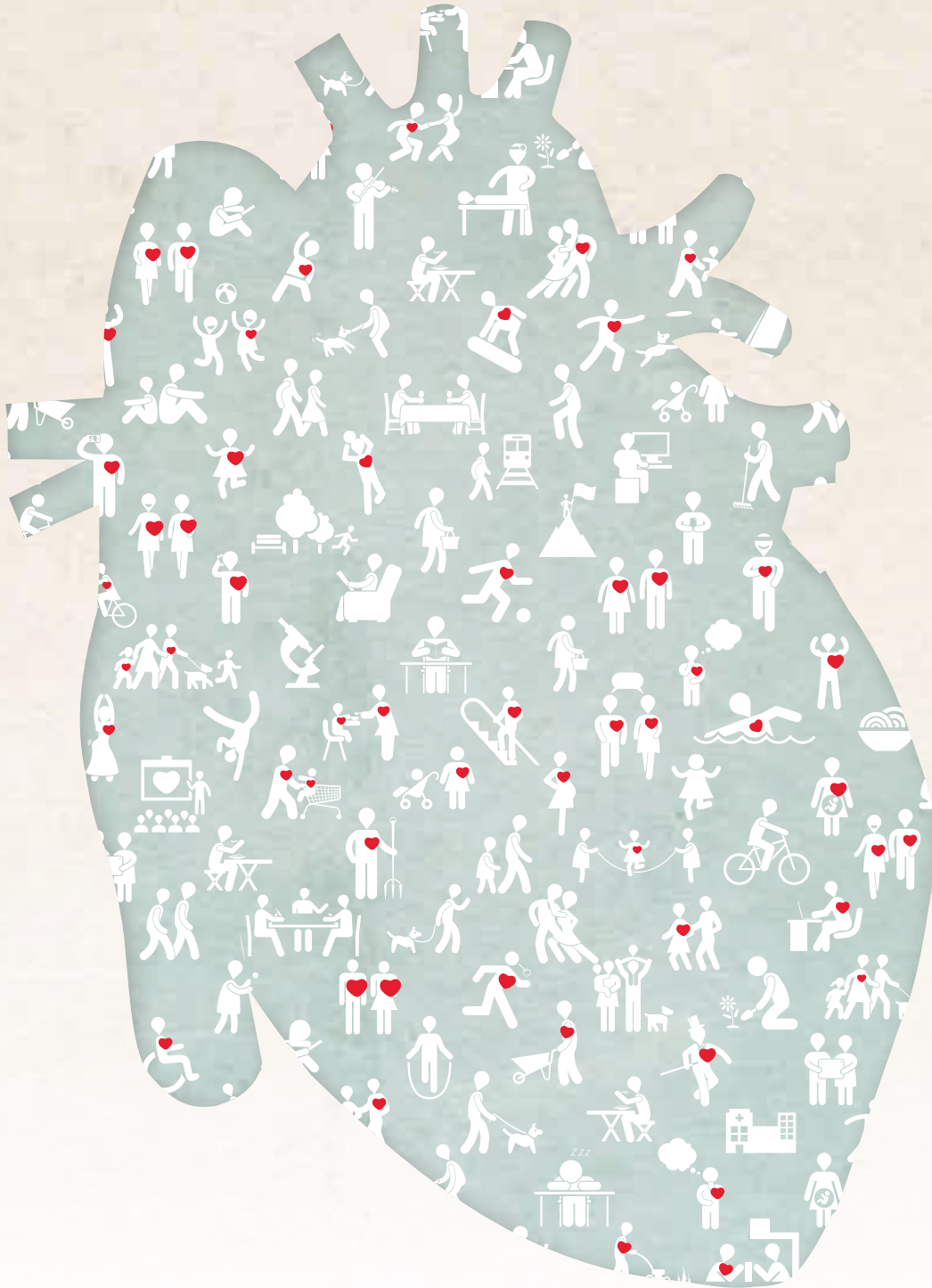


ANNUAL REPORT 2014



+ FINANCIAL STATEMENTS

National Heart Foundation of Australia
(Tasmania Division) ABN 17 009 481 707
For the year ended 31 December 2014



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Directors and Office Bearers

Patron

His Excellency The Honourable Peter Underwood AC, Governor of Tasmania.

His Excellency died in office on 7 July 2014.

Board of Directors

Chair & President

Mrs Stephanie Jaensch, BEcon, Dip Ed, GAICD (from 10 July 2014)

Mr Tony Harrison, LFPRIA, FAICD (from 24 June 2014 to 4 July 2014)

Mr Derris Gillam, BBus, FCPA, FAICD (to 12 May 2014)

Secretary/s

Mr Gene Phair, BCom, FCA

Mrs Kate Hanslow, BA, LLB (Hons)

Other Directors Appointed by Members

Mr Craig Barling, BCom, CA, GAICD (from 15 December 2014)

Mr Michael Harvey, BCom, FCPA, FAICD

Dr Faline Howes, BMedSci, MBBS (Hons), MPH, FRACGP

Dr Paul MacIntyre, MBChB, MD, FRACP

Prof Thomas Marwick, MBBS, PhD, MPH

Prof Mark Nelson, MBBS (Hons), MFM, FRACGP, FAFPHM, PhD (to 12 May 2014)

Assoc Prof Philip Roberts-Thomson, MBBS, FRACP, PhD, FCSANZ (to 12 May 2014)

Mr Roger McBain, BBus (from 24 March 2014 to 18 August 2014)

Chief Executive Officer

Mr Graeme B Lynch BCom (Melb.), LLB (Hons), GradDipLS (Tas.), FCPA, GAICD, FAIM

Auditor

KPMG

Registered Office

Level 1/89 Brisbane Street, Hobart 7000

Directors' Report

The Directors present their report together with the Financial Report of National Heart Foundation of Australia (Tasmania Division) ("the Foundation") for the year ended 31 December 2014 and the Independent Audit Report thereon.

Directors

The following Directors of the Foundation, all of whom are independent, non-executive and act in an honorary capacity, held office at any time during or since the end of the financial year:

Name and Qualifications	Experience and Special Responsibilities	Board meetings attended [#]	Appointment & Resignation
Mrs Stephanie Jaensch BEcon, Dip Ed, GAICD	<ul style="list-style-type: none"> ▪ Consultant with background in tourism, strategic planning, branding and product development ▪ Director, Crime Stoppers Tasmania ▪ Strong interest in community development 	4 out of 6	
Mr Tony Harrison LFPRIA, FAICD	<ul style="list-style-type: none"> ▪ Chairman Bright Company Pty Ltd ▪ Director Cricket Australia ▪ Chairman Cricket Tasmania 	2 out of 3	Resigned 4/07/2014
Mr Derris Gillam BBus, FCPA, FAICD	<ul style="list-style-type: none"> ▪ Director, National Heart Foundation of Australia & Chair of its Audit and Governance Committee ▪ Tasmanian Councillor, Australian Institute of Company Directors 	2 out of 2	Retired after 3 terms 12/05/2014
Mr Gene Phair BCom, FCA	<ul style="list-style-type: none"> ▪ Head of Corporate & Capital Management, IOOF Holdings Ltd. ▪ Board Member, The Hutchins School 	3 out of 6	
Mrs Kate Hanslow BA, LLB (Hons)	<ul style="list-style-type: none"> ▪ Senior Associate Lawyer, Worrall Lawyers, practicing in the areas of Estate Planning and Estate Litigation 	5 out of 6	
Mr Michael Harvey BCom, FCPA, FAICD	<ul style="list-style-type: none"> ▪ Private Accountant ▪ Former Chairman, Guilford Young College ▪ Former Commissioner, Tasmanian Catholic Education Commission 	6 out of 6	
Dr Faline Howes BMedSci, MBBS (Hons), MPH, FRACGP	<ul style="list-style-type: none"> ▪ General Practitioner ▪ PhD candidate, Menzies Institute for Medical Research, University of Tasmania ▪ Executive Member, High Blood Pressure Research Council of Australia ▪ Working Group Member, National Vascular Disease and Blood Pressure Advisory Council 	5 out of 6	
Dr Paul MacIntyre MBChB, MD, FRACP	<ul style="list-style-type: none"> ▪ Director of Cardiology, Royal Hobart Hospital 	2 out of 6	

Name and Qualifications	Experience and Special Responsibilities	Board meetings attended [#]	Appointment & Resignation
Prof Thomas Marwick MBBS, PhD, MPH	<ul style="list-style-type: none"> ▪ Director, Menzies Institute for Medical Research, University of Tasmania (UTas) ▪ Professor of Medicine, UTas ▪ Specialist in Cardiovascular Imaging, Cardiologist RHH ▪ Deputy Editor, JACC ▪ Associate Editor, JACC-Cardiovascular Imaging ▪ A Fellow of CSANZ, RACP, ACC, ESC 	5 out of 6	
Mr Craig Barling BCom, CA, GAICD	<ul style="list-style-type: none"> ▪ Chief Financial Officer, University of Tasmania ▪ Member, Institute of Chartered Accountants in Australia (ICAA) ▪ Director and Finance, Risk & Audit Committee Chair, Anglicare Tasmania Inc ▪ Former Director and Treasurer of the National Heart Foundation of Australia (Tasmania Division) from 18/8/2010 to 10/10/2012 	0 out of 0	Appointed 15/12/2014
Prof Mark Nelson MBBS (Hons), MFM, FRACGP, FAFPHM, PhD	<ul style="list-style-type: none"> ▪ Professor & Chair, Discipline of General Practice and Senior Member Menzies Institute for Medical Research, University of Tasmania ▪ Board Member, General Practice Training Tasmania ▪ Member, National Heart Foundation of Australia - Post Doctoral Fellowship Committee, and General Practice Reference Group ▪ Board Member Research Advisory Board, Australian Primary Health Care Research Institute, Australian National University 	1 out of 1	Retired after 3 terms 12/05/2014
Assoc Prof Philip Roberts-Thomson MBBS, FRACP, PhD, FCSANZ	<ul style="list-style-type: none"> ▪ Interventional Cardiologist ▪ Staff Specialist Cardiology, Royal Hobart Hospital ▪ Private Practice ▪ Fellow, Cardiac Society of Australia & New Zealand 	1 out of 1	Retired after 3 terms 12/05/2014
Mr Roger McBain BBus	<ul style="list-style-type: none"> ▪ Partner, Deloitte Touche Tohmatsu ▪ Member, Institute of Chartered Accountants in Australia (ICAA) ▪ Member, IPAA 	2 out of 2	Appointed 24/3/2014 Resigned 18/8/2014

[#] meetings attended and meetings held while the Director held office

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 applies the principles of good corporate governance to 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 purpose to reduce premature death and suffering from heart, stroke and blood vessel disease. The Board must ensure that this purpose is achieved in the most efficient and effective way.

The Foundation operates as part of a co-operative ("Federation") with Divisions in each of the other States and Territories of Australia and the National Heart Foundation of Australia ("National"). The relationships between all entities ("Members of the Federation") are set out in a Federation Agreement with the Divisions making grants to National to fund research and other health programs conducted on a national basis.

Oversight by the Board

The Board of the Foundation oversees and monitors the performance of management by:

- meeting at least five times during the year
- receiving detailed financial and other reports from management at those meetings
- receiving additional information and input from management when necessary
- receiving advice from Tasmanian Board Advisory Committees: Audit, Risk and Compliance; Governance; and Health
- reviewing advice from National Board Advisory Committees including: Cardiovascular Health; Finance; and Audit and Governance.

These National Board Committees are charged with responsibility to advise the National Board on particular aspects of the operations and administration of the Federation and setting of policies recommended for adoption by the Divisions

- each Tasmanian Board and National Board Advisory Committee operates under its own terms of reference approved by the respective Boards.

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
- ensure policies, processes and internal controls are in place which protect the integrity and reputation of the Foundation
- ensure that management information systems are in place and its financial reporting complies with international accounting principles and standards
- 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
- govern the operation of the Foundation in accordance with the Constitution and all legislative and regulatory requirements
- acting as an advocate for the Foundation whenever and wherever necessary.

Responsibilities of Management

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

Risk Management

The National Board oversees the establishment, implementation and regular review of the risk management system of the Federation, which is designed to protect its reputation and manage those risks that might preclude it from achieving its purpose. Management is responsible for adapting the National risk framework for approval by the Foundation's Board. The Foundation's Audit, Risk & Compliance Committee oversees this work and reviews Management reports prior to tabling before the Board.

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 purpose 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, staff, volunteers, the broader community, medical professionals, researchers, government, suppliers and other Members of the 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 Achievements of Objectives

The primary activities of the Foundation are directed towards achieving its purpose to reduce premature death and suffering from heart, stroke and blood vessel disease 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 Alignment to strategic plan "For All Hearts"

The Foundation has a five-year strategic plan, For All Hearts 2013-2017, aligned to our purpose to reduce premature death and suffering from heart, stroke and blood vessel disease.

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). [Benchmark 2012].

Performance Measures and Key Achievements in 2014

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, awareness, reputation and relevance.

Some key achievements against performance measures included significant increases in:

- personal relevance of the Foundation to Tasmanians 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 Tasmanian women
- unprompted awareness of the Tick brand; and
- awareness of atypical heart attack symptoms.

Review of Results and Operations for Current Year

A total cash income of \$2,392,831 was a significant result for the Foundation in 2014 and was achieved in an increasingly competitive charity fundraising environment.

Bequest income of \$536,102 for the year was significantly below the historical high level of 2013 but a solid result. The Foundation remains extremely grateful for the bequest income that is directed to the organisation by so many Tasmanians. The notifications of confirmed and intended bequests continued to grow during the year and is a strong indication of continuing strong results in future years.

This significant result overall enabled the Foundation to transfer \$220,177 to National for the delivery of Australia-wide health and research programs. The Foundation does not receive any untied financial support from the Government for general purposes apart from a contribution of \$50,000 in 2014 for our local Doorknock appeal. The only other income from Government sources are grants that are obtained by the Foundation through funding applications for specific programs.

During 2014 the Foundation played a major role both in its own right and through its leadership in a number of collaborations and alliances that significantly contributed to the following outcomes:

- re-establishment of the Tasmanian Parliament Joint Parliamentary Select Committee on Preventative Health
- announcement of a single, state-wide health system and Healthy Tasmania reforms by the newly elected State Government
- continuing engagement of the State Government and stakeholders in the State Policy for Healthy Spaces and Places under the *State Policies and Special Projects Act (Tas) 1993*
- support for Tobacco Free Generation proposed amendments to the *Public Health Act (Tas) 1997*.

The *One State, One Health System, Better Outcomes* reform process currently being undertaken by the State Government has provided a framework for the Foundation to continue its work in the planning and implementation of a state-wide cardiac service plan to ensure that the right heart care is delivered to the right person, at the right time, in the right place by the right person.

The Healthy Food Access Tasmania project has attracted significant community engagement state-wide on the release of research showing where the gaps exist across all Tasmanian Local government areas for availability, access and affordability of health fruit and vegetables. Grants totalling \$480,000 were announced by the Foundation in November to support six community partnerships state-wide to tackle these problems. This project is closely aligned to the social determinants of health and risk factor projects funded by the Commonwealth Government under

The Tasmanian Health Assistance through the Tasmania Medicare Local (“TML”).

A record total amount in any one year of \$1,280,000 was announced under the Heart Foundation’s National Research Program for cardiovascular disease research to be undertaken in Tasmania. This announcement means that ten researchers will be working on projects in Tasmania in 2015 funded by Heart Foundation donors.

A comprehensive discussion about the activities of the Foundation and the consolidated entity can be found in the 2014 Annual Review.

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 is 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. The full impact of carbon tax legislation is yet to be determined as at the date of this report.

Insurance Premiums

Since the end of the previous financial year the National has paid insurance premiums on behalf of the Foundation in respect of 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.

Lead Auditor’s Declaration of Independence is set out on page 10 and forms part of the Directors Report for Financial Year 2014.

Dated at Hobart this 30th day of March 2015.

Signed in accordance with a resolution of the Directors.



Stephanie Jaensch
President



Gene Phair
Chair
Audit, Risk & Compliance Committee

Review of Results and Operations

Past Five Years

	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$
Income & Expenditure					
Charitable support – bequests	536,102	1,764,056	708,494	637,093	1,035,023
Charitable support – non-bequests	1,301,891	1,566,692	1,787,224	1,597,503	1,218,959
Fundraising income	1,837,992	3,330,748	2,495,718	2,234,596	2,253,982
Investment income	7,900	6,346	11,800	7,547	5,947
Government non-reciprocal grants	-	44,965	36,773	87,948	122,331
Grants for specific health programs	545,739	56,166	33,451	33,733	21,750
Grants for specific fundraising & communications programs	-	-	8,961	13,448	26,423
Other income	1,200	1,141	848,624	1,464	442
Total cash income	2,392,831	3,439,366	3,435,327	2,378,736	2,430,875

Total income	2,392,831	3,439,366	3,435,327	2,378,736	2,430,875
Less: Fundraising expenditure	(964,347)	(1,343,766)	(1,476,770)	(1,382,275)	(931,505)
Communications & administration	(195,697)	(251,116)	(362,389)	(157,044)	(160,905)
Surplus available for health programs & research	1,232,787	1,844,484	1,596,168	839,417	1,338,465
Health programs conducted locally	(1,101,465)	(694,694)	(718,722)	(735,514)	(741,265)
Contributions to National health programs & research	(220,177)	(1,232,206)	(949,393)	(120,519)	(614,782)
Balance added to/(deducted from) equity	(88,855)	(82,416)	(71,947)	(16,616)	(17,582)
Ratios:					
Fundraising expenditure to fundraising income	52%	40%	59%	61%	41%
Surplus from fundraising to fundraising income	48%	60%	41%	39%	59%
Surplus available for health programs & research to total income	52%	54%	46%	39%	55%
Expenditure on health programs & research to total income	55%	56%	49%	36%	56%
Expenditure on health programs & research to total expenditure	53%	55%	48%	37%	55%
Annual increase/decrease in expenditure on health programs & research	(31%)	16%	95%	(37%)	60%

	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$
Assets & Liabilities					
Cash & investments	108,662	602,366	320,278	387,744	354,255
Freehold properties	-	-	-	351,896	359,130
Computers, cars & equipment	207,776	248,248	288,002	101,480	91,213
Other assets	226,451	191,244	137,575	116,898	35,419
Total assets	542,889	1,041,858	745,855	958,018	840,017
Total liabilities	(268,753)	(678,867)	(300,448)	(440,664)	(306,048)
Total equity	274,136	362,991	445,407	517,354	533,969

Set out above is a comparative table of Income & Expenditure and Assets & Liabilities for the past five years, including relevant ratios. Charitable support from the general public through bequest and non-bequest programs decreased in 2014 against the previous year by 45% owing to the large fluctuation in bequest income between 2013 and 2014.

Grants for specific health programs shows a 440% increase on 2013 which relates to funding support from TML for the Healthy Food Access Project. Fundraising expenditure to fundraising income shows a five year average of 50.8%. While total expenditure on health programs and research declined in 2014, TML funding contributed to an increase of 59% in expenditure on local programs during the year.

As a result of strong financial performance over the past five years, the Foundation has been able to contribute \$3,137,078 to National health and research programs. Comparative figures for Charitable support – non-bequests in the years 2011-2013 also reflect income from raffles and face-to-face fundraising which were not continued from 2014.

Auditor's Declaration of Independence



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

David Howie
Partner

Hobart

30 March 2015



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KPMG network, a global organization of independent member firms affiliated with the

Statement of Surplus or Deficit and other Comprehensive Income

For the year ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue			
Revenue from operating activities	4	2,384,931	3,433,020
Total revenue		<u>2,384,931</u>	<u>3,433,020</u>
Expenditure			
Health programs (including those funded by grants)		(1,081,465)	(694,694)
Research		(20,000)	-
Fundraising (including those funded by grants)		(964,187)	(1,342,052)
Cost of goods sold		(160)	(1,714)
Reputation, communications and publicity		(113,120)	(117,491)
Resource management		(39,847)	(89,846)
Depreciation	9	(42,730)	(43,779)
Total expenditure		<u>(2,261,509)</u>	<u>(2,289,576)</u>
Finance income	6	7,900	6,346
Net Surplus/(deficit)		<u>131,322</u>	<u>1,149,790</u>
Comprehensive income for the period		131,322	1,149,790
Grants for research and other national initiatives (to)/from National		(220,177)	(1,232,206)
Total comprehensive income for the year		<u>(88,855)</u>	<u>(82,416)</u>

Statement of Changes in Equity

As at 31 December 2014

	Note	2014 \$	2013 \$
Balance of Equity as at 1 January		<u>362,991</u>	<u>445,407</u>
Comprehensive income for period			
Surplus/(Deficit)		(88,855)	(82,416)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(88,855)</u>	<u>(82,416)</u>
Balance of Equity as at 31 December		<u>274,136</u>	<u>362,991</u>

The accompanying Notes 1 to 18 are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	7a	108,662	602,366
Trade and other receivables	8	226,451	190,622
Inventory		-	622
Total current assets		<u>335,113</u>	<u>793,610</u>
Non-current assets			
Property, equipment and vehicles	9	<u>207,776</u>	<u>248,248</u>
Total non-current assets		<u>207,776</u>	<u>248,248</u>
Total Assets		<u>542,889</u>	<u>1,041,858</u>
Current liabilities			
Trade and other payables	10	67,374	334,022
Grants income deferred	11	86,012	251,750
Employee benefits	12	<u>96,820</u>	<u>61,780</u>
Total current liabilities		<u>250,206</u>	<u>647,552</u>
Non-current liabilities			
Employee benefits	12	<u>18,547</u>	<u>31,315</u>
Total liabilities		<u>268,753</u>	<u>678,867</u>
Net assets		<u>274,136</u>	<u>362,991</u>
Equity			
Accumulated surplus	13	<u>274,136</u>	<u>362,991</u>
Total equity		<u><u>274,136</u></u>	<u><u>362,991</u></u>

Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Cash receipts in the course of operations		2,259,635	3,485,893
Cash payments in the course of operations		(1,710,622)	(1,973,783)
Net grants made to National Heart Foundation of Australia		(1,048,359)	(1,232,206)
Net financial income		7,900	6,346
Net cash from/(payments for) operating activities	7b	<u>(491,446)</u>	<u>286,250</u>
Cash flows from investing activities			
Acquisition of property, equipment and vehicles and computer software		<u>(2,258)</u>	<u>(4,163)</u>
Net payments for investing activities		<u>(2,258)</u>	<u>(4,163)</u>
Net increase/ (decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January		<u>602,366</u>	<u>320,278</u>
Cash and cash equivalents at 31 December	7a	<u><u>108,662</u></u>	<u><u>602,366</u></u>

The accompanying Notes 1 to 18 are an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2014

1 Reporting entity

The National Heart Foundation of Australia (Tasmania Division) (the "Foundation") (ABN 17 009 481 707) is a company domiciled in Australia. The address of the Foundation's registered office is Level 1, 89 Brisbane Street, Hobart, Tasmania 7000. The Foundation is a not-for-profit charity, registered under the *Australian Charities and Not-For-Profits Commission Act 2012*, devoted to reducing premature death and suffering 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 Standard (AAS) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-For-Profits Commission Act 2012*. The financial report was authorised for issue by the Directors on 30th March 2015

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for any equity instruments the Foundation may hold which will be 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 judgements, 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 judgements. 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 estimates are revised and any future periods affected.

Significant accounting judgements

The Foundation has entered into lease for premises as disclosed in Note 16. Management has determined that all of the risks and rewards of ownership of these premises remain with the lessor and has therefore classified the lease an operating lease.

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 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 (refer to Note 12).

2 Basis of preparation (continued)**(e) Change of accounting policies**

The Foundation has applied the revised AASB119 (2011) and therefore changed the definition of short term and long term employee benefits to clarify the distinction between the two. The effect of this, applied retrospectively has been to re classify annual leave as a long term employee benefit under the Standard's new definition, and measure annual leave at an actuarial present value (changed from an undiscounted value). The liability still remains a current liability. Refer to Note 12 and Note 15. There has been no material change in the prior year's re-measurement of annual leave.

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 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 Australian Taxation Office (ATO).

(iii) Grants for health programs (income deferred)

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 grants 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 to be completed are carried forward as grants income deferred as recognised in Note 11. In the circumstances where the terms of the grants stipulate that any unexpended funds are to be returned to the sponsor these unexpended funds are held as deferred income until such time as they are returned to the funding body. Where the terms of the grant do not stipulate that unexpended funds are to be returned to the funding body they are recognised as revenue once all agreed project outcomes and specified work has been completed.

(iv) 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 Tasmania also supported the Foundation by participating and raising funds through the Jump Rope for Heart program, in total this involved over 7,000 students and 33 schools and groups throughout Tasmania. The Foundation's Doorknock program successfully recruited over 3,800 volunteers to collect funds in 2014. 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) 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 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.

3 Significant accounting policies (continued)**(c) 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 falls under item 1 of the table in section 30-15 of the *Income Tax Assessment Act 1997*.

(d) Trade and other receivables

Trade and other receivables are measured at cost less impairment losses, this being equivalent to amortised cost.

(e) Property, equipment and vehicles*(i) Recognition and measurement*

Items of property, equipment and vehicles are measured at cost less accumulated depreciation and impairment losses [refer to Note 3 (i) (iii)]. 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 property, equipment and vehicles, are determined by comparing the proceeds from the disposal with the carrying amount of property, equipment and vehicles and are recognised on a net basis in the Statement of Surplus or Deficit and Other Comprehensive Income.

(ii) Depreciation

Depreciation is charged to the Statement of Surplus or Deficit and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each item of property, equipment and vehicles from the date they are acquired and are ready for use. The estimated useful lives in the current and comparative periods are as follows:

- | | |
|----------------------------------|------------|
| • leasehold improvements | 5-10 years |
| • office furniture and equipment | 3-10 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.

(f) Operating leases

Leases in terms of which the Foundation does not assume substantially all the risks and benefits of ownership 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 operating 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 (refer to Note 16).

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

The Foundation early-adopted AASB 9 Financial Instruments with a date of initial application of 1 January 2011. The Foundation initially recognises financial assets on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the then initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The Foundation subsequently measures financial assets at either amortised cost or fair value. The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

On initial recognition, the Foundation classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. In accordance with the transitional provisions of AASB9 (2011), the classification of financial assets that the Foundation held at the date of initial application was based on the facts and circumstances of the business model in which the financial assets were held at that date.

(i) Other financial instruments

A financial instrument is recognised on the date the Foundation becomes party to the contractual provisions of the instrument. 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 instruments are measured at amortised costs using effective interest method, less any impairment losses.

(ii) 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. Term deposits maturing beyond 90 days are classified as investments.

(h) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument. The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Foundation classifies all other non-derivative financial liabilities into the amortised cost measurement category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities comprise trade and other payables that are stated at cost, this being equivalent to amortised costs.

3 Significant accounting policies (continued)**(i) Impairment***(i) Non-derivative financial assets including receivables*

Each financial asset apart from those classified at fair value through other comprehensive income is assessed at each reporting date to determine whether there is any indication 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. 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 the Statement of Surplus or Deficit and Other Comprehensive Income. 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. An impairment loss for an individual asset measured under the cost model is recognised in the Statement of Surplus or Deficit and Other 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 Surplus or Deficit and Other Comprehensive Income to the extent that an impairment loss was previously recognised in the Statement of Surplus or Deficit and Other 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.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Impairment losses are recognised in the Statement of Surplus or Deficit and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

Trade and other payables are stated at cost, this being equivalent to amortised cost.

3 Significant accounting policies (continued)**(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, that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees rendered the related services. These are calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Foundation expect to pay at each reporting date.

(ii) Long term benefits

The provision for employee entitlements to annual leave and long service leave represent obligations resulting from employees' services provided up to reporting date, that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees rendered the related services. These are at actuarial present values based on wage and salary rates, including related on-costs, which the Foundation expects to pay at each reporting date using:

- assumed rate of future increases in wage and salary rates: 2014: 2% (2013: 2%)
- discount rate based on national government securities which most closely match the terms to maturity of the related liabilities: 2014: 2.81% (2013: 4.23%)
- expected settlement dates for annual leave 2014: 2 years (2013: 2 years)
- expected settlement dates based on turnover history: 2014: 10 years (2013: 10 years).

(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 Statement of Surplus or Deficit and Other Comprehensive Income 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) Segment reporting

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

(m) Finance income and finance costs

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

3 Significant accounting policies (continued)**(n) Financial risk management**

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

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. 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 Foundation's 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 Foundation's approach to capital management during the year. The Foundation is not subject to externally imposed capital requirements. Refer to Note 13 for the details on managing capital reserves.

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 National. National relies on net grants from the Divisions to fund its commitments. Such grants are receivable under the terms of a Federation Agreement of which National and the Foundation and the seven other Divisions are parties. 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.

(o) 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.

(p) Determination of fair values

A number of the Foundation's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Trade and other receivables/payables

The fair value of trade and other receivables/payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

	2014	2013
	\$	\$
4 Revenue from operating activities		
Charitable support - bequests	536,102	1,764,056
Charitable support - non-bequest	1,251,209	1,511,802
Charitable support - Department of Premier & Cabinet Doorknock Appeal	50,000	50,000
Sale of goods	681	4,890
<i>Total revenue from fundraising activities</i>	<u>1,837,992</u>	<u>3,330,748</u>
Grants for specific health programs - Government	535,739	44,965
Grants for specific health programs - other	10,000	56,166
Other - CVH income - sales & services	1,200	1,141
<i>Total revenue from other operating activities</i>	<u>546,939</u>	<u>102,272</u>
Total revenue from operating activities	<u><u>2,384,931</u></u>	<u><u>3,433,020</u></u>

5 Auditor's remuneration

2014: KPMG 2014 (2013: Wise Lord and Ferguson)

Audit services	<u>8,600</u>	<u>8,160</u>
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6 Finance income

Interest income	<u>7,900</u>	<u>6,346</u>
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7a Cash and cash equivalents

Cash and cash equivalents include bank accounts and short term deposits maturing within 90 days paying interest rates in 2014 of 1.00% to 2.50% (2013: 1.5% to 3.00%)

	<u>108,662</u>	<u>602,366</u>
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The Foundation's exposure to interest rate risk for financial assets and liabilities is disclosed in Note 18.

The carrying value of cash and cash equivalents is equal to fair value.

7b Reconciliation of cash flows from operating activities

Net surplus/(deficit) from operating activities	(88,855)	1,149,790
Adjustments for:		
Depreciation	42,730	43,779
Surplus/(loss) on disposal of assets	-	137
Net cash from/(payments for) operating activities before changes in working capital and provisions	(46,125)	1,193,706
(Increase)/decrease in receivables	(35,830)	(53,476)
(Increase)/decrease in inventories	622	(193)
Increase/(decrease) in payables	(266,647)	251,969
Increase/(decrease) in grants income deferred	(165,739)	130,690
Increase/(decrease) in employee benefits	22,273	(4,240)
Net cash from/(payments for) operating activities	<u>(491,446)</u>	<u>1,518,456</u>

8 Trade and other receivables	2014	2013
	\$	\$
Trade receivables owing by other National Heart Foundation Divisions	43,785	-
Trade receivables owing by National Heart Foundation of Australia	19,123	19,270
Other receivables and prepayments	163,543	171,352
	<u>226,451</u>	<u>190,622</u>

The carrying value of trade and other receivables is equal to fair value. The Foundation's exposure to credit risk relates to trade and other receivables is disclosed in Note 18.

9 Property, equipment and vehicles

	Office furniture & equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Cost				
Balance at 1 January 2013	81,641	51,514	213,519	346,674
Acquisitions	4,163	-	-	4,163
Disposals	(471)	-	-	(471)
Balance at 31 December 2013	85,333	51,514	213,519	350,366
Balance at 1 January 2014	85,333	51,514	213,519	350,366
Acquisitions	2,258	-	-	2,258
Balance at 31 December 2014	87,591	51,514	213,519	352,624
Depreciation & impairment losses				
Balance at 1 January 2013	34,133	9,675	14,864	58,672
Depreciation charge for the year	14,700	7,727	21,352	43,779
Disposals	(333)	-	-	(333)
Balance at 31 December 2013	48,500	17,402	36,216	102,118
Balance at 1 January 2014	48,500	17,402	36,216	102,118
Depreciation charge for the year	13,651	7,727	21,352	42,730
Balance at 31 December 2014	62,151	25,129	57,568	144,848
Carrying amounts				
At 1 January 2013	47,508	41,839	198,655	288,002
At 31 December 2013	36,833	34,112	177,303	248,248
At 1 January 2014	36,833	34,112	177,703	248,248
At 31 December 2014	25,440	26,385	155,951	207,776

	2014	2013
	\$	\$
10 Trade and other payables		
Trade payable to National Heart Foundation of Australia	22,803	252,805
Trade payable to other National Heart Foundation Divisions	-	13,944
Other payables and accrued expenses	44,571	67,273
	<u>67,374</u>	<u>334,022</u>

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

	2014	2013
	\$	\$
11 Grants income deferred		
Balance at 1 January	251,750	121,060
Amounts received	380,000	231,821
Income taken to revenue	(545,738)	(101,131)
Balance at 31 December	<u>86,012</u>	<u>251,750</u>
Buss Trust	2,099	2,099
Heart Foundation Honours Scholarship – Funded by Bruce Wall Trust	-	10,000
Health in all Policies – Funded by Max Bruce Trust	29,658	29,658
Glenorchy on the Go Heartmoves program – Funded by Dept of Heath & Human Services	10,004	14,147
Healthy Food Access – Tasmania Medicare Local	44,251	195,846
	<u>86,012</u>	<u>251,750</u>

The carrying value of grants income deferred is equal to fair value. The Foundation's exposure to liquidity risk relating grants income deferred is disclosed in Note 18.

	2014	2013
	\$	\$
12 Employee benefits		
<i>Aggregate liability of employee benefits, including on costs:</i>		
Current - annual leave and long service leave	96,820	61,780
Non-current - long service leave	18,547	31,315
Total employee benefits	<u>115,367</u>	<u>93,095</u>
<i>Personnel expenses:</i>		
Wages and salaries	794,828	800,727
Contributions to superannuation plans	58,614	53,117
Total personnel expenses	<u>853,442</u>	<u>853,844</u>

13 Reserves and Equity	2014	2013
	\$	\$
Accumulated surplus	274,136	362,991

Each year when budgets for the following year are being formulated, an estimate is made of an optimum level of accumulated surplus. 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, property, equipment and vehicles. The excess of actual accumulated surplus over the optimum level so calculated is remitted to the National Heart Foundation of Australia as a contribution towards national health programs and research.

14 Company limited by guarantee

The National Heart Foundation of Australia (Tasmania Division) 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 \$20. As at 31 December 2014 there were 29 Members (there were 30 Members in 2013).

15 Related parties

(a) Key management personnel disclosures 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 Management of the Foundation for the entire period:

Non-executive Directors

The names of each person holding the position of Director of the Foundation during the financial year are:

Mrs Stephanie Jaensch	
Mr Gene Phair	
Mrs Kate Hanslow	
Mr Michael Harvey	
Dr Faline Howes	
Dr Paul MacIntyre	
Prof Thomas Marwick	
Mr Craig Barling	(from 15/12/2014)
Mr Tony Harrison	(to 4/7/2014)
Prof Mark Nelson	(to 12/5/2014)
Assoc Prof Philip Roberts-Thomson	(to 12/5/2014)
Mr Derris Gillam	(to 12/5/2014)
Mr Roger McBain	(from 24/3/2014 to 18/8/2014)

Directors did not receive any remuneration from the Foundation during the 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.

15 Related parties (continued)**Executive management**

Chief Executive Officer – Mr Graeme Lynch	
Business Manager – Mrs Sue Harmsen	
Fundraising Director – Ms Melita Griffin	(to 8/8/2014)
Cardiovascular Health Director – Mrs Gillian Mangan	
Director Revenue & Brand – Alcuin Hacker	(from 29/9/14 to 23/12/2014)

The compensation of the key management personnel was as follows:

	2014	2013
	\$	\$
Short term employee benefits	422,129	461,791
Other long term employee benefits	931	7,747
Total	<u>423,060</u>	<u>469,538</u>

(b) Other related parties

Related parties are Members of the Federation and Directors of related parties and their Director-related entities. The Foundation makes grants to National, primarily to fund research and other initiatives conducted on an Australia-wide basis. Such grants are payable under the terms of the Federation Agreement parties to which are all Members of the Federation. 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 agreement, a grant is paid by National to the Foundation. Net Grants made by the Foundation to National were as follows:

Net Surplus/(Deficit) from operating activities	131,322	1,149,790
Contributions paid for purchase of services	-	756,969
Grants for research and other National initiatives (to)/from National	(220,177)	(1,232,206)

Amounts receivable and payable to non-director related parties are shown in Notes 8 and 10 respectively.

16 Capital and leasing commitments**Lease expenditure commitments***Office space*

Minimum lease payment not later than one year	90,575	89,719
Between one and five years	478,324	379,996
Later than five years	402,831	501,158
Aggregate lease expenditure contracted at reporting date	<u>971,730</u>	<u>970,873</u>

Lease of office space commenced on 1 January 2012.

A CPI adjustment occurred in October 2013, and a market review is due October 2016. The term of the lease is ten years, plus two consecutive five year options.

17 Subsequent events

The Foundation is not aware of any subsequent event that has occurred since the balance date that could materially affect these financial statements.

18 Financial instruments

Exposure to credit, liquidity, market, interest rate and other market price 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 and investments. The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was only Australia. At 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:

	Note	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	7a	108,662	602,366
Trade and other receivables	8	226,451	190,622
		335,113	792,988

Impairment losses from trade receivables

None of the Foundation's receivables are past due (2013: \$Nil). Based on receivables history, the Foundation believes that no impairment allowance is necessary in respect of trade receivables not past due.

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 cash flows which are six months or less. Provisions relating to obligations for office leases have contractual cash flow obligations until lease expiry, which is 10 years. 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:

	Note	2014 \$	2013 \$
Non-derivative financial liabilities			
Trade and other payables	10	67,374	334,022
Grants income deferred	11	86,012	251,750
		153,386	585,772

18 Financial instruments (continued)**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 risks for financial assets and financial liabilities at the reporting date are shown in the Sensitivity Disclosure Analysis.

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes all other variables remain constant. The analysis is performed on the same basis as 2013.

Sensitivity disclosure analysis

The Foundation's financial instruments subject to changes in market prices are 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 cash rates of 2.50% (2013: 1.5% to 3.00%)

Interest rate risk

	2014					2013				
	Carrying Amount \$	-1%		+1%		Carrying Amount \$	-1%		+1%	
		Profit \$	Equity \$	Profit \$	Equity \$		Profit \$	Equity \$	Profit \$	Equity \$
Financial assets										
Variable rate instruments										
Cash at bank	108,662	(1,087)	(1,087)	1,087	1,087	602,366	(6,024)	(6,024)	6,024	6,024

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 transaction
- 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 program 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.

Directors' Declaration

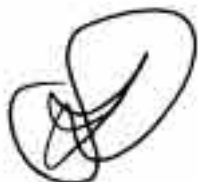
For the year ended 31 December 2014

In the opinion of the Directors of National Heart Foundation of Australia (Tasmania Division) ("the Foundation"):

- (a) the financial statements and Notes, set out on pages 13 to 27 are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* including:
- (i) giving a true and fair view of the Foundation's financial position as at 31 December 2014 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-For-Profits Regulations 2013.
- (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.

Dated at Hobart this 30th day of March 2015.

Signed in accordance with a resolution of the Directors.



Stephanie Jaensch
President



Gene Phair
Chair
Audit, Risk & Compliance Committee

Independent Audit Report



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

We have audited the accompanying financial report of the National Heart Foundation of Australia (Tasmanian Division) (the Foundation), which comprises the statements of financial position as at 31 December 2014, and statements of surplus or deficit and other comprehensive income, statements of changes in equity and statements 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 of the Foundation.

This audit report has also been prepared for the members of the Foundation pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) (collectively the Act and Regulations).

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 Act and Regulations. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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 Foundation'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 Foundation'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 gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, 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.



KPMG, a member firm of the member firms of the KPMG network, each of which is a separate legal entity. KPMG is a member firm of the KPMG network, each of which is a separate legal entity.

Independent Audit Report (continued)



Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor's opinion

In our opinion, the financial report of the National Heart Foundation of Australia (Tasmanian Division) is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

KPMG

David Howie
Partner

Hobart

30 March 2015

Corporate Support

We'd like to take this opportunity to thank some of our major corporate sponsors and supporters who gave to us so generously in 2014. As a charity, we rely on the support of the Tasmanian community to help us fund lifesaving research, community education and prevention programs.

Annual Gala Ball

In 2014, we celebrated the 22nd year of the Annual Gala Ball. This iconic event was made possible due to the following sponsors.

Presenting sponsor



Major sponsors



Table sponsors



Special thanks



Big Heart Appeal

The Premier of Tasmania, the Honourable Will Hodgman MP kicked off the Big Heart Appeal by announcing a \$50,000 donation on behalf of the Tasmanian Government.

A heart-felt thank you goes to the following organisations who have also “dug-deep” to support the Appeal, helping to fund research that could one day stop the heartache of heart disease.

Big Heart Appeal donations



The Select Foundation



Venue sponsor



Media sponsor



Melbourne Cup Luncheon



External Funding

Thank you to the following organisations and people that have supported our work by providing funding for specific programs:

Heart Foundation Honours Scholarships

- Funded by Bruce Wall Trust and the Select Foundation

Health in all Policies

- Funded by the Max Bruce Trust

Glenorchy on the Go program

- Funded by Dept of Health & Human Services

Volunteer Grants Program

– Funded by the Australian Government's
Department of Families, Housing, Community Services and Indigenous Affairs

Healthy Food Access Project

– Funded by Tasmania Medicare Local

The anonymous donors to the Keep Moving Program

(incorporating Heartmoves, Heart Foundation Walking
and the Jump Rope for Heart Outreach Program)

Heartmoves

A low to moderate intensity exercise program approved by cardiologists and designed for people who have had heart problems, or other chronic health conditions, and have been advised by their doctor to enjoy some form of mild exercise or have never exercised before.

Heart Foundation Jump Rope for Heart & Outreach Program

The Foundation's longest running health promotion program for schools promoting the benefits of physical activity. The Outreach Program recognises that schools are central to rural, remote and disadvantaged communities. By removing the obligation to fundraise, the Jump Rope for Heart program becomes more inclusive for these schools and an ideal vehicle through which to deliver key cardiovascular health messages to the broader community.

Health in All Policies

Aims for major prevention gains and health advances by bringing about changes and improvements in our social, physical and economic environments. It promotes policies for improved health across all areas of government. It is a way of encouraging all sectors to consider the health, well-being and equality impacts of their policies and practices. It acknowledges that health is a priority for government and that a healthier population can make a significant contribution to achieving the goals of all sectors of government.

Healthy Food Access Project

The Healthy Food Access Tasmania project commenced in December 2013 and will run over two and a half years, funded by Tasmania Medicare Local. The project mission is to make healthy food choices easy choices and will aim to increase the availability and improve access to fruit and vegetables (preferably locally grown) in communities across Tasmania. In a state well known for its amazing produce and abundance, unfortunately ready access is not available to all Tasmanians and the causes vary from town to town and region to region. The project will include:

- detailed scoping and mapping to measure the pricing and availability of healthy food across Tasmania
- identification of communities 'ready' to act collaboratively to develop solutions to improve access to fruit and vegetables
- funding projects to address local issues.

Our important partners are the University of Tasmania, local governments, growers, food retailers, schools and workplaces and a variety of community organisations. The project will be evaluated both internally and externally and will produce a 'tool kit' outlining the methods and approaches used in the project for others to use into the future.

Thank you

A special thank you belongs to the men and women who have chosen to include a gift in their Will to the Heart Foundation.

The foresight and support will help save many lives in the future.

Thank you again.

Trusts Held in Perpetuity

The Estate of the late Mildred Tonks

The Estate of the late Jean Esme Hughes

The Estate of the late Bruce Wall

Bequests 2014

The following estates were distributed in 2014

The Estate of the late Marcia Anna Atkinson

The Estate of the late Arthur John Beakley

The Estate of the late Clement Athol Bennett

The Estate of the late Jan Buy

The Estate of the late Elma Jean Chorley

The Estate of the late Barbara Ellen Clark

The Estate of the late Albert Joseph Cohnen

The Estate of the late Moreen Douglas

The Estate of the late Winsome Joy Fraser

The Estate of the late Raymond Frank Hattam

The Estate of the late Granville Jones

The Estate of the late Sara Muriel MacArthur

The Estate of the late David William Millhouse

The Estate of the late Mollie Lorraine Ogilvie

The Estate of the late Margaret Overstall

The Estate of the late Barbara Joan Pettit

The Estate of the late Joyce Emily Tait

The Estate of the late Eleanor Jean Trethewie

The Estate of the late James Selwyn Wells

Volunteer Support in 2014

Tasmanians were out in force volunteering for us in 2014.

- It was heart-warming to see the Tasmanian community rally to improve the health of our state with some **3,800 Tasmanian volunteers** who knocked on doors throughout the month of September as part of the Big Heart Appeal.
- There are over 100 Heart Foundation walking groups throughout Tasmania, led by **volunteer Walk Organisers** who go the extra mile to improve health through walking.
- Our Jump Rope for Heart Demonstration Teams **Illawarra Primary School, Waimea Heights Primary School, and Glen Dhu Primary School** continually show team spirit, commitment and passion for the program through their public performances and school displays.

We wish to also acknowledge and sincerely thank the following team of volunteers who support the staff of the Heart Foundation. Their support and assistance is invaluable to the day to day functioning of the Heart Foundation in Tasmania.

Weekly volunteers

Lena Bachinger
Christine Horswill
Rose Hurst
Julie Oakley
Tina Tokes
Lauraine Walker
Maureen Wallace

Community speakers

Nicholas D'Elia
Rebecca Kelly
Dr Michael Loughhead
Rose Marwick
Dr Martin Schultz
Associate Professor James Sharman
Associate Professor Velandai
Srikanth
Clinton White

Event MCs

John Xintavelonis
Jo Palmer
Polly Venning

Event speeches

Hon Elise Archer MP
Fiona Coote
Hon Craig Farrell MP
Heather Haselgrove
Margaret Kilby
Scott Mosen
Hon Nick McKim MP
Assoc Prof James Sharman
Ald Damon Thomas

Gala Ball Committee

Vicki Behrakis
Natalie Fulton
Steve Gray
Alfred Merse

Health Advisory Committee

Dr Ashutosh Hardikar
Dr Faline Howes
Dr Paul MacIntyre
Prof Tom Marwick
Prof Mark Nelson
Assoc Prof Philip Roberts-Thomson
Sue Sanderson
Assoc Prof James Sharman

Healthy Food Access Tasmania Reference Group

Stuart Auckland
Pat Burton
Rebecca Essex
Kate Hiscock
Sandra Murray
Fiona Price
Caitlin Saunders

Go Red for Women Ambassador

Jane Stephens

Heart Care Ambassadors

Emma Dwyer
Michael Finney
Julia Gheller
Vanessa Gillies
Samantha Kaye
Sue Nunn
Tom Shepherd
Mel Tuthill
Helen Woodfall



Our Values

integrity dynamic collaborative passionate visionary

Visionary

We are able to see the 'big picture' and articulate our vision of the future.

We inspire each other to help turn this into reality.

We are prepared to take calculated risks and feel empowered to make change.

Dynamic & Collaborative

We work together to achieve the Heart Foundation's purpose.

We communicate openly, debate the issues, and share our knowledge, expertise and experience so that we can utilise each other's strengths to best effect and learn from our mistakes and our success.

We are flexible and make timely decisions that enable us to shape and adapt to our changing environment.

Integrity

We will be respectful and transparent in all our actions.

We accept responsibility and stand up for what is right.

Passionate

We believe in what we do and are proud to work for the Heart Foundation.

Our energy and enthusiasm drives our performance and creates a positive and inspiring work environment.

Our Purpose

Our purpose is to reduce the premature death and suffering from heart, stroke and blood vessel disease.

For heart health information
1300 36 27 87
www.heartfoundation.org.au

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Australian Capital Territory

Canberra

Unit 1, Level 1, 17-23 Townshend Street
Phillip ACT 2606
T: (02) 6282 5744

New South Wales

Sydney

Level 3, 80 William Street
Sydney NSW 2011
T: (02) 9219 2444

Northern Territory

Darwin

Darwin Central Offices
Level 3, 21 Knuckey Street
Darwin NT 0800
T: (08) 8982 2700

Queensland

Brisbane

557 Gregory Terrace
Fortitude Valley QLD 4006
T: (07) 3872 2500

South Australia

Adelaide

155-159 Hutt Street
Adelaide SA 5000
T: (08) 8224 2888

Tasmania

Hobart

Level 1, 89 Brisbane Street
Hobart TAS 7000
T: (03) 6224 2722

Victoria

Melbourne

Level 12, 500 Collins Street
Melbourne VIC 3000
T: (03) 9329 8511

Western Australia

Perth

334 Rokeby Road
Subiaco WA 6008
T: (08) 9388 3343