement of cash flows	38,588,253	36,712,746
--	-------------------	-------------------

(b) Term deposits

The term deposits have a fixed average interest rate of 5.68% (2010 - 6.09%) and an average maturity of 103 days.

NOTE 13.	TRADE AND OTHER RECEIVABLES	2011	2010
		\$	\$
Current			
	Debtors	2,449,223	3,863,779
	Less: Provision for impairment	-	-
Total current receivables		2,449,223	3,863,779

(a) Impaired receivables

As at the 31 December 2011 there were no impaired receivables. (\$0 2010). There was no movement during the year.

As at 31 December, trade receivables of \$1,303,190 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis is as follows

	2011	2010
	\$	\$
Less than 3 Months	577,222	1,077,702
3 to 6 months	706,261	214,525
Over 6 months	19,707	124,495
	1,303,190	1,416,722

NOTE 14.	OTHER FINANCIAL ASSETS	2011	2010
		\$	\$
Current			
GST Receivable		196,930	
Other Receivable		98,016	
Accrued Revenue		2,427,535	426,073
		<u>2,722,481</u>	<u>426,073</u>
Non-current			
Australian listed equity securities available for sale		24,455	27,391
		<u>2,746,936</u>	<u>453,464</u>
Non Financial assets			

NOTE 15.	OTHER NON-FINANCIAL ASSETS	2011	2010
		\$	\$
Prepaid Expenses		167,895	156,877
Other Assets		109,025	41,386
		<u>276,919</u>	<u>198,263</u>
Total Other Assets			

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property	Plant & Equipment	Motor Vehicles	Work in Progress	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2010					
Opening net book amount	8,725	910,483	70,581		989,789
Additions	(0)	165,747	38,560		204,307
Disposals	-	-	(21,337)		(21,337)
Depreciation charge	(3,759)	(321,171)	(16,508)		(341,438)
Write-Back Accumulated Depreciation	-	-	16,913		16,913
Closing net book amount	<u>4,966</u>	<u>755,059</u>	<u>88,209</u>		<u>848,234</u>
At 31 December 2010					
- Cost	708,035	165,746	38,561		912,342
- Valuation	-	2,680,330	220,979		2,901,309
Accumulated depreciation	(703,069)	(2,091,017)	(171,331)	-	2,965,417
Net book amount	<u>4,966</u>	<u>755,059</u>	<u>88,209</u>		<u>848,234</u>

	Leasehold Property	Plant & Equipment	Motor Vehicles	Work in Progress	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2011					
Opening net book amount	4,966	755,059	88,209	-	848,235
Additions	-	376,943	67,264	2,171,402	2,615,609
Disposals	-	-	(33,488)		(33,488)
Depreciation charge	(3,055)	(340,843)	(31,736)		(375,635)
Write-Back Accumulated Depreciation	-	-	33,488		33,488
Closing net book amount	<u>1,911</u>	<u>791,158</u>	<u>123,737</u>	<u>2,171,402</u>	<u>3,088,209</u>
At 31 December 2011					
- Cost	708,035	542,690	72,335	2,171,402	3,494,462
- Valuation	-	2,680,331	220,979		2,901,310
Accumulated depreciation	(706,124)	(2,431,861)	(169,578)		(3,307,563)
Net book amount	<u>1,911</u>	<u>791,158</u>	<u>123,736</u>	<u>2,171,402</u>	<u>3,088,208</u>

		2011	2010
		\$	\$
NOTE 17.	TRADE AND OTHER PAYABLES		
Trade and Other Payables		358,167	177,379
Accrued Expenses		965,400	455,208
Total Payables		1,323,566	632,586
		2011	2010
		\$	\$
NOTE 18.	PROVISIONS		
Current Provisions expected to be settled within 12 months			
Employee benefits			
- Annual leave		1,896,432	1,548,542
- Leave Loading		194,366	161,179
- Staff Liabilities		-	5,340
- Long service leave		664,474	595,046
Total Current		2,755,273	2,310,107
Non-Current			
Employee benefits			
- Long service leave		413,692	217,790
Total Non-Current		413,692	217,790
Total Provisions		3,168,964	2,527,897
		2011	2010
		\$	\$
NOTE 19.	OTHER LIABILITIES		
GST Payable		-	44,362
Revenue Received in Advance		12,046	1,273
Credit Card Clearing		30,320	41,440
Total Other Liabilities		42,366	87,076

NOTE 20.	RESERVES	2011 \$	2010 \$
(a) Reserves Comprise			
Revaluation Reserve		52,903	52,903
Capital Asset Reserve		3,766,856	3,391,221
Restricted Reserve Building		11,470,219	
Investment Revaluation Reserve		28,909	31,845
Total Reserves		15,318,889	3,475,969
(b) Movement In Reserves			
Revaluation Reserve			
Balance at the Beginning of the Financial Year		52,903	52,903
Assets retired transferred to equity		-	-
Balance at the End of the Financial Year		52,903	52,903
Capital Assets Reserve			
Balance at the Beginning of the Financial Year		3,391,221	3,049,783
Plus: Annual Contribution transferred from retained earnings		375,635	341,437
Balance at the End of the Financial Year		3,766,856	3,391,221
Investment Revaluation Reserve			
Balance at the Beginning of the Financial Year		31,845	56,796
Increment/(Decrement)		(2,935)	(24,951)
Balance at the End of the Financial Year		28,910	31,845
Restricted Reserve Building			
Balance at the Beginning of the Financial Year		-	-
Increment/(Decrement)		11,470,219	
Balance at the End of the Financial Year		11,470,219	-

Nature and purpose of reserves

Revaluation reserve

The Revaluation Reserve is used to record increases in the fair value of assets and decreases to the extent that such decreases relate to an increase on the same asset previously recorded in equity.

Capital Assets Reserve

In recognition of the need to plan for the purchase of large capital items, the Governing Board approved the establishment of a Capital Assets Reserve. Amounts transferred to the Capital Assets Reserve are calculated on an annual basis as follows:

- an amount equal to the depreciation expense recorded for that year
- an amount equal to twenty (20) per cent of any surplus generated by the administration cost centre
- an amount equal to ten (10) per cent of any surpluses generated from those research projects that are not tied to grant funding and have been undertaken on a fee for service basis

Investment revaluation reserve

The Investment Revaluation Reserve is used to record increases in the fair value of investments and decreases to the extent that the reserve has available funds.

NOTE 20.1 RESTRICTED RESERVES -NEW BUILDINGS

An amount of \$11,470,219 (2010: \$10,758,660 showing as part of retained earnings) has been received for the construction of new buildings. Most of the funds have been received and brought to account in earlier years but by the terms of the funding bodies are required to be retained separately for construction purposes. Please see Notes 31 and 32.

NOTE 21. RETAINED EARNINGS	2011	2010
	\$	\$
Balance at the Beginning of the Financial Year	35,352,960	30,915,711
Operating Result	3,788,650	4,778,684
Transfers to Reserves	(11,845,855)	(341,437)
Balance at the End of the Financial Year	27,295,755	35,352,959

21.1 ANALYSIS OF NET SURPLUS

Surplus/(Deficit) for the year includes revenue received for research projects that have a life beyond the end of the financial year. Revenue received for these projects is recognised in the year of receipt. Future commitments for these projects will extend beyond the year the income was received for those projects.

Administration Surplus/(Deficit)	(433,099)	(342,160)
Research Project Surplus	4,221,749	5,120,844
Total Net Surplus	3,788,650	4,778,684

NOTE 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following persons were responsible persons of Menzies during the year:

(a) Names of responsible persons and executive officers

Prof Jonathan Carapetis - Director

Prof Simon Maddocks - Chair

Ms Clare Martin - Deputy Chair

Mr Richard Ryan - Treasurer

Prof Barney Glover - Board Member

Prof Bob Wasson - Board Member

Mr Jeffrey Moffet - Board Member

Mr Gary Barnes - Board Member

Mr Bob Wells - Board Member

Mr Michael Martin-Board member

Prof David Celermajer-Board Member

Mr David Blair-Chief Operating officer (Financial controller/ Deputy Chief Operating Officer to 22 Nov 2011)

Ms Adrienne Farago- Executive Officer

Resignations

Ms Kate George - Board Member to 10/8/11

Dr Shane Houston-Board member to 10/8/11

Prof Bob Wasson-Board member to 11/5/11

Appointments

Prof Sharon Bell-Board member appointed 11/5/11

Ms Hilary Hannam- Board Member appointed 11/5/11

Mr Tim Flynn- Financial controller appointed 22/11/2011

(b) Other key management personnel - members of Menzies Executive Committee

Ms Vicki Taylor -Chief Operating officer-Resigned Nov 2011

Ms Heather D'antoine Associate Director

A/Prof Ross Andrews Associate Director

Prof Nicholas Anstey Associate Director

Prof Anne Chang Associate Director

A/ Prof Gail Garvey Associate Director

A/Prof Tricia Nagel Associate Director

(c) Remuneration of responsible persons

Income paid or payable or otherwise made available to Board members and executive officers in connection with the management of affairs of Menzies:

	2011	2010
Remuneration of Board Members		
Nil to \$9,999	15	16
Remuneration of Executive Officers		
Nil to \$9,999	1	0
\$ 40,000 to \$ 59,999	1	1
\$ 60,000 to \$ 69,999		1
\$ 70,000 to \$79,999	1	
\$ 90,000 to \$ 99,999		1
\$ 100,000 to \$ 109,999	1	
\$ 110,000 to \$ 119,999		1
\$ 120,000 to \$ 129,999	1	
\$ 130,000 to \$ 139,999	1	
\$ 140,000 to \$ 149,999	1	
\$ 150,000 to \$ 159,999		1
\$ 160,000 to \$ 169,999	1	
\$ 210,000 to \$ 219,999	1	
\$ 280,000 to \$ 289,999	1	
\$ 460,000 to \$ 469,999	1	1

(d) Loans and other transactions with key management personnel

During the 2011 financial year no loans or other related party transactions were made to any Board members or executive officers.

(e) Key management personnel compensation

	2011	2010
	\$	\$
Short-term employee benefits	1,775,287	836,083
Post employee benefits	170,247	101,612
	1,945,534	937,695

NOTE 23.**RELATED PARTIES****(a) Parent entity**

As of 1 January 2004 Menzies became a controlled entity of Charles Darwin University (CDU). Whilst Menzies retains its own Act of Parliament, CDU exercises its control over Menzies by having the power to nominate seven of the 13 members of the Board of Directors.

(b) Board Members and specified executives

Disclosures relating to Board members and specified executives are set out in note 22.

(c) Transactions with related parties

In 2011 Menzies received student fee income of \$941,107 from CDU (2010 \$753,388). The income was earned by Menzies from students enrolled with CDU but undertaking all course work with the Education Section of Menzies. The terms and conditions governing the payment of these fees to Menzies is covered in Attachments One and Two of the Memorandum of Understanding signed between Menzies School of Health Research and Charles Darwin University in March 2004. In Summary, these conditions state:

According to an agreed formula based on student load projections, consistent with the normal budgetary process of both institutions, domestic students currently enrolled as HECS students with CDU will be entitled to complete their courses as HECS students, subject to reasonable academic progress and consistent with DEST policies. CDU will provide Menzies 70% of the dollar value per EFTSU for 2004. This will be reviewed annually.

Menzies received Research Infrastructure Block Grants (RIBG) payments of \$1,017,401(2010 \$890,122); Sustainable Research Excellent (SRE) payments of \$485,787 (2010 \$221,048); Joint Research Engagement (JRE) payments of \$310,909 from CDU. This amount is the same as 2010.

Summary	2011	2010
Receipts		
Student Fee Income	941,107	753,388
Research Infrastructure Block Grant	1,017,401	890,122
SRE	485,787	221,048
Joint Research Engagement	310,909	310,909
	<u>2,755,204</u>	<u>2,175,467</u>
 Salaries	 237,204	
Project Transfers	594,679	-
	<u>3,587,087</u>	<u>2,175,467</u>
 Payments To CDU		
Information technology and Student Fees	72,589	-
	<u>72,589</u>	<u>-</u>

NOTE 24. ECONOMIC DEPENDENCY

The management and operational ability of grant funded projects by Menzies is dependent on continued funding from the Northern Territory Government as well as the Australian Government.

NOTE 25. EVENTS OCCURRING AFTER BALANCE SHEET DATE

For events relating to the Building Project Please refer to Note 32. In addition, Menzies is currently in the process of finalising its ongoing funding agreements with the Northern Territory Government.

NOTE 26. RECONCILIATION OF OPERATING RESULT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	\$	\$
Operating Result	3,788,650	4,778,684
Depreciation	375,635	341,438
Dividend Plan Allotment/Issue of Bonus Shares		(358)
Net (profit)/loss on disposal of asset	-	(5,167)
	4,164,284	5,114,598
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables	1,414,556	(2,528,176)
(Increase)/Decrease in prepayments	(11,018)	40,556
(Increase)/Decrease in other assets	(165,655)	-
(Increase)/Decrease in accrued revenue	(2,001,462)	(224,915)
Increase /(Decrease) in payables (trade and other)	175,822	(238,422)
Increase/(Decrease) in accrued expenses	510,191	192,559
Increase/(Decrease) in net GST	(241,292)	84,710
Increase/(Decrease) in other liabilities	4,621	160
Increase/(Decrease) in employee provisions	641,067	473,123
	326,832	(2,200,405)
Net Cash Generated From/(Used) in Operating Activities	4,491,116	2,914,193

Menzies activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Menzies overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Menzies. Menzies does not use derivative financial instruments such as foreign exchange contracts and interest swaps to hedge certain risk exposures. Menzies uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by the executive officer under policies approved by the Board of Directors. Menzies identifies, evaluates and hedges financial risks in close co-operation with Menzies operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Menzies has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency, and Menzies statement of financial position can be effected by movement in US\$/Euro/A\$ exchange rates.

Considering the limited exposure to these risks, Menzies does not engage in any form of hedging.

There has been no change in Foreign exchange risk since the previous period

(ii) Price risk

Menzies exposure to commodity and equity securities risk is minimal.

Equity securities price risk arises from investments in equity securities. The equity investments are comparatively minor in terms of Menzies total assets and are publicly traded on the ASX. The price risk for these securities is immaterial in terms of a possible impact on profit and loss or total equity and such a

(iii) Interest rate risk

Menzies is exposed to market interest rate relates primarily to its investments in term deposits.

Menzies monitors the future predicted interest rates and manages cash reserves by negotiating with financial institutions on term deposit rates. The finance committee are informed of the management of

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of Menzies financial assets to interest rate risk. Menzies Financial Controller prepared the table based on the significant areas of risk being cash and cash equivalents. Interest rate risk is set at 2% movement based on leading economic data at 31 December 2011.

		Interest rate risk				Foreign exchange risk				Other price risk			
		-2%		2%		-2%		+5%		-5%		+5%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2011	Carrying amount												
Financial assets													
Cash and cash equivalents	38,588,253	(771,765)	(771,765)	771,765	771,765	-	-	-	-	-	-	-	-
31 December 2010	Carrying amount												
Financial assets													
Cash and cash equivalents	36,712,746	(734,255)	(734,255)	734,255	734,255	-	-	-	-	-	-	-	-

(b) Credit risk

Credit risk arises from the financial assets of Menzies, which comprise cash and cash equivalents, trade and other receivables, available-for-sale financial assets. Menzies exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

Menzies does not hold any credit derivatives to offset its credit exposure.

Menzies trade only with recognised, creditworthy third parties, and as such collateral is not requested nor is it Menzies policy to securities its trade and other receivables.

In addition, receivable balances are monitored on a ongoing basis with the result that Menzies experience of bad debts has not been significant.

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of Menzies and Menzies subsequent ability to meet their obligations to repay their financial liabilities as and when they are fall due.

Menzies manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis.

Menzies manages liquidity risk by monitoring and reporting to the finance committee payables over 60 days.

There has been no change in liquidity risk from previous period.

(d) Fair value estimation

The carrying amount of cash and cash equivalents approximates fair value because of their short-term to

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature

Investments in Publicly Listed Shares are stated at market value at 31/12/2011

NOTE 28. ACCOUNT HELD IN TRUST (COOPERATIVE RESEARCH CENTRE FOR ABORIGINAL HEALTH)

Menzies School of Health Research, in its role as the Centre Agent for the Cooperative Research Centre, established an account in trust in the name of the Cooperative Research Centre for Aboriginal Health. All funds from the Commonwealth of Australia and other contributing participants are received by Menzies in trust, on behalf of all participants. Expenses reimbursed to Menzies are shown in Menzies' accounts. Receipts, expenditure and balances of the Cooperative Research Centre as managed by Menzies are summarised below. Menzies has since relinquished the position of Centre Agent effective 31 March 2010, which has now been taken over by the Lowitja Institute based in Melbourne.

	2011 \$	2010 \$
Opening Balance	-	803,069
Receipts	-	343,390
Expenditure	-	(1,146,459)
Closing Balance	-	-

NOTE 29. REMUNERATION OF AUDITORS

Menzies is responsible for payment of Audit services to the Auditor General. Total payments amounted to \$27,238. (\$25,619 in 2010)

Note 30. COMMITMENTS
Lease commitments

	2011 \$	2010 \$
Commitments in relation to leases contracted for at the reporting date but not recognised as		
Within one year	290,234	289,537
Later than one year but not later than five years	84,000	93,608
Later than five years	-	-
	374,234	383,145
Representing:		
Cancellable operating leases	374,234	383,145
Non-cancellable operating leases	-	-
Future finance charges on finance leases	-	-
	374,234	383,145

(i) Operating leases

20 Catherthun St, Winnellie

Lease over upper level of 20 Catherthun St, Winnellie - Lettable Area : Buildings approx 966sqm
Rental and Terms of Payment : The initial rental shall be \$199,365 per annum (inclusive of GST) to be in equal monthly payments in advance with the first payment due upon the signing of this Agreement to lease.
Term of Lease : Two (2) YEARS
Option Period : Two (2) terms of six (6) months each
Commencement Date : 7th July 2010

147 Wharf Street, Brisbane QLD

Lease on 147 Wharf Street, Brisbane QLD, 4000 and 5 parking bays.
Rental and Term of Payment: The initial rental shall be \$ 130,500pa, exclusive of GST, from the 1 August 2011.

Term of Lease : Two (2) YEARS
Option Period : 2x1 years
Commencement Date : 1 AUGUST 2011

Adelaide

Lease on Suite 12,15 Fullarton Rd, Kent Town and 7 parking bays.
Rental and Term of Payment: The initial rental shall be \$63,855 including the 7 parking bays per annum (inclusive GST) to be (GST) to be in equal monthly payments in advance.
Term of Lease: 1 year and 1 month and four days
Option Period: 12 months
Commencing Date: 27th July 2009
Extension: 26th August 2011 at an annual rent of \$71,468.52

(ii) other expenditure commitments

	2011 \$	2010 \$
Within one year	200,000	311,625
Later than one year but not later than five years	300,000	792,148
Later than five -	-	-
	500,000	1,103,773

Commitments for future core partner payments to Co-operative Research Centre for Aboriginal Health at reporting date but not recognised as liabilities payable. See note 31 regarding commitments on the building project.

(il) Capital Commitments

The following commitments with respect to the building project were entered into and remain current:

	2011 \$
Within one year	1,601,359
After one year	0
	1,601,359

The Commitments are for surveying, project management and architecture.

Note 31: Work In Progress

Menzies has been granted funds from the Commonwealth and Northern Territory Governments (NTG) for the purpose of constructing research and training facilities at Charles Darwin University (CDU) and Royal Darwin Hospital (RDH) and for refurbishing an existing building at RDH.

The land on which the proposed facilities are to be constructed is controlled by CDU and NTG.

Menzies intends to transfer ownership of the buildings to CDU and NTG respectively upon completion of the works and for Menzies to occupy the buildings for nominal rent thereafter.

The new Buildings will accommodate 420 Menzies staff and will allow the School to continue to conduct medical research and training, including laboratory and clinical research.

Accounting Treatment

As with past years, receipt of grant income has been recognised as revenue at time of receipt in accordance with AASB 1004 Contributions.

Expenditure on the project to date has been recognised as work in progress within the balance sheet.

Future accounting treatment, in particular upon completion of the buildings and transfer of ownership to CDU and NTG will be determined in the coming year once all intentions have been formally agreed and appropriately documented.

Project Revenue and Costs

Total estimated project revenue and costs, including amounts received and spent to date have been summarised below:

	Total \$ millions	To 31/12/11 \$ millions	Subsequent Periods \$ millions
Revenue:			
Commonwealth Government	39.4	7.0	32.4
NT Government	4.5	4.5	0.0
Charles Darwin University	1.2	0.0	1.2
Interest	2.1	2.1	0.0
	47.2	13.6	33.6
Project Costs *	47.2	2.2	45.0
Unspent project Costs	0.0	11.4	(11.4)
Committed Costs @ 31/12/11		1.6	

* Costs incurred to 31/12/11 of \$2.2m has been recorded as Work in Progress (WIP) on the Balance Sheet.

Restricted Reserve

The balance of the unspent project costs of \$11,470,219 at 31 December 2011 (2010: \$10,758,660) forms part of reserves at year end (2010: retained earnings). These funds are restricted for the use of constructing the new buildings as detailed above.

Status of the Project

At 31 December 2011, the design phase of the project was nearing completion for both buildings.

It is anticipated that the construction phase will commence in mid-2012, with completion by mid-2013. The defect period should conclude in June 2014.

Risk Evaluation

At the time of signing the accounts, the design phase was complete and an approach to market (ATM) via public tender for construction was issued on 7th April 2012.

A project manager has been appointed to oversee the process and to minimise price overruns.

Note 32 Post Balance Sheet Events Building Project

Due to a change in the scope of the project, the project is currently in abeyance pending Commonwealth approval of the revised scope. In the event that such approval is not forthcoming, the funds received by Menzies to date may be repayable to the funding bodies. Menzies has deemed the probability of this occurring to be very low.

CERTIFICATE TO THE BOARD OF GOVERNORS

To the best of our knowledge and belief -

- the attached financial statements and notes thereto comply with the *Menzies Act*, applicable Australian Accounting Standards, conform to the Department of Education, Employment and Workplace Relations (DEEWR) Financial Statement Guidelines for Australian Higher Education Providers for the 2011 Reporting Period and other mandatory professional reporting requirements in Australia, the financial position of Menzies as at 31 December 2011, the results of its operations and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of Menzies and give a true and fair view of the financial position and performance;
- internal controls over financial reporting have been effective throughout the reporting period;
- at the time of signing of this statement, there are reasonable grounds to believe that Menzies will be able to pay its debts as and when they become due and payable;
- that the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and
- Menzies has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.


Jonathan Carapetis
Director
Darwin
Date: 2 May 2012
David Blair
Chief operating Officer

Date: 2 May 2012

