

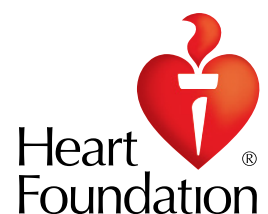
“ I feel that by giving a donation I may help to save a life.”
“ The heart is so vital to life. Keep up the good work.”
“ I support the Heart Foundation because they have been a great help to me, 15 years ago I had a triple bypass, since then a stent and valve and pacemaker operation and am told it’s a miracle I’m still here.”
“ It’s important work you’re doing – thank you!” “ I donate because I lost a friend to heart disease. She was only 24 when she died and it broke my heart.” “ I love being part of an organisation that wants to find cures and make people’s lives easier with their heart health and general wellbeing.” “ I think of all those who might have a longer happier life if the heart health message was better heard.” “ I support the Heart Foundation because it might happen to me and anyone I know or anyone else.” “ Being a volunteer for many years now, gives me a sense of worth and pride that I can help in small ways as well.”

”

ANNUAL REPORT 2013

+ FINANCIAL STATEMENTS

National Heart Foundation of Australia
(Queensland Division) ABN 32 009 691 570
For the year ended 31 December 2013



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Directors and Office Bearers

Patron	Her Excellency, the Governor of Queensland Ms Penelope Wensley, AC
Board of Directors	
President	Dr Roger K Wilkinson, MBBS, BA, M.Litt., FRACP, FCSANZ (from March 2013) Mr John Cowen, LL.M BCL Sol. BL (Vic) TEP (to March 2013)
Deputy President	Professor Malcolm J West, AM, BSc, MBBS, PhD, FRACP (from March 2013)
Honorary Treasurer & Secretary	Mr Brett Delaney, BCom, FCA, MAICD
Directors	Mr Paul K Bird, GradDipBusAdmin, BA, FPRIA, FAICD Associate Professor David Colquhoun, MBBS, FRACP, FCSANZ Mr Tim Sayer, BA LLB (UQ), LL.M (USyd), Dip.Soc.Stud (Oxon) Ms Rebecca Treston, QC Professor Michael Good, AO, FASM, FRACP, FQA, FTSE
Chief Executive Officer	Mr Stephen Vines, MBA, BBus Mgmt, MAICD, (from August 2013) Mrs Catherine Donald, BCom, (from March to August 2013) Mr Cameron Prout, BHMS, BA (Rec Mgt), (resigned April 2013)
Health Director	Ms Rachelle Foreman, MPhil, MScST, BAppSc (HMS)
Finance Director	Mrs Catherine Donald, BCom
Fundraising Director	Mr Bruce Macdonald, BAgrSc, DipEd
Marketing and Communications Director	Ms Jacqui Molensen, BA, BBusComm, MBA
Honorary Solicitors	McInnes Wilson Lawyers
Auditors	KPMG
Registered Office	557 Gregory Terrace, Fortitude Valley, Brisbane 4006

Bequests

The following individuals provided for the Heart Foundation in their wills and distributions were received in 2013

Coral Leona Anderson	Sydney Daniel Levonis
Ellis Dalmore Ashford	Ronald Basil Levy
Hilton Clarence Richard Bartlett	Ruby Norma Mahaffey
Joan Kathleen Bestwick	Jill Bain McAdam
Irene Joan Blair	Alexander McDonald
Leona Beatrice Bowness	Lois Wynne McGowan
Dorothy Jean Brown	Rita Catherine McIvor
Margaret Constance Cameron	Isobel Fay McKone
Myrtle Mildred Cole	Noel Gerard Anthony Mellish
Edna Cavell Collett	Margaret Mary Moloney
Ralph Brenard Curnow	William Moss
Brian Norman Dempsey	Harry William Nelson
Ethel Joyce Dent	William Alfred Nicholson
Peter Ralph Douglass	John Joseph O'Donohue
Leonard James Eastment	Ronald Ole Raaen
Colin Andrew Eggie	Alan George Parfett
Antonina Ejelia	Arthur William Partridge
Grace Margaret Eller	Heather Colina Philp
Doreen Sarah Embrey	Adella Margaret Pitman
Claude Farer-Hickey	Bessie Helen Rigby
Jessie Agnes Finch	Kathleen Roberts
Russell Thomas Fitzpatrick	Doris Muriel Rogers
Shirley Joan Flanagan	Joyce Marie Smith
Barbara Grace Franklin	Edith Hartley Stepney
Florence Mary Fraser	Rita Honor Stone
Ivy Gwendoline Goode	David Hilton Sunner
Faye Donna Grant	Terence Taylor
Myrtle Ann Grech	Dulcie Burnas Teis
Veronica Mary Green	Viktorija Teteris
Catherine Griffiths	Frank Ernest Thomas
Melville Stanley Hampson	Miriam Carmel Thomas
Henry Ronald and Valerie May Hassett	Raymond Wilton Vanstone
Joyce Lillian Agnes Houston	Jean Warren
Nellie Hunter	Stanley John Wegner
Paul William Kinsela	Joyce Etta White
Darel Stanley Kropp	Kathleen Rose Wilkinson
Margaret Tynan Kugelman	Frances Caroline Wiseman
Joyce Lawrie	

Major Supporters

The following individuals made significant contributions to the Heart Foundation in 2013

Mr Arthur Alexander	Mr Frank and Mrs Marge Gist	Mr Michael Peterson
Mrs Donna and Mr Norm Anderson	Mr Glenn A Gordon	Ms Liselotte Peyer
Mrs Margaret Bailey	Mr John Gorrell	Mrs Gwen Philp
Mr Peter K Bailey	Mrs Nanette Gottlieb	Mr Lou Piccone
Mrs L R Barnett	Mr John Graham	Mr Warwick Power
Mrs Dulcie R Battaglone	Ms Nicole Gray	Dr John Rayner
Mr Trevor Beckinsale	Mr Sam Gregson	Redlands College, Wellington Point
Mr Token Blackshack	Mr Terry Gunson	Miss K H Rice
Ms Elizabeth Bolton	Ms Denise Hagan	Mr Brian Richardson
Dr Robert Bond	Mrs Ellen Hirst	Mr Nicholas Roberts
Mr Denis R Bridges	Mr Brett Hodgkinson	Mrs Valerie Roberts
Mr David V Buzacott	Mr Ben Hogg	Mr Patrick Robertson
The Cabassi Family	Mr Matthew Hogno	Mr D and Mrs Heather Robertson
Mr Kenneth Neville Chadwick	Mr Leslie B Holland	Mrs Norma Robertson
Mr Jason Chan	Mr K J Horton	Mr E J Rowe
Mr David Clarke	Mrs Daphne Huth	Mr Geoffrey Rowlands
Ms Angela Coleman	Miss Leesa M Jeffcoat	Mr Kenneth J and Mrs Lyn Rudge
Mrs Eileen J Colless	Mr and Mrs Daryl Johnson	Mrs Donna Sainsbury
Mrs Lyn Coomber	Mr Llewellyn Jones	Mrs Jill Shaw
Ms Isabel Cooper	Mrs Renate Kann	Mrs Anne Shipton
Mrs Heather Craig	Mr J Kenny	Mr Gordon B Simpson
Mr Jason Crowther	Mr Rajendra Khatri	Mr Graham C Smith
Mr Frank De Jong De Silva	Mrs Lisa Kreuger	Mr Donald Solin
Mr Ronald B Dedekind	Mr Alvin Kumar	Mr Stan Sperling
Mr Lou and Mrs Jean Di Lizio	Mr Royce Lane	Mr Peter F Spitzer
Mrs Myrtle Dickfos	Mr Bill Laver	Mr Jim Stansby
Mr Andrew Douglas	Mr Brian and Mrs Carol Lestone	Mrs Maureen and Mr Barry Stevenson
Mr Nick Dunn	Mr Ray Liekefett	Mr Engel Sypkes and Mrs Marie Sypkes
Mrs Fae Dunner	Mrs Margaret R Lyall	Mr Jason Tan
Mrs Elsie I Duvergier	Dr John Lynch	Ms Lili Tang
Ms Ruth Eastment	Mr Bruce Macdonald	Mr John Teague
Mr John Eastment	Mr Keith Maher	Ms Ruthie Teina-Duncan
Mr Mark Embrey	Mrs Faye Marshall	The Phileo Foundation
Mr John D and Mrs Merle Faulkner	Ms Therese Mayhew	Mr Kevin and Mrs Alison Thomson
Mr Theo Feros	Mrs Antonia Medhurst	Mr R L Tonkin
Miss Christine Finch	Mr Ian R Merritt	Mr Damien Atkinson and Mrs Marilyn Trad
Mr P P and Mrs M S Finimore	Mr W Miller	Dr E G Truscott
Mr Warren Floyd	Mrs Alison Moody and friends	Mr Robert J Turk
Mr Laurence E Force	Ms Lauren Moran	Mr Peter Joseph Walsh
Mrs Mary Francis	Mr Darren Musilli	Mr Keith Ward
Miss Fraser	Mr Philip Naughton	Mrs Maud Way
Mrs Jenny Frith	Ms Rebecca Ohlwein	Dr Nikki Whelan
Drs K and M Fry	Mr L Olive	Ms Julie White
Mr R Gardiner	Mr D L O'Reilly	Mr Anthony Whittle
Mr Ian and Mrs Cass George	Father Leonard O'Rourke	Mr Josh Willatt
Mr Kevin Gibb	Mrs Hilda Joan Pascoe	Ms Trudy Worden
Mr Rodney Gibson	Mrs Jacqueline Pascual	
Ms Margaret Gillies	Mrs Vanessa Patterson	

Corporate and Club Supporters

Many companies, clubs, schools, community groups and other organisations support the Heart Foundation in a variety of ways by making donations, sponsoring programs, providing in-kind support and participating in events. We would like to thank the following for their support in 2013:

Corporate Supporters

Aaction Traffic	Keith Rubach Trenching & Earthmoving Pty Ltd
Access Service Australia Pty Ltd	Know-How Cabinetmaking Pty Ltd
Airmaster Australia Pty Ltd	Liftronic Pty Ltd
Apple Telemarketing	Loreto College
Aurizon Operations Limited	Mackay Grande Suites
Base Course Management Qld	Major League Corporate Marketing
Bechtel	Mater Hospital Mackay
BHP Billiton Cannington	McKenzie Hall Pty Ltd
BoardRoom Pty Ltd	Mitchell Glass Pty Ltd
Body By U Health Fitness & Lifestyle Centre	Mt Ommaney Shopping Centre (AMP Capital Shopping Centre)
CGI Consulting Pty Ltd	OPD Development
Cromwell Property Group	Protech Group Pty Ltd
Department of the Premier and Cabinet	Ramm Trading Pty Ltd
Donnelly Blasting Services Pty Ltd	RCPA (Qld) Pty Ltd
Energetics Pty Ltd	Rockhampton Hospital Cardiac Rehab
Favero Property Corp	SGA Property Consultancy
FDC Construction & Fitout	Somerville House
Fulton Hogan	St Margaret's Anglican School - Secondary
Griffith University	Thorlux Lighting Australasia Pty Ltd
Halls Fripp Surveying Pty Ltd	Tour De Office Foundation
Hastings Deering (Australia) Ltd	Tower Holdings
InterRISK Australia Pty Ltd	Townsville City Council Performing Arts & Events Protocol
JJ Richards & Sons Pty Ltd	Trilby Misso Lawyers Limited
JK Cartage	Westpac (Matching Gift)

Club Supporters

Burrum Heads Bowls Club Inc	Redcliffe Diabetes Support Group
Lions Club of Ashgrove-The Gap Inc	Redland Bay South RSL Sub-branch
Lions Club of Ormeau Inc	Ring Road Run Bundaberg
Lions Club of Southport Inc	Rotary Club Herbert River
Mackay & District Harley Owners Group	Rotary Club of Pioneer Valley Inc
OES Burnett District Grand Chapter	RSL Nambour
Panamuna Outrigger Canoe Club	RSL Townsville Sub Branch Inc
Pine Rivers Golf Club Inc	Thuringowa Alice River Lions Club Inc
Pine Rivers Slimmers Club Inc	Townsville Road Runners
Queensland Country Women's Association Mt Morgan Branch	

Trust and Foundations

Allan & Patricia Ellen Coulson Memorial Trust
Alma Jackson Trust
AMP Foundation Charitable Trust
Arthur & Doris Wilkinson Memorial Trust
Ethel Wallace Foundation
Frederick Wallace Gilbert & Delia Gilbert Fund
Gladys Winifred Wieland Trust
Jack Jacobs Perpetual Charitable Trust
John Louis Lazarus & Sarah Levine Fund
Perpetual
The Alan Wegner Testamentary Trust
The Beryl B & Gordon F Scott Memorial Fund
The Beryl Pearl Pilkington Perpetual Charitable Trust
The Edward Bullock Endowment
The Estate of the Late C H Boden Memorial Trust
The Estate of the Late Henry Cyril & Stella May Robjohns Trust
The Estate of the Late Ira Josey, Peace Mary Keidge &
Ashley Josey Keidge Perpetual Charitable Trust
The Estate of the Late Peter David Ferguson Bequest
The Estate of the Late Sylvia K Richardson Trust Foundation
The Florence A Todd Charitable Trust
The Hart Family Perpetual Trust
The Ivan Maurice Jones Endowment
The Jack & Bon Mason Memorial Trust
The JC & PM Martin Trust
The Jean Tunnah Trust
The John Villiers Trust
The Merrett Endowment
The Stanley & Eunice Nicholson Trust
The Thomas & Coral Williams Trust
The Thomas Henley & Winnifred Jean Kelly Memorial Fund
Tom B & Vera Condie Trust
Vincent & John Patrick Cahill Medical Research Trust Fund

Schools

*Over 39,000 children in 239 schools raised funds for the Heart Foundation in the Jump Rope for Heart program.
The award-winning schools in 2013 were:*

Highest fundraising school:

Ryan Catholic Junior School – Kirwan

Highest raised per student enrolment:

Gooburrum State School

Directors' Report

for the year ended 31 December 2013

The directors present their report together with the general purpose financial report for the National Heart Foundation of Australia (Queensland Division) ("the Foundation") for the year ended 31 December 2013 and auditors' report thereon.

Directors

The following directors of the Foundation, all of whom are independent, non-executive and held office at any time during or since the end of the financial year:

Name and qualifications	Experience and special responsibilities	Board Meetings Attended & held #	Exec Board Meetings Attended & held #	Appointment and resignation
Dr Roger K Wilkinson MBBS, BA, M.Litt., FRACP, FCSANZ	Senior Visiting Consultant in Cardiology, Royal Brisbane Hospital; Consultant Cardiologist to St Andrew's War Memorial Hospital; Greenslopes Private Hospital and the Wesley Hospital; Senior Lecturer in Medicine (Clinical) University of Queensland.	5/5	2/2	Appointed 31 October 1996
Prof Malcolm J West AM, BSc, MBBS, PhD, FRACP	Professor of Cardiovascular Research, Mayne Professor of Medicine, University of Queensland; Cardiologist, Prince Charles Hospital, Brisbane.	3/5	1/1	Appointed 23 March 1993
Mr Brett Delaney BCom, FCA, MAICD	Honorary Secretary and Honorary Treasurer of National Heart Foundation (Qld Division); Member of National Finance and Audit Committee; Retired Partner, PricewaterhouseCoopers; Fellow of the Institute of Chartered Accountants; Member of Australian Institute of Company Directors	4/5	2/2	Appointed 24 August 2005
Mr Paul K Bird GradDipBusAdmin, BA, FPRIA, FAICD	President, MontroseAccess; Chairman, Griffith University Eskitis Institute Foundation; Corporate Advisor to Board of Directors RCP (Resource Co-ordination Partnership); Executive Director, Linkspus Pty Ltd. Fellow-AICD, Fellow-PRIA.	4/5	2/2	Appointed 8 December 2008
Mr John R Cowen LLM BCL Sol. BL(Vic) TEP	Member Corporations Law Committee; Qld. Law Society Inc & Business Law Committee; Law Council of Australia; Fellow CEO Institute; A Lawyer & Finance, Banking/Investment Professional with in excess of 20 years experience.	4/5	2/2	Appointed 29 August 2003
Assoc Prof David Colquhoun MBBS, FRACP, FCSANZ	Cardiologist at the Wesley Medical Centre and Greenslopes Private Hospital. Medical Director of Core Research Group.	4/4		Appointed 5 June 2013
Mr Tim Sayer BA LLB (UQ), LLM (USyd), Dip.Soc.Stud (Oxon)	Partner in the Corporate Advisory Group, McCullough Robertson. Member of the Riviera Australia Advisory Board.	3/4		Appointed 5 June 2013
Ms Rebecca Treston QC	Queen's Counsel. Retired member of the Queensland Law Reform Commission. Special interest in Estates and Trusts.	4/4		Appointed 12 June 2013
Professor Michael Good AO, FASM, FRACP, FQA FTSE	Medical Researcher, Australia Fellow, Head, Laboratory of Vaccines for the Developing World, Institute for Glycomics, Griffith University.	1/1		Appointed 12 December 2013

meetings attended and meeting held while the director held office.

Directors' Report

for the year ended 31 December 2013

Corporate Governance Statement

The Foundation is a company limited by guarantee, incorporated under the *Corporations Act 2001*. Ultimate responsibility for the governance of the company rests with the Board of Directors. This corporate governance statement outlines how the Board meets that responsibility. The Board believes the principles of good corporate governance underpin the values and behaviour of the Foundation.

Role of the Board

The Board's primary role is to ensure that the activities of the Foundation are directed towards achieving its mission to reduce suffering and death from heart, stroke and blood vessel disease in Australia. The Board must ensure that this mission is achieved in the most efficient and effective way. The Foundation operates as part of a co-operative federation with the Divisions in each of the other States and Territories of Australia. The relationships between all entities are set out in a Federation agreement with the Divisions making grants to the National Heart Foundation of Australia to fund research and other health programs conducted on a National basis.

Federation Agreement

The Foundation entered into a new 5 year Federation agreement on the 23rd November 2012. This agreement replaced the previous Memorandum of Understanding and took effect from 1st January 2013. Shared Services which were the responsibility of and hosted by various divisions in other States and Territories continue to be hosted by those divisions, but are now the responsibility and under the direct control of the National Heart Foundation of Australia. All costs associated with these renamed "Group Services" are held and accounted for in the National Heart Foundation of Australia's accounts unless there is a requirement at law for them to be recognised in the Foundations in which case they are recovered. This change to the operational structure has decreased the Foundation's expenditure but is offset by increased grants to the National Heart Foundation of Australia.

Oversight by the Board

The Board oversees and monitors the performance of management by:

- > Meeting five or six times during the year
- > Receiving detailed financial and other reports from management at those meetings
- > Receiving additional information and input from management when necessary

Specific responsibilities of the Board

The Board fulfils its primary role by:

- > Selecting, appointing, guiding and monitoring the performance of the Chief Executive Officer ("CEO")
- > Formulating the strategic plan of the Foundation in conjunction with the CEO and management
- > Approving operating and capital budgets formulated by the CEO and management
- > Monitoring the progress of management in achieving the strategic plan
- > Monitoring the adherence by management to operating and capital budgets
- > Ensuring the integrity of internal control, risk management and management information systems
- > Ensuring stakeholders receive regular reports, including financial reports
- > Ensuring the independence of the Foundation from government, industry and other groups in determining health and other policies and recommendations
- > Ensuring the Foundation complies with relevant legislation and regulations
- > Acting as an advocate for the Foundation whenever and wherever necessary

These responsibilities are set out in a *Corporate Governance Framework*, including a *Board Charter*.

Responsibilities of management

The Board has formally delegated responsibility for the day-to-day operations and administration of the Foundation to the CEO and executive management.

Directors' Report

for the year ended 31 December 2013

Board members

All Board members are independent, non-executive directors and act in an honorary capacity. The Constitution of the Foundation specifies:

- > There must be no less than 4 and no more than 12 directors, of whom up to two must be legally qualified Medical Practitioners.
- > No employees of the Foundation, including the CEO, can be a director of the Foundation. Board members are appointed to ensure a breadth of skill and knowledge across all areas of the work of the Foundation. The current Board's qualifications, skills, experience and responsibilities appear on page 8. Board members receive written advice of the terms and conditions of their appointment and complete a structured induction program when first appointed. Management presentations to the Board enable directors to maintain knowledge of the business and operations of the Foundation.

Risk management

The Board oversees the establishment, implementation and regular review of the risk management system of the Foundation, which is designed to protect its reputation and manage those risks that might preclude it from achieving its mission. Management is responsible for establishing and implementing the risk management system which assesses, monitors and manages operational, financial reporting and compliance risks.

The financial statements of the Foundation are subject to independent, external audit. Guidelines for internal controls have been adopted and compliance is reviewed bi-annually by independent staff from another Division.

Ethical standards and code of conduct

Board members, all staff and volunteers are expected to comply with relevant laws and codes of conduct of relevant professional bodies, and to act with integrity, compassion, fairness and honesty at all times when dealing with colleagues and any stakeholders in the mission of the Foundation. Board members, all staff and volunteers are provided with a copy of the Foundation's Code of Conduct policy during their induction to the organisation.

Involving stakeholders

The Foundation has many stakeholders, including its donors and benefactors, its staff and volunteers, the broader community, its suppliers and other members of the National Heart Foundation of Australia co-operative federation. The Foundation adopts a consultative approach in dealing with its stakeholders. The Board has endorsed and is constantly reviewing the Foundation's policies and procedures that uphold the reputation and standing of the Foundation.

Principal Activities and Achievement of Objectives

The primary activities of the Foundation are directed towards achieving its mission to reduce suffering and death from heart, stroke and blood vessel disease in Australia through the support of research into the causes and cures of heart disease, the rehabilitation of sufferers from heart disease, professional and community education about heart disease, and the raising of funds to carry out this work. There were no significant changes in the nature of those activities during the year.

SHORT AND LONG TERM OBJECTIVES AND STRATEGIES FOR ACHIEVING THESE OBJECTIVES

Alignment to strategic plan "For All Hearts"

The Foundation has a five-year strategic plan, For All Hearts 2013-2018, aligned directly with our vision for Australians to have the best cardiovascular health in the world and our mission to reduce suffering and death from heart, stroke and blood vessel disease in Australia. Through For All Hearts, we have focused on four main goals :

- > Healthy hearts
- > Heart care
- > Health equity
- > Research

The plan aims to unite and empower all Australians to transform our nation's heart health. Our aspirational goal is to link our work to supporting a global target of reducing premature deaths by 25% by 2025, through curbing chronic disease risks (including cardiovascular disease).

Directors' Report

for the year ended 31 December 2013

Performance Measures and Key Achievements in 2013

The Foundation has a process for measuring its performance and regular reports are provided to the Board on the following key results areas:

- > Finance and Operations
- > Fundraising and Donor Engagement
- > Research
- > Community Engagement and Awareness

Some key Achievements against some of these performance measures included significant increases in:

- > personal relevance of the Heart Foundation to Australians aged 30 - 65
- > the Foundation's effectiveness in raising the community's awareness/knowledge of heart health;
- > awareness of heart disease as a leading cause of death for Australian women;
- > unprompted awareness of the Tick brand;
- > awareness of risk factors by women; and
- > awareness of a typical heart attack symptoms.

Review of Results and Operations for Current Year

Total revenue from operating activities was \$9.85 million, a 20% decrease against 2012 of \$11.9 million.

This result was predominantly driven by Bequest and the cancellation of the Face to Face Recurring Giving program. Bequest income is difficult to predict and can vary dramatically from year to year. At year end there were 52 estates yet to be finalised.

In 2013, 95% of the Foundation's income prominently came from donations, bequests, sponsorship and trust and foundations: 5% came from Government for health programs.

Total expenditure was \$6.2 million, a 19% decrease from \$7.4 million last year. The foundation continued to contribute strongly to the National company in support of cardiovascular research and local health programs to the sum of \$6.2 million in 2013. Local fundraising, communications and administration expenditure decreased by 22% from 2012. This decrease was from the cancellation of the Face to Face Recurring Giving program and savings across all programs. Overall, the financial performance of the Foundation highlights the innovative and efficient actions of management and staff.

Review of Results and Operations for Past Five Years

Set out below is a comparative table of income and expenditure and assets and liabilities for the past 5 years, including relevant ratios.

Charitable support from the general public continued to be strong in 2013. Income from this type of fundraising is obtained in an increasingly competitive charity climate. Fundraising expenditure is around 39% of fundraising income. Fluctuations in the fundraising costs can sometimes occur when new funding initiatives are at a development stage and the benefits only become evident in the following year.

As a result of strong financial performance over the past 5 years, the Foundation has been able to contribute over \$33 million to health programs and research.

Directors' Report

for the year ended 31 December 2013

	2013	2012	2011	2010	2009
Income & Expenditure					
Charitable support - bequests	3,584,052	5,232,362	6,701,043	4,013,420	3,156,495
Charitable support - non-bequests	5,421,962	5,737,909	4,558,044	4,166,307	4,246,388
Fundraising income	9,006,014	10,970,271	11,259,087	8,179,727	7,402,883
Government non-reciprocal grants	50,000	50,000	50,000	100,000	0
Grants for specific health programs	754,074	751,660	835,372	1,393,075	568,000
Other income	41,630	122,376	137,025	81,436	30,793
Total income	9,851,718	11,894,307	12,281,484	9,754,238	8,001,676
Less: Fundraising expenditure	(3,504,868)	(4,321,000)	(3,301,376)	(3,016,162)	(2,574,471)
Communications & administration	(444,082)	(505,848)	(513,850)	(412,055)	(566,039)
Surplus available for health programs & research	5,902,768	7,067,459	8,466,258	6,326,021	4,861,166
Health programs conducted locally	(2,241,125)	(2,573,433)	(2,552,611)	(3,081,007)	(2,248,068)
Contributions to National health programs & research	(3,983,015)	(4,417,983)	(5,844,077)	(3,313,794)	(2,592,555)
Balance added to/(deducted from) equity	(321,372)	76,043	69,570	(68,780)	20,543
Ratios:	%	%	%	%	%
Fundraising expenditure to fundraising income	39%	39%	29%	37%	35%
Surplus from fundraising to fundraising income	61%	61%	71%	63%	65%
Surplus available for health programs & research to total income	60%	59%	69%	65%	61%
Expenditure on health programs and research to total income	63%	59%	68%	66%	60%
Expenditure on health programs and research to total expenditure	61%	59%	69%	65%	61%
Annual increase in expenditure on health programs & research	(11%)	(17%)	31%	32%	16%
Assets & Liabilities					
Cash	1,032,141	1,915,746	1,875,925	1,348,500	1,778,705
Computers, cars & equipment	130,319	162,206	183,631	210,654	169,826
Other assets	327,536	285,210	341,088	325,820	345,380
Total assets	1,489,996	2,363,162	2,400,644	1,884,974	2,293,911
Total liabilities	(1,138,683)	(1,690,477)	(1,804,002)	(1,357,902)	(1,698,059)
Total equity	351,313	672,685	596,642	527,072	595,852

Events Subsequent to Reporting Date

No matter or circumstances have arisen in the interval between the end of the financial year and the date of this report, which are likely in the opinion of the Directors to significantly affect the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in subsequent financial years.

Likely Developments

In the opinion of the directors there are no likely developments that will change the nature of the operations of the Foundation.

Environmental Regulation

The Foundation's operations are not subject to any significant environmental regulations under both Commonwealth and State legislation. However the Directors believe that the Foundation has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Foundation.

Insurance Premiums

Since the end of the previous financial year the National Heart Foundation has paid insurance premiums on behalf of the Foundation in respect of directors' and officers' liability and legal expense, insurance contracts, for the current and former directors and officers, including executive officers, of the Foundation.

The insurance premiums relate to:

- > costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- > other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

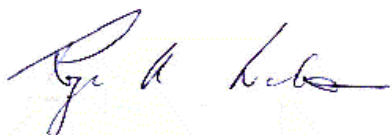
The premiums were paid in respect of the directors and officers of the Foundation listed in this report, and do not contain details of premiums paid in respect of individual directors or officers.

Directors' Report

for the year ended 31 December 2013

The lead auditor's independence declaration is set out on page 33 and forms part of the directors' report for financial year 2013.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Roger K Wilkinson', is written over a yellow dotted rectangular area.

Dr Roger K Wilkinson
President

Dated at Brisbane this 20th day of March 2014

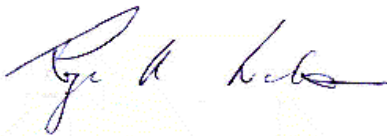
Directors' Report

for the year ended 31 December 2013

In the opinion of the directors of National Heart Foundation of Australia (Queensland Division) ("the Foundation"):

- (a) the financial statements and notes, set out on pages 15 to 30, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Foundations financial position as at 31 December 2013 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Dr Roger K Wilkinson
President

Dated at Brisbane this 20th day of March 2014

Statement of Comprehensive Income

for the year ended 31 December 2013

	Notes	2013 \$	2012 \$
Revenue			
Revenue from operating activities	4	9,810,088	11,783,847
Total revenue		9,810,088	11,783,847
Expenditure			
Health programs (including those funded by grants)		(2,241,125)	(2,573,433)
Fundraising		(3,504,868)	(4,315,189)
Cost of goods sold		0	(5,811)
Communications and publicity		(331,394)	(361,179)
Administration		(115,044)	(144,669)
Total expenditure		(6,192,431)	(7,400,281)
Finance income		43,986	110,460
Net Finance income	6	43,986	110,460
Operating surplus/(deficit)		3,661,643	4,494,026
Net Grants to National Heart Foundation of Australia	16	(3,983,015)	(4,417,983)
Surplus/(deficit) for the year		(321,372)	76,043
Total other comprehensive income		0	0
Total comprehensive income for the year		(321,372)	76,043

Statement of Financial Position

as at 31 December 2013

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	7a	1,032,141	1,915,746
Investments	9	40,150	25,829
Trade and other receivables	8	287,386	259,381
Total current assets		1,359,677	2,200,956
Non-current assets			
Property, Plant, equipment and vehicles	10	130,319	162,206
Total non-current assets		130,319	162,206
Total assets		1,489,996	2,363,162
Current liabilities			
Trade and other payables	11	552,716	858,946
Grants income deferred	12	370,747	387,742
Employee benefits	13	198,871	370,824
Total current liabilities		1,122,334	1,617,512
Non-current liabilities			
Employee benefits	13	16,349	72,965
Total non-current liabilities		16,349	72,965
Total liabilities		1,138,683	1,690,477
Net assets		351,313	672,685
Equity			
Retained earnings		351,313	672,685
Total equity	14	351,313	672,685

Statement of Changes in Equity

for the year ended 31 December 2013

	2013	2012
	\$	\$
Balance of Equity as at 1 January	672,685	596,642
Comprehensive income for the year		
Surplus/(Deficit) for the year	(321,372)	76,043
Other comprehensive income	0	0
Total comprehensive income for the year	(321,372)	76,043
Balance of Equity as at 31 December	351,313	672,685

Statement of Cash Flows

for the year ended 31 December 2013

	2013	2012
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	9,833,892	13,451,640
Cash payments in the course of operations	(4,548,332)	(10,879,609)
Net grants made to National Heart Foundation of Australia	(6,190,600)	(2,782,612)
Net financial income	41,630	244,440
Net cash from operating activities	(863,410)	33,859
Cash flows from investing activities		
Proceeds from sale of property, equipment and vehicles	74,609	0
Acquisition of property, equipment, vehicles and computer software	(97,160)	(34,559)
Proceeds from sale of investments	2,356	40,244
Acquisition of investments	0	277
Net cash from investing activities	(20,195)	5,962
Net increase in cash and cash equivalents	(883,605)	39,821
Cash and cash equivalents at 1 January	1,915,746	1,875,925
Cash and cash equivalents at 31 December	1,032,141	1,915,746

Notes

7b

7a

Notes to the Financial Statements

for the year ended 31 December 2013

1 Reporting entity

The National Heart Foundation of Australia (Queensland Division) (the "Foundation") (ABN: 32 009 691 570) is a company domiciled in Australia. The address of the Foundation's registered office is 557 Gregory Terrace, Fortitude Valley QLD 4006. The Foundation is a not for profit charity devoted to reducing suffering and death from heart, stroke and blood vessel disease in Australia.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report was authorised for issue by the directors on 20 March 2014.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for equity instruments which are measured at fair value.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Foundation's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service, as discussed in Note 3(k). The amount of these provisions would change should any of these factors change in the next 12 months.

Valuation of investments

Investments in listed securities are held for trading and are classified as fair value through profit and loss. The fair value of listed securities has been determined by reference to published price quotations in an active market.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in this financial report.

(a) Revenue recognition

(i) Charitable support

Revenue is received from appeals, donations, fundraising events and bequests and is brought to account on a cash received basis. When assets, such as investments or properties, are received from a bequest or donation, an asset is recognised, at fair value, when the Foundation gains control of such assets and the value of the asset can be reliably measured.

(ii) Interest and dividend revenue

Interest revenue is recognised as it accrues on a daily basis. Dividend revenue is recognised when the right to receive payment is established. Where dividends are franked the dividend is recognised inclusive of imputation credits, which are refunded by the ATO.

(iii) Grants for health programs (deferred income)

Grants received for specific health programs are recognised as income only to the extent of work completed on those projects when the terms of the grant stipulate that any unexpended funds are to be returned to the sponsor if the program is not completed. In those circumstances the funds attributable to work still be completed are carried forward as grants income deferred.

(iv) Sale of goods

Revenue from the sale of goods is recognised when control of the goods passes to the customer.

Notes to the Financial Statements

for the year ended 31 December 2013

3 Significant accounting policies (continued)

(v) Services of volunteers

A substantial number of volunteers, including directors and members of committees, donate a significant amount of their time to the activities of the Foundation. School children across Queensland also supported the Foundation by participating and raising funds through the Jump Rope for Heart program. In total this involved over 39,000 children and 239 schools. The Foundation's door knock program successfully recruited over 28,000 volunteers to collect funds in 2013. However, as no objective basis exists for recording and assigning values to these services, they are not reflected in the financial statements as either revenue or expenses.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank accounts and short term deposits maturing within 90 days and are stated at fair value.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"). Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or current liability in the statement of financial position. 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 are recoverable from, or payable to, the ATO are classified as operating cash flows.

(d) Income Tax

The Foundation is exempt from paying income tax due to being a charitable institution in terms of section 50(5) of the *Income Tax Assessment Act 1997*. The Foundation is also endorsed as a Deductible Gift Recipient and fall under item 1 of the table in section 30-15 of the *Income Tax Assessment Act 1997*.

(e) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses, this being equivalent to fair value.

(f) Equipment and vehicles

(i) Recognition and measurement

Items of equipment and vehicles are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset. Such assets are recognised/derecognised by the Foundation on the date it commits to purchase/sell each item. Gains and losses on disposal of an item of equipment and vehicles, are determined by comparing the proceeds from the disposal with the carrying amount of equipment and vehicles and are recognised on a net basis in the statement of comprehensive income.

(ii) Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of each item of equipment and vehicles from the date they are acquired and are ready for use. The estimated useful life in the current and comparative periods are as follows:

> computer equipment	3 years
> office furniture and equipment	5 - 10 years
> motor vehicles	6 – 7 years

Depreciation methods, remaining useful lives and the residual values of individual assets, if not insignificant, are reviewed at each reporting date.

(g) Leased assets including property and equipment

Leases in terms of which the Foundation assumes substantially all the risks and benefits of ownership are classified as finance leases. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by payments made. The interest components of the lease payments are expensed. There have been no finance leases during the periods covered by these financial statements. Other leases are classified as operating leases and payments are expensed on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. The Foundation recognises lease periods as the initial term specified in the lease and renewal options are treated as separate leases should the Foundation elect to extend the lease period beyond the initial term. The leased assets are not recognised on the Foundation's statement of financial position, however, in accordance with lease terms, future obligations have been recognised on the Foundation's statement of financial position for the costs of restoring leased premises to conditions as set out in the lease agreement. This future obligation will be adjusted annually to reflect increases in CPI.

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

3 Significant accounting policies (continued)**(h) Non-derivative financial assets**

A financial asset is recognised on the date the Foundation becomes party to the contractual provisions of the asset. Financial assets are derecognised if the Foundation's contractual rights to the cash flows from the financial assets expire. Purchases and sales of financial assets are accounted for at trade date. Accounting for finance income and finance cost is discussed in note 3(n). Other non-derivative financial assets are measured at amortised cost using effective interest method, less any impairment losses.

(i) Impairment**(i) Non-derivative financial assets including receivables**

Each financial asset apart from those classified at fair value is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount by the Foundation and/or a Division on terms that the Foundation and/or Division would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. An impairment loss in respect of amortised cost investments is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at an appropriate effective interest rate and is recognised directly in Surplus/(Deficit). An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised and is recorded as an amortisation adjustment between face and maturity values over the remaining period to maturity.

(ii) Non-financial assets

The carrying amounts of non-financial assets, other than inventory, are reviewed at each reporting date to determine whether there is any objective evidence that they are impaired. If any such indication exists, the asset's recoverable amount is estimated (refer to note 3(i)(iii)). An impairment loss for an individual asset measured under the cost model is recognised in the statement of comprehensive income, whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The reversal is recognised in the statement of comprehensive income to the extent that an impairment loss was previously recognised in the statement of comprehensive income.

(iii) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. As the future economic benefits of the asset are not primarily dependent on the asset's ability to generate cash inflows, value in use is the depreciated replacement cost of the asset concerned.

(j) Trade and other payables (non-derivative financial liability)

Trade and other payable are stated at cost, this being equivalent to fair value.

(k) Employee benefits**(i) Short term benefits**

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Foundation or the Divisions expect to pay at each reporting date.

(ii) Long term benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The provision is calculated using the following weighted averages:

- > assumed rate of future increases in wage and salary rates: 2013 3.0% (2012: 3.0%)
- > discount rate based on national government securities which most closely match the terms to maturity of the related liabilities: 2013 4.23% (2012: 3.32%)
- > expected settlement dates based on turnover history: (15 years)

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

3 Significant accounting policies (continued)**(iii) Defined contribution plans**

A defined contribution superannuation plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Superannuation contributions are made by the Foundation in respect of all employees to provide accumulation style benefits only. Obligations for contributions to defined contribution superannuation plans are recognised as a personnel expense in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(l) Provisions

A provision is recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessment of the time value of money and risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(m) Segment reporting

The Foundation operates in only one business segment as a charity. The Foundation operates in one geographical segment, Queensland.

(n) Finance income and finance costs

Finance income comprises interest income, dividend income and gains on disposal of financial assets. Finance costs comprise management fees, losses on disposal and impairment of financial assets.

(o) Financial risk management

The Foundation has exposure to the following risks from their use of financial instruments:

- > credit risk
- > liquidity risk
- > market risk
- > operational risk

Further details in respect of each of these risks are set out in note 18 Financial Instruments. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Foundation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundations activities. The Foundation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain supporter, donor, creditor and market confidence and to sustain future development of the business. There were no changes in the Foundations approach to capital management during the year. The Foundation is not subject to externally imposed capital requirements.

Economic dependency

The National Heart Foundation of Australia ("National") and the state and territory Divisions operate as a co-operative federation. Virtually all revenue from charitable support is received by the Divisions, however most expenditure on research and certain health programs is spent by the National. National relies on net grants from the Divisions to fund its commitments. Such grants are receivable under the terms of a *Federation agreement* between National and each of the Divisions. The *Federation agreement* also provides funding to the Foundation in the event that there are insufficient funds internally generated to support an adequate level of working capital to deliver the business plan approved by the Board.

(p) New standards and interpretations not yet adopted

- A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

3 Significant accounting policies (continued)

(q) Determination of fair values

A number of the Foundations' accounting policies and disclosures required the determination of fair value. Fair Values have been determined for measurement and/or disclosure purposes based on the following methods;

(i) Equity and debt securities

The fair value of equity and debt securities is determined by reference to their quoted closing bid price at the reporting date, or if unquoted determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

	2013 \$	2012 \$
4 Revenue from operating activities		
Charitable support - bequests	3,584,052	5,232,362
Charitable support - non-bequests	5,471,962	5,768,277
Sale of goods	0	19,632
<i>Total revenue from fundraising activities</i>	<u>9,056,014</u>	<u>11,020,271</u>
Grants for specific health programs - Government	471,651	637,462
Grants for specific health programs and research - other	282,423	114,198
Other	0	11,916
<i>Total revenue from other operating activities</i>	<u>754,074</u>	<u>763,576</u>
Total revenue from operating activities	<u>9,810,088</u>	<u>11,783,847</u>
5 Auditors' remuneration		
KPMG Australia: Audit services	33,000	32,000
KPMG Australia: Other services	3,577	3,000
	<u>36,577</u>	<u>35,000</u>
6 Finance income and costs		
Recognised in Surplus/(Deficit)		
Interest income	36,167	69,939
Dividend income and distributions from managed funds	5,463	0
Realised gain on disposal of investments	2,356	40,521
Finance income	<u>43,986</u>	<u>110,460</u>
7a Cash and cash equivalents		
Cash and cash equivalents include bank accounts and short term deposits maturing within 90 days paying interest rates of 3% (2012: 3%)	1,032,141	1,915,746
	<u>1,032,141</u>	<u>1,915,746</u>

The Foundation's exposure to interest rate risk for financial assets and liabilities are disclosed in note 18. The carrying value of cash and cash equivalents is equal to fair value.

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

	2013 \$	2012 \$
7b Reconciliation of cash flows from operating activities		
Net surplus / (deficit) from ordinary activities	(321,372)	76,043
Adjustments for:-		
Depreciation/Amortisation	51,236	55,983
Investments acquired for nil consideration via bequests	(14,321)	(25,828)
Net loss/(gain) on disposal of investments	(2,356)	(40,521)
Net loss/(gain) on disposal of property, equipment and vehicles	3,202	0
Net cash from operating activities before changes in working capital and provisions	(283,612)	65,677
(Increase)/decrease in receivables	(28,005)	81,707
Increase/(decrease) in payables	(306,230)	95,156
Increase/(decrease) in grants income deferred	(16,995)	(228,949)
Increase/(decrease) in employee benefits	(228,569)	20,268
Net cash from operating activities	(863,410)	33,859
8 Trade and other receivables		
Trade receivables owing by National Heart Foundation of Australia	80,553	96,505
Trade receivables owing by other National Heart Foundation divisions	30,817	91,173
Other receivables and prepayments	176,016	71,703
	287,386	259,381
9 Investments		
Current investments		
Listed shares	0	3,421
Unlisted units in managed funds	40,150	22,408
	40,150	25,829

The carrying value of investments is equal to fair value. The Foundation's exposure to interest rate risk and equity price risk are disclosed in note 18.

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

10 Equipment and vehicles	Office furniture & equipment \$	Motor vehicles \$	Total \$
Cost			
Balance at 1 January 2012	245,412	171,221	416,633
Acquisitions	34,559	0	34,559
Disposals	-89,197	0	-89,197
Balance at 31 December 2012	<u>190,774</u>	<u>171,221</u>	<u>361,995</u>
Balance at 1 January 2013	190,774	171,221	361,995
Acquisitions	9,891	87,269	97,160
Disposals	-912	-171,221	-172,133
Balance at 31 December 2013	<u>199,753</u>	<u>87,269</u>	<u>287,022</u>
Depreciation & impairment losses			
Balance at 1 January 2012	179,431	53,571	233,002
Depreciation charge for the year	30,299	25,683	55,982
Disposals	-89,195	0	-89,195
Balance at 31 December 2012	<u>120,535</u>	<u>79,254</u>	<u>199,789</u>
Balance at 1 January 2013	120,535	79,254	199,789
Depreciation charge for the year	30,203	21,033	51,236
Disposals	-815	-93,507	-94,322
Balance at 31 December 2013	<u>149,923</u>	<u>6,780</u>	<u>156,703</u>
Carrying amounts			
At 1 January 2012	<u>65,981</u>	<u>117,650</u>	<u>183,631</u>
At 31 December 2012	<u>70,239</u>	<u>91,967</u>	<u>162,206</u>
At 1 January 2013	<u>70,239</u>	<u>91,967</u>	<u>162,206</u>
At 31 December 2013	<u>49,830</u>	<u>80,489</u>	<u>130,319</u>

11 Trade and other payables

	2013 \$	2012 \$
Trade payables to National Heart Foundation of Australia	424,101	566,345
Trade payables to other National Heart Foundation divisions	47	389
Other payables and accrued expenses	128,568	292,212
	<u>552,716</u>	<u>858,946</u>

The carrying value of trade and other payables is equal to fair value. The Foundation's exposure to liquidity risk relates to trade and other payables is disclosed in note 18.

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

	2013	2012
	\$	\$
12 Grants income deferred		
Balance at 1 January	387,742	616,689
Amounts received	738,589	629,567
Income taken to revenue	(755,584)	(858,514)
Balance at 31 December	<u>370,747</u>	<u>387,742</u>
<p>The carrying value of grants income deferred is equal to fair value. The Foundation's exposure to liquidity risk relating to grants income deferred is disclosed in note 18.</p>		
13 Employee benefits		
Aggregate liability for employee benefits including oncosts:		
Current - long service leave and annual leave	198,871	370,824
Non-current - long service leave	16,349	72,965
Total employee benefits	<u>215,220</u>	<u>443,789</u>
<i>Personnel expenses:</i>		
Wages and salaries	2,028,076	3,591,633
Contributions to superannuation plans	144,785	248,782
Total personnel expenses	<u>2,172,861</u>	<u>3,840,415</u>
Number of employees at year end (full time equivalents)	<u>23</u>	<u>43</u>
14 Reserves and Equity		
Retained Earnings at beginning of year	672,685	596,642
Surplus/(deficit) for the year	(321,372)	76,043
Other Comprehensive Income	0	0
Total Comprehensive Income for the year	<u>(321,372)</u>	<u>76,043</u>
Total Equity at end of year	<u>351,313</u>	<u>672,685</u>

Retained earnings

Each year when budgets for the following year are being formulated, an estimate is made of an optimum level of retained earnings. That optimum level takes into account a solvency buffer and the necessary funding of the basic infrastructure of the Foundation. Basic infrastructure includes receivables, inventories, equipment and vehicles. The excess of actual retained earnings over the optimum level so calculated is remitted to the National Heart Foundation of Australia as a contribution towards national health programs and research.

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

Assets held in trust

From time to time the Foundation is appointed as trustee in relation to funds to be applied for research or other programs related to cardiovascular health. As no equity is held in those assets they are excluded from the financial statements.

	2013	2012
	\$	\$
The Vincent & John Patrick Cahill Medical Research Trust Fund		
Balance brought forward	465,079	442,025
Interest and funds received	15,169	23,054
Less Payments in accordance with Trust	(225,000)	0
Balance carried forward	255,248	465,079

15 Company limited by guarantee

The National Heart Foundation (Queensland) is a company incorporated in Australia under the Corporations Act 2001 as a company limited by guarantee. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time that they are a member, or within one year afterwards for payment of the debts and liabilities of the company contracted before the time at which they cease to become a member and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves such an amount as may be required not exceeding the sum of \$4.

As at 31 December 2013 there were 9 members (2012: 6 members) of the Foundation.

At 31 December 2013 the total liability for membership in the event the Foundation is wound up would be \$24.

16 Related parties**Key management personnel and director related parties**

The following were key management personnel of the Foundation at any time during the reporting period, and, unless otherwise indicated were directors or executive staff of the Foundation for the entire period:

Non executive directors

Dr Roger K Wilkinson, MBBS, BA, M.Litt., FRACP, FCSANZ
 Professor Malcolm J West, AM, BSc, MBBS, PhD, FRACP
 Mr Brett Delaney, BCom, FCA, MAICD
 Mr Paul K Bird, GradDipBusAdmin, BA, FPRIA, FAICD
 Mr John Cowen, LLM BCL Sol. BL (Vic) TEP
 Associate Professor David Colquhoun, MBBS, FRACP, FCSANZ
 Mr Tim Sayer, BA LLB (UQ), LLM (USyd), Dip.Soc.Stud (Oxon)
 Ms Rebecca Treston, QC
 Professor Michael Good, AO, FASM, FRACP, FQA, FTSE

Non executive directors did not receive any remuneration from the Foundation during the current or previous financial year. Apart from details disclosed in this note, no director has entered into a material contract with the Foundation since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

Executive Staff

Mr Stephen Vines, MBA, BBus Mgmt, MAICD, Chief Executive Officer
 Mr Cameron Prout, BHMS, BA (Rec Mgt), Chief Executive Officer (resigned April 2013)
 Ms Rachelle Foreman, MPhil, MScST, BAppSc (HMS), Health Director
 Mrs Catherine Donald, BCom, Finance Director
 Mr Bruce Macdonald, BAgSc, DipEd, Fundraising Director
 Ms Jacqui Molensen, BA, BBusComm, MBA, Marketing & Communications Director

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

16 Related Parties (continued)

The compensation of key management personnel was as follows:

Short term employee benefits

Total

	2013 \$	2012 \$
	744,560	545,134
	744,560	545,134

Other related parties

Classes of other related parties are the National Heart Foundation of Australia ("National") and all other state and territory divisions ("Divisions") and directors of related parties and their director-related entities. The Foundation makes grants to the National Heart Foundation of Australia primarily to fund research and other health programs conducted on an Australia-wide basis. Such grants are payable under the terms of the Federation agreement between the Foundation and the National Heart Foundation of Australia. The grant payable by the Foundation is equal to its net operating surplus (payable monthly in arrears) representing the excess of income received less capital expenditure and operating expenditure (excluding depreciation). If there is a deficit from application of the above arrangement, a grant is paid by National to the Foundation. The aggregate amounts included in surplus/deficit from ordinary activities that resulted from transactions with other related parties are:

	2013 \$	2012 \$
Contributions received from sale of services - Divisions	4,249,717	3,075,789
Contributions paid for purchase of services - Divisions	6,273,094	3,593,387
Grants for research and other national initiatives - National	3,983,015	4,417,983
Contribution paid for Rent - National	257,712	257,712

Amounts receivable and payable to non-director related parties are shown in notes 8 and 11 respectively.

17 Subsequent events

No matter or circumstances have arisen in the interval between the end of the financial year and the date of this report, which are likely in the opinion of the Directors to significantly affect the operations of the Foundation, the results of the operations or the state of affairs of the Foundation, in future financial years.

18 Financial instruments

Exposure to credit, liquidity, market, interest rate, other market price and operational risks arises in the normal course of the Foundation's business.

Credit risk

Credit risk is the risk of financial loss to the Foundation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The Foundation does not require collateral in respect of financial assets. The credit risk relating to the Foundation's financial assets which are recognised in the statement of financial position is the carrying amount of such assets, net of any allowances for impairment in respect of trade receivables.

Investments are allowed only in liquid securities and equity securities in Australian shares that are in compliance with the Foundation's investment policy. Management does not expect any counterparty to fail to meet its obligations as the Foundation's financial assets have high credit quality.

At the reporting date there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position as summarised below:

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

18 Financial instruments (continued)

	Notes	2013 \$	2012 \$
Financial assets			
Cash	7a	1,032,141	1,915,746
Trade and other receivables	8	287,386	259,381
Investments - listed shares	9	0	3,421
Investments - unlisted units in managed funds	9	40,150	22,408
		1,359,677	2,200,956

Impairment losses from trade receivables

Of the Foundation's trade receivables balance of \$287,386, \$165,656 is past due (2012: \$8,723).

Based on receivables history, the Foundation believes that no further impairment allowance is necessary in respect of trade receivables, as trade and other receivables predominately relate to the National Heart Foundation and other Divisions (refer Note 8).

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Trade and other payables, and grants income deferred have contractual cashflows which are 6 months or less. The maximum exposure to liquidity risk is represented by the carrying amount of each financial liability in the statement of financial position as summarised below:

	Notes	2013 \$	2012 \$
Non derivative financial liabilities			
Trade and other payables	11	552,716	858,946
Grants income deferred	12	370,747	387,742
		923,463	1,246,688

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board.

Interest rate risk

The Foundation has limited exposure to interest rate risk as it does not have borrowings or fixed rate debt securities that would change in their fair value due to changes in interest rates.

The Foundation's exposure to this risk is controlled by ensuring that cash securities are limited to short dated bank bills no longer than 90 days.

Investments in short-term receivables and payables are not exposed to interest rate risk. The exposure to interest rate risk for financial assets and liabilities at the reporting date are shown below in the *Sensitivity Analysis Disclosure*.

Sensitivity Analysis Disclosure

The Foundation's financial instruments subject to changes in market prices include cash and cash equivalents, comprising of cash at bank, cash call accounts and term deposits. Based on historic movements and volatilities in these market variables, and management's knowledge and experience of the financial markets, the Foundation believes the following movements are 'reasonably possible' over a 12 month period:

- A parallel shift of +1%/-1% in market interest rates (AUD) from year end rates of 3%
- Proportional other market price risk movement of equity securities listed on the ASX index of +10%/-10%

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

18 Financial instruments (continued)

	2013					2012				
		-1%		+1%			-1%		+1%	
Carrying Amount/ Face Value	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	Carrying Amount/ Market Price	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	
Interest rate risk	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets										
Cash at bank	1,032,141	(10,321)	(10,321)	10,321	10,321	1,915,746	(19,157)	(19,157)	19,157	19,157
Total increase/(decrease)		(10,321)	(10,321)	10,322	10,321		(19,157)	(19,157)	19,157	19,157

	2013					2012				
		-10%		+10%			-10%		+10%	
Carrying Amount/ Market Value	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	Carrying Amount	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	
Other market price risk	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets										
Investments - listed shares	0	0	0	0	0	3,421	(342)	(342)	342	342
Investments - unlisted units in managed funds	40,150	(4,015)	(4,015)	4,015	4,015	22,408	(2,241)	(2,241)	2,241	2,241
Total increase/(decrease)		(4,015)	(4,015)	4,015	4,015		(2,583)	(2,583)	2,583	2,583

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as:

- Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie: as prices) or indirectly (ie: derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Notes	The Foundation		
		Level 1	Level 2	Level 3
		\$	\$	\$
31 December 2013				
Investments	9	0	40,150	0
		0	40,150	0
		The Foundation		
		Level 1	Level 2	Level 3
		\$	\$	\$
31 December 2012				
Investments	9	3,421	22,408	0
		3,421	22,408	0

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

18 Financial instruments (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Foundation's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the Foundation's operations.

The Foundation's objective is to manage operational risk so as to prevent financial losses and damage to the Foundation's reputation. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the management of the Foundation. This responsibility is supported by the development of overall guidelines for the management of risk in the following areas:

- requirements for appropriate segregation of duties including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced and adequacy of controls and procedures to address the risks identified
- development of contingency plans
- ethical and high level business standards
- risk mitigation including insurance

Compliance with standards is supported by a programme of periodic reviews of internal controls undertaken by internal audit. The results of these reviews are discussed with the Foundation's management and submitted to the Board of the Foundation.

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001



Independent auditor's report to the members of National Heart Foundation of Australia (Queensland Division)

Report on the financial report

We have audited the accompanying financial report of National Heart Foundation of Australia (Queensland Division) (the Foundation), which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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. These Auditing 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 of the financial report that gives a true and fair view 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Foundation's financial position and of its performance.

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

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001



Independence

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

Basis for qualified auditor's opinion

Charitable fundraising is a significant source of revenue for the National Heart Foundation of Australia (Queensland Division). The Foundation has determined that it is impracticable to establish controls over the collection of charitable fundraising prior to entry into its financial records.

Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to charitable fundraising had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the charitable fundraising of the Foundation is complete.

Qualified auditor's opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of National Heart Foundation of Australia (Queensland Division) is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Foundation's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Tracey Barker'.

Tracey Barker
Partner

Brisbane
20 March 2014



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of National Heart Foundation of Australia (Queensland Division)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2013 there have been:

- (a) no contraventions of the auditor independence requirements as set out in 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.

KPMG

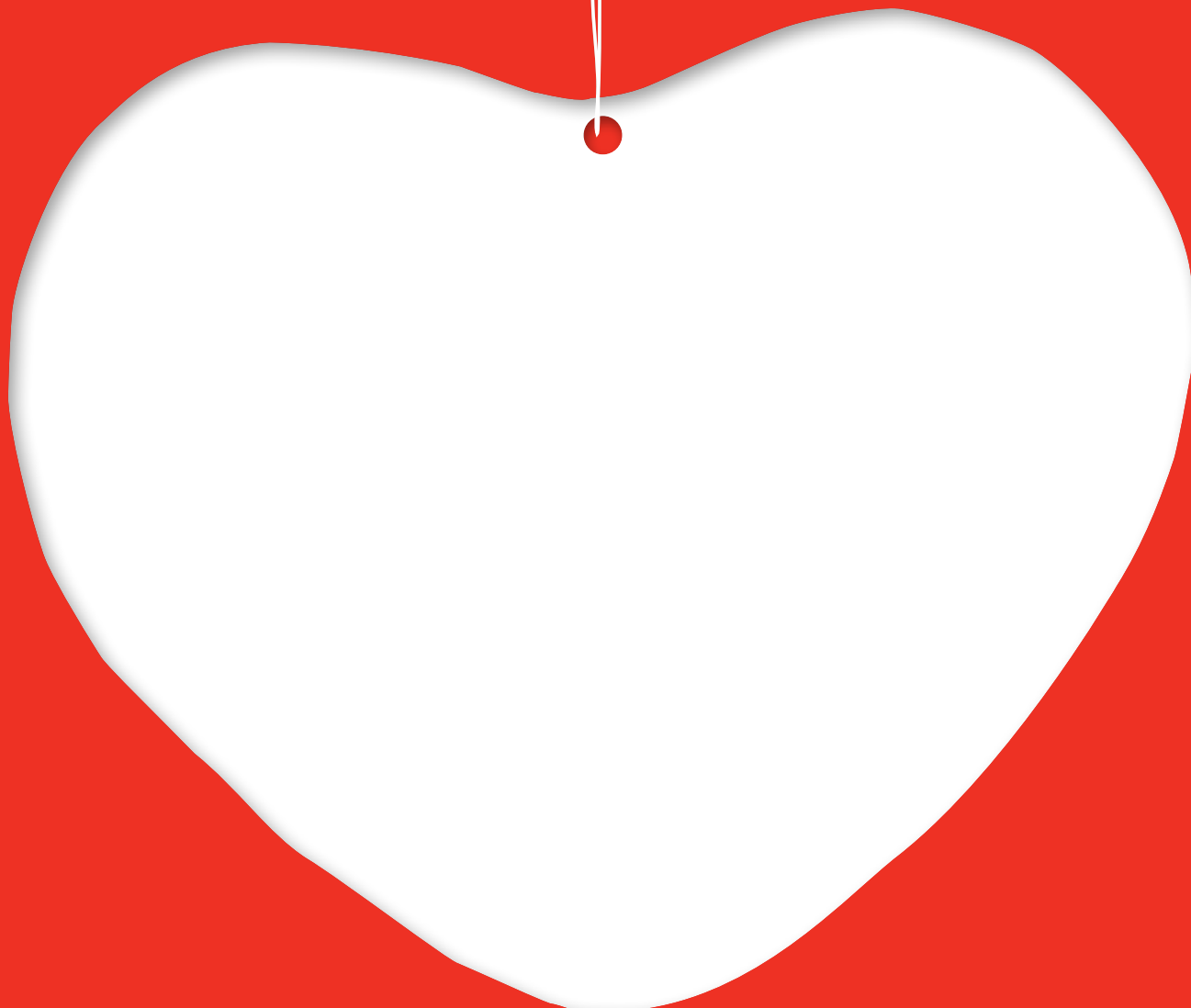
KPMG

Tracey Barker
Partner

Brisbane
20 March 2014

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