

ANNUAL REPORT **2015**

+ FINANCIAL STATEMENTS



National Heart Foundation of Australia
(New South Wales Division) ABN 95 000 253 289
For the year ended 31 December 2015

New South Wales

Annual Report 2015 & Financial Statements

National Heart Foundation of Australia (NSW Division)

Adopted by NSW Board 4 April 2016

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Directors and Office Bearers

Patron

His Excellency General The Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales

Board of Directors

President

Ms R Davies BEc, LLB (hons), FAICD

Vice President

Ms G Schroder, GAICD

Chair Audit Committee

Ms K Hughes, BAcc, CA, GAICD

Directors

A/Prof R M Allan, MBBS, FRACP, FCSANZ, FACC
Prof D Brieger, MBBS, Mmed, PhD, FRACP
Mr L J Patton, BA, MCom, Grad Cert Mgt, FAICD (to 25 May 2015)
Mr G Selig, BEc
Mr D Shortland, LLB, Grad.Dip. Legal Practice, MAICD
Ms L Wilson, BCom

Nominee of the Cardiac Society of Australia and New Zealand

A/Professor S P Thomas, BMed, PhD, FRACP

Chief Executive

Kerry Doyle PSM, MAICD, BA (Hons) Class 1

Company Secretary

Kerry Doyle PSM, MAICD, BA (Hons) Class 1

Auditors

KPMG

Registered Office

Level 3, 80 William Street, East Sydney NSW 2011

Preferred Postal Address

PO Box 2222, Strawberry Hills BC NSW 2012

National Heart Foundation of Australia (New South Wales Division)

Directors' Report

for the year ended 31 December 2015

The directors present their report together with the general purpose financial report for the National Heart Foundation of Australia (NSW Division) ("the Foundation") for the year ended 31 December 2015 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 #	Appointment and resignation
A/Prof R M Allan MBBS, FRACP, FCSANZ, FACC	Interventional Cardiologist. Clinical Executive Director, Northern Sector, South Eastern Sydney Local Health District. Director, Eastern Heart Clinic Pty Ltd. Director, Eastcath Pty Ltd. Director, Prince of Wales Research Institute. Director, Mecafern Pty Ltd. Member, Heart Foundation Audit Committee (NSW Division).	5 / 6	Appointed 30 April 2008
Prof D Brieger MBBS, Mmed, PhD, FRACP	Head, coronary care and coronary interventions at Concord Hospital. Chair Heart Foundation Clinical Issues Committee. Member, Heart Foundation Remuneration & Nominations Committee (NSW Division).	5 / 6	Appointed 30 April 2009
Ms R Davies BEc, LLB (hons), FAICD President	Board Member, Heart Foundation (National Division). Chair, Heart Foundation Remuneration & Nominations Committee (NSW Division). Member, Heart Foundation Audit Committee (NSW Division). Non Executive Director, Palestrina Foundation Limited. Facilitator, Company Directors Course, AICD. Board member, Juvenile Diabetes Research Foundation Australia and International. Owner, Red coaching pty limited. Board Member, LCM Healthcare. Member Committee on Medical Research Innovation, appointed by Federal Health Minister Member Australian Health Ethics Committee, Appointed by Commonwealth Health Minister.	5 / 6	Appointed 30 April 2014
Ms K Hughes BAcc, CA, GAICD Chair NSW Audit Committee	Head of Specialised Services, Nab Private. Member, Heart Foundation National Finance Advisory Committee.	6 / 6	Appointed 15 May 2013
Mr L J Patton BA, MCom, Grad Cert Mgt, FAICD	Chief Executive Officer, Internet Australia; Member, Heart Foundation Audit Committee (NSW Division).	3 / 3	Appointed 11 April 2006 Retired 25 May 2015
Ms G Schroder GAICD Vice President	National Manager, Board & Corporate Services, Australian Institute of Company Directors. Member, Heart Foundation Remuneration & Nominations Committee (NSW Division).	6 / 6	Appointed 28 April 2010
Mr G Selig BEc	Executive Chairman, IVE Group. Member, Heart Foundation Audit Committee (NSW Division). Chair, NSW Cardiovascular Research Network Management Committee. Member Heart Foundation National Revenue & Brand Advisory Committee.	2 / 6	Appointed 28 October 2009
Mr D Shortland LLB, Grad.Dip. Legal Practice, MAICD	Governance specialist and communication counsel to boards and senior executives. Facilitator for the Australian Institute of Company Directors ('AICD') in Strategy & Risk and Governance and contributor to AICD's <i>Good Governance Principles and Guidance for Not-For-Profit Organisations</i> . Director of ChildFund Australia. Member, Heart Foundation National Audit & Governance Committee. Member Heart Foundation Audit Committee (NSW Division)	6 / 6	Appointed 30 April 2014
A/Prof S P Thomas BMed, PhD, FRACP Nominee Cardiac Society of Australia & New Zealand	Cardiologist and Director, Cardiac Laboratories at Westmead Hospital. Clinical Academic, University of Sydney. Clinical Associate Professor, Macquarie University.	6 / 6	Appointed 15 May 2013
Ms L Wilson, BCom	Senior Change Manager, National Australia Bank. Member Heart Foundation Remuneration & Nominations Committee (NSW Division)	5 / 6	Appointed 2 May 2012

meetings attended and meetings held while the director held office.

Meetings of Board Committees

Committee	Number of Meetings
Audit Committee	2
Remuneration & Nominations Committee	2

National Heart Foundation of Australia (New South Wales Division)

Directors' Report (continued) for the year ended 31 December 2015

Corporate Governance Statement

The Foundation is a company limited by guarantee, incorporated under the *Corporations Act 2001* and registered under the Australian Charities and Not-For-Profits Commission (ACNC). 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 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 ("National") to fund research and other health programs conducted on a National basis.

Oversight by the Board

The Board oversees and monitors the performance of management by:

- > Meeting 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 all 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.

Board members

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

Board members are appointed to ensure breadth of skill and knowledge across all areas of the Foundation's work. The current Board's qualifications, skills, experience and responsibilities appear on pages 3, 4 and 27.

The Board of Directors consist of: a President, a Vice President, a Director nominated by the Cardiac Society of Australia and New Zealand and up to 9 additional Directors. Directors are elected by the Members at annual general meetings of the Foundation. Directors may serve a maximum period of nine consecutive years and will not be eligible to stand for re-election on retirement after this period of time. Each year, as a minimum number, one third of the Directors of the Board shall retire from office but may stand for re-election by ordinary resolution of the Members immediately upon retirement.

Office bearers are elected by the Directors from their number at a meeting of the Directors immediately held on conclusion of each annual general meeting.

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.

National Heart Foundation of Australia (New South Wales Division)

Directors' Report (continued)
for the year ended 31 December 2015

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.

The Foundation performed a range of these activities directly within NSW and provided a significant contribution to the National Foundation to support the conduct of research and other cardiovascular health programs to enhance prevention and treatment on a national basis.

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 2013-2017, 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).

Performance Measures and Key Achievements in 2015

The Foundation within the Federation framework 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
- > awareness of risk factors by women; and
- > awareness of atypical heart attack symptoms.

Review of Results and Operations for Current Year

NSW Heart Care

Acute Rheumatic Fever and Rheumatic Heart Disease becomes a notifiable disease in NSW

Rheumatic heart disease is rare in non-Aboriginal Australians, yet we have one of the highest rates of rheumatic heart disease in the world due to its prevalence in our Aboriginal population.

NSW has shown strong leadership in improving the heart health of Aboriginal people with more than a decade of advocacy by the Heart Foundation leading to the COAG Better Cardiac Care for Aboriginal People Strategy now including an Acute Rheumatic Fever and Rheumatic Heart Disease register enabling proactive health management.

NSW pilot of 11 item minimum data set for Cardiac Rehabilitation

The statistics show between 2003 and 2013 the number of deaths from heart attack for both men and women dropped dramatically from 13,449 to 8,611. Cardiac Rehabilitation is the first critical step on the road to recovery after a heart attack and we know not enough people are completing their rehabilitation programs. In recognition of this, we've been working to produce a minimum data set for reporting which has now been endorsed by the NSW Cardiac Clinical Network and the NSW Ministry of Health and is being piloted in three Local Health districts in NSW.

Directors' Report (continued)
for the year ended 31 December 2015

Heart Health Campaign for Chinese communities: a model to adapt to other language groups

Collaborative efforts by the Heart Foundations NSW and Victoria and the NSW Multicultural Health Communication Service, facilitated the development of an impactful heart health communication campaign aimed at sharing information with the Chinese community. The campaign raises knowledge and understanding of the warning signs of a heart attack and the proactive steps that will reduce a person's risk.

Healthy Hearts

NSW Heart Foundation promotes Healthier Oils Program

To help improve the food supply and ultimately the health of our population the Heart Foundation, through its Healthier Oils initiative, has been encouraging more fast food outlets to use oils that are lower in trans and saturated fats. In order to extend the reach of this program expert staff attended the National Environmental Health Association conference in October to promote the initiative to Councils from across the country.

Lighting up the way in advocacy wins

Thanks to concerted efforts on a range of fronts rates of daily smoking have continued to drop with less than 15 per cent of adults smoking in 2014-15. Legislation which bans smoking in outdoor dining areas finally took effect on 6 July making outdoor dining environments smoke-free and safer from a health perspective.

In Tamworth, the local Council went one step further by adding electronic cigarettes into their smoke-free bans, a move that was congratulated by the Heart Foundation's Chief Executive who travelled to be there for the historical vote.

This year, the NSW Parliament also passed new legislation to regulate the sale of electronic cigarettes. The use of these devices threatens to reverse the significant health advances made in reducing smoking rates. We have achieved success in having the NSW Government acknowledge the risk and ban the marketing and sale of e-cigarettes to children.

Cycling for heart health

If physical activity came in the form of a pill no doubt we'd all be prescribed a daily dose which is why the Heart Foundation is focussed on encouraging more people to ride for fun, fitness and travel. As such, we partnered with Bicycle NSW on a major activity called Gear Up Girl. This annual event encourages females of all ages to become active bike riders. Nearly 1,000 females participated and it's hoped we can make this event bigger and better in 2016.

The Heart Foundation also supported the Tour Da Country ride to promote reconciliation and put the spotlight on Aboriginal Health.

Research

NSW Cardiovascular Research Network (CVRN)

The annual CVRN Showcase was held in October. The theme this year, Heart of a Woman, highlighted the critical importance of our Women and Heart Disease program. The NSW Minister for Health, The Hon. Jillian Skinner and Minister for Medical Research, The Hon. Pru Goward were both acknowledged for their ongoing commitment to cardiovascular research after the announcement of two years further funding for the CVRN.

The Heart Foundation believes there's great power in supporting collaboration between researchers as it enables sharing of highly specialised resources and equipment; cross collaboration on issues of mutual interest; and the stimulus for 'out of the box' ideas such as the collaborative project grant (valued at \$200K) awarded to Dr Lis Neubeck in 2015 from the University of Sydney for her novel approach to detecting atrial fibrillation in the general practice setting using an iPhone ECG. This easily scalable technology has the capacity to detect AF and prevent >1300 strokes from the first year alone.

Also utilising our increasingly technological approach to health is another \$200K grant we supported in 2015 awarded to A/Prof Julie Redfern from the George Institute. Treatment of chronic CV diseases are problematic from a compliance point of view. This study will be using simple text messaging which is linked to the hospital system to support, educate and motivate this large cohort of patients after their hospital discharge. Through the ongoing connection with these patients, and especially the vulnerable and at risk, this simple, cheap and scalable approach is expected to significantly reduce hospital re-admissions and improve health-outcomes.

Equity

Women and Heart Disease and Go Red for Women Community Grants

Since 2008, the Heart Foundation has been working to raise women's awareness of heart disease as the leading cause of death. So far awareness has been raised from two in ten women to four in ten, however there is an urgent need to do more.

In response to this, we've devised a comprehensive Women and Heart Disease campaign funded through the generosity of the philanthropic and corporate community in NSW. As part of this work we awarded five Go Red for Women Community Grants of \$10,000 to support organisations working within local communities to raise awareness of heart disease risk factors, warning signs and prevention, amongst women and the broader community. Funded projects include the development of a video featuring the heart health experiences of Aboriginal women on the South Coast, training of bilingual community educators in South West Sydney, and implementation of a series of community events promoting Go Red for Women in the Northern Rivers region.

National Heart Foundation of Australia (New South Wales Division)

Directors' Report (continued)
for the year ended 31 December 2015

Roping in Students to Jump Rope for Heart

Jump Rope for Heart is more relevant than ever before with one in four Australian children overweight or obese and 85 per cent not active enough. Through our Jump Rope for Heart Outreach program we've taken this one step further in NSW by reaching the schools in most need with physical activity and healthy eating messaging without the requirement for fundraising. The program is part of our attempts to improve heart health equity.

Our Project Officer visited each of the thirty two schools that participated this year conducting a skipping skills workshop. Schools were further supported by a range of program resources including a new DVD which showcased the skills of our first ever Outreach Demonstration Skipping Team – The *Deadly La Pa Skipping Crew* which is made up of 13 students from La Perouse Public School.

The production of the DVD and the program's continuation into 2016 has been made possible by the generosity of our donors.

Fundraising

The work of the Heart Foundation in NSW would not be possible without the generosity of our supporters. Philanthropic giving enables the Heart Foundation to deliver critical health programs, to raise awareness, build knowledge and to continue our advocacy efforts. We thank each and every one of our donors, volunteers and supporters who contribute time, energy, finances to help make our vision of protecting the heart health of all Australians, a reality. We appreciate your continued commitment and dedication to our cause.

In August, our largest team to date, more than 50 runners, including the Heart Foundation's NSW Chief Executive, Kerry Doyle and Cardiovascular Research Network (CVRN) Director, Kristina Cabala took part in the Sun-Herald City2Surf raising over \$51,000. The funds were put towards boosting the careers of emerging researchers through the NSW CVRN's Rising Stars Program.

The support of our local communities is critical in both communicating essential health messaging and raising essential funding. This year, around \$215,000 was raised as a result of the efforts of almost 1,900 active community fundraisers.

Review of Results and Operations for Past Five Years

Set out below is a comparative table of income & expenditure and assets & liabilities for the past five years, including relevant ratios. Income from fundraising is obtained in an increasingly competitive charity climate. Fundraising expenditure over the last 5 years averaged 28% of fundraising income. Fluctuations in the costs of fundraising can occur when new funding initiatives are at a development stage and revenues are not realised until the following year.

Five Year Financial Summary					
	2015	2014	2013	2012	2011
Income & Expenditure	\$'000	\$'000	\$'000	\$'000	\$'000
Charitable support – bequests	8,948	6,155	7,716	7,405	5,822
Charitable support - non-bequests	5,639	6,697	7,210	7,389	7,129
Fundraising income	14,587	12,852	14,926	14,794	12,951
Investment income	63	90	104	198	229
Government non-reciprocal grants	-	-	1,752	1,260	1,077
Grants for specific health programs	1,643	1,931	374	657	471
Grants for specific fundraising & communications programs	586	119	-	-	-
Other income	41	139	222	291	280
Total income	16,920	15,131	17,378	17,200	15,008
Less: Fundraising expenditure	(3,719)	(3,939)	(3,793)	(4,248)	(3,744)
Communications & administration	(533)	(417)	(535)	(392)	(457)
Surplus available for health programs & research	12,668	10,775	13,050	12,560	10,807
Health programs conducted locally	(4,516)	(4,684)	(5,315)	(5,190)	(4,969)
Net grants to National Heart Foundation of Australia	(8,539)	(5,941)	(8,870)	(7,430)	(6,109)
Balance added to/(deducted from) equity	(387)	150	(1,135)	(60)	(271)
Ratios:	%	%	%	%	%
Fundraising expenditure to fundraising income	25	31	25	29	29
Surplus from fundraising to fundraising income	75	69	75	71	71
Surplus available for health programs & research to total income	75	71	75	73	72
Expenditure on health programs and research to total income	77	70	82	73	74
Expenditure on health programs and research to total expenditure	75	71	77	73	74
Annual increase in expenditure on health programs & research	23	(25)	12	14	(11)
Assets & Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Investments	2,678	4,752	4,391	5,977	6,951
Freehold Land & Properties	267	-	-	-	-
Computers, motor vehicles & equipment	54	105	191	265	300
Other assets	604	390	423	1,435	1,054
Total assets	3,603	5,247	5,005	7,677	8,305
Total liabilities	(3,503)	(4,760)	(4,668)	(6,204)	(6,772)
Total equity	100	487	337	1,473	1,533

Directors' Report (continued)
for the year ended 31 December 2015

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 Entity.

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.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 34 and 35 and forms part of the directors' report for financial year 2015.

Signed in accordance with a resolution of the Directors.



Ms R Davies
President

Dated at Sydney this 4th day of April 2016

National Heart Foundation of Australia (New South Wales Division)

Directors' Declaration

for the year ended 31 December 2015

In the opinion of the directors of National Heart Foundation of Australia (**New South Wales Division**) ("the Foundation"):

- (a) the financial statements and notes, set out on pages 11 to 33, are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Foundations financial position as at 31 December 2015 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; 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.



Ms R Davies
President

Dated at Sydney this 4th day of April 2016

National Heart Foundation of Australia (New South Wales Division)

Statement of Surplus or Deficit and Other Comprehensive Income
for the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue			
Revenue from operating activities	4	16,857,976	15,040,834
Total revenue		16,857,976	15,040,834
Net gain/(loss) on sale of property, plant and equipment		3,076	1,857
Research		(1,242,737)	(1,216,715)
Health programs (including those funded by grants)		(3,273,281)	(3,467,097)
Fundraising		(3,719,042)	(3,938,813)
Cost of goods sold		(264)	(576)
Communications and publicity		(275,484)	(209,107)
Administration		(260,527)	(204,222)
Results from Operating activities		8,089,717	6,006,161
Finance income		63,385	85,060
Finance costs		(665)	-
Net Finance income	6	62,720	85,060
Net Surplus before Grants to National Heart Foundation of Australia	18	8,152,437	6,091,221
Net Grants to National Heart Foundation of Australia		(8,539,425)	(5,941,041)
(Deficit)/surplus for the year before tax		(386,988)	150,180
Income tax expense	3c	-	-
(Deficit)/surplus for the year after tax		(386,988)	150,180
Total other comprehensive income		-	-
Total comprehensive income for the year		(386,988)	150,180

The notes on pages 15 to 33 are an integral part of the financial statements

National Heart Foundation of Australia (New South Wales Division)

Statement of Financial Position
for the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	7a	2,678,434	4,752,378
Trade and other receivables	8	604,080	390,306
Total current assets		3,282,514	5,142,684
Non-current assets			
Property, plant, equipment and vehicles	9	321,111	104,883
Total non-current assets		321,111	104,883
Total assets		3,603,625	5,247,567
Current liabilities			
Trade and other payables	10	770,734	1,490,287
Grants income deferred	11	1,963,052	2,399,254
Employee benefits	12	401,300	393,976
Provisions	16	61,770	123,541
Total current liabilities		3,196,856	4,407,058
Non-current liabilities			
Employee benefits	12	38,013	30,813
Provisions	16	268,422	322,374
Total non-current liabilities		306,435	353,187
Total liabilities		3,503,291	4,760,245
Net assets		100,334	487,322
Equity			
Reserves		533,817	324,857
Retained earnings		(433,483)	162,465
Total equity	13	100,334	487,322

The notes on pages 15 to 33 are an integral part of the financial statements

National Heart Foundation of Australia (New South Wales Division)

Statement of Changes in Equity

as at 31 December 2015

	Reserves	Accumulated Surplus	Total
Balance of accumulated surplus as at 1 January 2014	-	337,142	337,142
Comprehensive income for the period			
Surplus	-	150,180	150,180
Transfers to reserves	324,857	(324,857)	-
Other comprehensive income	-	-	-
Total comprehensive income for the periods	<u>324,857</u>	<u>(174,677)</u>	<u>150,180</u>
Balance of accumulated surplus as at 31 December 2014	<u>324,857</u>	<u>162,465</u>	<u>487,322</u>
Balance of accumulated surplus as at 1 January 2015	324,857	162,465	487,322
Comprehensive income for the period			
(Deficit)	-	(386,988)	(386,988)
Transfers to reserves	208,960	(208,960)	-
Other comprehensive income	-	-	-
Total comprehensive income for the periods	<u>208,960</u>	<u>(595,948)</u>	<u>(386,988)</u>
Balance of accumulated surplus as at 31 December 2015	<u>533,817</u>	<u>(433,483)</u>	<u>100,334</u>

The notes on pages 15 to 33 are an integral part of these financial statements

National Heart Foundation of Australia (New South Wales Division)

Statement of Cash Flows
for the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		15,002,568	14,516,411
Cash payments in the course of operations		(6,232,656)	(6,307,757)
Net grants made to National Heart Foundation of Australia		(10,955,484)	(7,991,598)
Net financial income		111,186	127,275
Net cash from operating activities	7b	(2,074,386)	344,331
Cash flows from investing activities			
Proceeds from sale of property, equipment and vehicles		15,600	22,500
Acquisition of property, equipment, vehicles and computer software		(15,158)	(5,250)
Net cash from investing activities		442	17,250
Net increase in cash and cash equivalents		(2,073,944)	361,581
Cash and cash equivalents at 1 January		4,752,378	4,390,797
Cash and cash equivalents at 31 December	7a	2,678,434	4,752,378

The notes on pages 15 to 33 are an integral part of these financial statements

Notes to the Financial Statements

for the year ended 31 December 2015

1 Reporting entity

The National Heart Foundation of Australia (New South Wales Division) (the "Foundation") (ABN: 95 000 253 289) is a company domiciled in Australia. The address of the Foundation's registered office is **Level 3, 80 William Street, East Sydney NSW 2011**. The Foundation is a not for profit charity, registered under the Australian Charities and Not-For-Profits commission, 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 (AASBs) (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 4 April 2016.

(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 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 estimates are revised and any future periods affected.

Significant accounting judgments

The company has entered into leases of premises and office equipment as disclosed in Note 15. Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

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:

(i) Make good provisions

Provisions for future costs to return certain leased premises to their original condition are based on the Foundation's past experience with similar premises and estimates of likely restoration costs determined by the property manager of the leased premises. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated. Refer to note 16.

(ii) 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(j). The amount of these provisions would change should any of these factors change in the next 12 months. Refer to note 12.

(e) Changes in accounting policies

The Foundation has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

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 and research (deferred income)

Grants received for specific health programs or research are recognised as income only to the extent of work completed on those projects. Any 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.

(iv) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. Revenue from the sale of goods is recognised when control of the goods passes to the customer.

(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 New South Wales also supported the Foundation by participating and raising funds through the Jump Rope for Heart program. In total this involved over 84,501 children and 388 schools and groups throughout New South Wales. The Foundation's Big Heart Appeal program successfully recruited over 11,675 volunteers to collect funds in 2015. 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 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.

(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) Property, plant, equipment and vehicles

(i) Recognition and measurement

Items of property, plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment losses (refer to note 3(i)(ii)). 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.

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

3 Significant accounting policies (continued)

(d) Property, plant, equipment and vehicles (continued)

(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. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

> buildings	40 years
> leasehold improvements	Term of Lease
> 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.

(e) 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 (refer to note 15).

Determining whether an arrangement contains a lease

At the inception of an arrangement, the Foundation determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Foundation the right to control the underlying asset. At inception or upon reassessment of the arrangement, the Foundation separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

(f) Intangible assets

(i) Computer software

Significant items of computer software are stated at cost less accumulated amortisation and impairment losses. Minor expenditure on computer software is expensed as incurred.

(ii) Amortisation

Amortisation 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 computer software from the date it is acquired and is ready for use. Estimated useful lives are deemed to be 2-3 years. Remaining useful lives are reassessed annually. No residual value is assumed.

(g) Non-derivative financial assets

The Foundation early adopted AASB9 *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 Surplus or Deficit then the 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

3 Significant accounting policies (continued)

(g) Non-derivative financial assets (continued)

contractual cash flow characteristics of the financial assets. In accordance with the transitional provisions of AASB9 (2011) which the Foundation early adopted on 1 January 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) Fair Value through Other Comprehensive Income

Investments in equity instruments that are held directly are classified and stated as fair value. The fair value of equity instruments is their quoted bid price as at the statement of financial position date. Any resultant gain or loss from cost whether related to market movement or from derecognition of the instrument is recognised directly in other comprehensive income. Investments classified as fair value are recognised/derecognised by the entity on the date it commits to purchase/sell the investments

(ii) Amortised Cost

Investments in term deposits maturing beyond 90 days that are held directly are classified and measured at amortised cost. Any differential between face or maturity value and cost is recognised in the Statement of Surplus or Deficit and Other Comprehensive Income over the remaining term to maturity of each instrument. If an amortised costs investment is considered to be impaired such impairment is recognised directly in the Statement of Surplus or Deficit and Other Comprehensive Income. Investments classified at amortised cost are recognised/derecognised by the entity on the date it commits to purchase/sell the investments.

(iii) 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 cashflows 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(m). Other non-derivative financial instruments are measured at amortised costs using the effective interest method, less any impairment losses.

Share capital

The Foundation has no issued capital and is limited by guarantee. If the Foundation is wound up each member would have a liability of an amount not exceeding \$20. Refer to note 17.

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.

Trade and other receivables

Trade and other receivables are stated at cost less impairment losses, this being equivalent to fair value. Refer to note 3(i)(i).

(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 fair value.

(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 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 on terms that the Foundation 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 or 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.

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

3 Significant accounting policies (continued)

(i) Impairment (continued)

(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. The recoverable amount of an asset is the greater of its depreciated replacement cost and its fair value less costs to sell. 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 Surplus or Deficit. 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.

(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) 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 expects 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 calculated 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: 2015: 3.0% (2014: 2.0%)

> discount rate based on national government securities which most closely match the terms to maturity of the related liabilities: 2015: 2.88% (2014: 2.81%)

> expected settlement dates for long service leave based on turnover history: 2015: 7 years (2014: 7 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.

(k) 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 true value of money and risks specific to the liability. Provisions consist of operating leases expenses straight line, office lease incentives deferred and make good of leased premises. The unwinding of the discount is recognised as a finance cost (refer to note 16).

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

3 Significant accounting policies (continued)

(l) Segment reporting

The Foundation operates in only one business segment as a charity. The Foundation operates in one geographical segment (New South Wales)

(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, losses on disposal and impairment of financial assets (except trade receivables).

(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 20 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 Foundation. The National Foundation relies on the distribution of net grants from the Divisions to fund its commitments. Such grants are receivable under the terms of a *Federation agreement* between the National Foundation 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.

(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 2015, and have not been applied in preparing these financial statements. Those which may be relevant to the Foundation are set out below. The Foundation does not plan to adopt these standards early.

AASB 15 Revenue from contracts with customers, becomes mandatory for the 2018 financial statements and could change the classification and recognition method of revenue. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Foundation is assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 16 Leases requires companies to bring most operating leases on-balance sheet from 2019. Companies with operating leases will appear to be more asset-rich, but also more heavily indebted. AASB 16 is effective for the Foundation's 2019 financial statements. The Foundation does not plan to adopt this standard early and the extent of the impact has not been determined.

The following new standards are not expected to have a significant impact on the Foundation's financial statements.

* Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

3 Significant accounting policies (continued)**(p) 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

(ii) Trade and other receivables

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

(iii) Property, plant and equipment

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

	2015	2014
	\$	\$
4 Revenue from operating activities		
Charitable support - bequests	8,947,816	6,154,967
Charitable support - non-bequests	6,224,792	6,694,509
Sale of goods	353	2,438
<i>Total revenue from fundraising activities</i>	<i>15,172,961</i>	<i>12,851,914</i>
Grants for specific health programs - Government	1,188,770	937,919
Grants for specific health programs and research - other	454,444	1,112,077
Other	41,801	138,924
<i>Total revenue from other operating activities</i>	<i>1,685,015</i>	<i>2,188,920</i>
Total revenue from operating activities	16,857,976	15,040,834
5 Auditors' remuneration		
KPMG Australia: Audit services	29,580	29,900
KPMG Australia: Other services	2,550	4,800
	32,130	34,700
6 Finance income and costs		
Recognised in Surplus/(Deficit)		
Interest income	61,305	85,060
Dividend income	2,080	-
Finance income	63,385	85,060
Impairment/ realised loss on trade receivables	665	-
Finance costs	665	-
Net finance income and costs recognised in Surplus	62,720	85,060

National Heart Foundation of Australia (New South Wales Division)

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

	2015	2014
	\$	\$
7a Cash and cash equivalents		
Cash and cash equivalents include bank accounts and short term deposits maturing within 90 days paying interest rates of 0.0% to 3.5% (2014: 0.5% to 3.5%)	2,678,434	4,752,378
	<u>2,678,434</u>	<u>4,752,378</u>
The Foundation's exposure to interest rate risk for financial assets and liabilities are disclosed in note 20. 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 ordinary activities	(386,988)	150,180
Adjustments for:-		
Depreciation/Amortisation	53,406	70,435
Make good / restoration	7,818	-
Investments acquired for nil consideration via bequests	(267,000)	-
Net loss/(gain) on disposal of property, plant, equipment and vehicles	(3,076)	(1,857)
Office lease incentives deferred	(123,541)	(123,541)
Net cash from operating activities before changes in working capital and provisions	(719,381)	95,217
(Increase)/decrease in receivables	(215,663)	23,998
Decrease/(Increase) in grants income accrued	1,889	4,774
Decrease/(Increase) in inventories	-	4,151
(Decrease)/Increase in payables	(719,553)	154,560
(Decrease)/Increase in grants income deferred	(436,202)	63,552
Increase/(decrease) in employee benefits	14,524	(1,921)
Net cash from operating activities	<u>(2,074,386)</u>	<u>344,331</u>
8 Trade and other receivables		
Trade receivables owing by other National Heart Foundation divisions	-	20,000
Trade receivables owing by National Heart Foundation of Australia (National)	135,695	113,984
Grants income accrued	4,208	6,098
Other receivables and prepayments	464,177	250,224
	<u>604,080</u>	<u>390,306</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 20.

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

9. Property, plant, equipment and vehicles

Cost	Computers	Leasehold Improvements	Motor Vehicles	Office Equipment	Furniture & Fittings	Buildings	Software	Totals
Balance b/f	312,362	1,802,599	106,448	209,052	48,955	-	22,182	2,501,598
Additions	-	-	15,158	-	-	267,000	-	282,158
Disposal	(5,323)	-	(36,860)	-	-	-	-	(42,183)
Balance c/f	307,039	1,802,599	84,746	209,052	48,955	267,000	22,182	2,741,573

Accumulated depreciation	Computers	Leasehold Improvements	Motor Vehicles	Office Equipment	Furniture & Fittings	Buildings	Software	Totals
Balance b/f	307,679	1,762,840	68,140	199,814	36,060	-	22,182	2,396,715
Depreciation charge for year	3,791	28,803	12,508	2,728	5,577	-	-	53,407
Disposal	(4,832)	-	(24,828)	-	-	-	-	(29,660)
Balance c/f	306,638	1,791,643	55,820	202,542	41,637	-	22,182	2,420,462

NBV 2015	401	10,956	28,926	6,510	7,318	267,000	-	321,111
NBV 2014	4,683	39,759	38,308	9,238	12,895	-	-	104,883

National Heart Foundation of Australia (New South Wales Division)

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

10 Trade and other payables

	2015	2014
	\$	\$
Trade payables to National Heart Foundation of Australia	626,040	1,353,062
Trade payables to other National Heart Foundation divisions	-	10
Other payables and accrued expenses	144,694	137,215
	<u>770,734</u>	<u>1,490,287</u>

The carrying value of trade and other payables is equal to fair value. The Foundation's and consolidated entity's exposure to liquidity risk relates to trade and other payables is disclosed in note 20.

11 Grants income deferred

Balance at 1 January	2,399,254	2,671,898
Amounts received	1,207,012	1,627,596
Income taken to revenue	(1,643,214)	(1,900,240)
Balance at 31 December	<u>1,963,052</u>	<u>2,399,254</u>

The carrying value of grants income deferred is equal to fair value. The Foundation's and consolidated entity's exposure to liquidity risk relating to grants income deferred is disclosed in note 20.

12 Employee benefits

Aggregate liability for employee benefits including oncosts:

Current - long service leave and annual leave	401,300	393,976
Non-current - long service leave	38,013	30,813
Total employee benefits	<u>439,313</u>	<u>424,789</u>
<i>Personnel expenses:</i>		
Wages and salaries	2,889,527	2,760,593
Contributions to superannuation plans	260,465	254,359
Total personnel expenses	<u>3,149,992</u>	<u>3,014,952</u>
Number of employees at year end (full time equivalents)	<u>36</u>	<u>34</u>

13 Reserves and Equity

Movements in reserves during the year:

Balance at beginning of year	324,857	-
Transfer from/(to) retained earnings	208,960	324,857
Balance at end of year	<u>533,817</u>	<u>324,857</u>

**Nature and purpose of reserves
Specific or restricted purposes.**

Funds and bequests received for specific or restricted purposes or funds set aside for non recurring expenditure to be incurred in subsequent years are accounted for separately so as to maintain their identity. All revenue and expenses relating to these funds are recorded initially through the Statement of Surplus or Deficit and Other Comprehensive Income, with their net effect then transferred from retained earnings to this reserve.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

13 Reserves and Equity (Continued)**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, property, equipment and vehicles. The excess of actual retained earnings over the optimum level so calculated is remitted to the National Heart Foundation of Australia ("National") as a contribution towards national health programs and research.

14. Assets held in trust**Assets held in trust**

	2015	2014
	\$	\$
Balance brought forward	1,047,250	1,055,670
Interest and funds received	38,022	39,527
Less Payments in accordance with Trust	(35,323)	(47,947)
Balance carried forward	1,049,949	1,047,250

15 Operating leases as lessee

Non-cancellable operating lease rentals are payable as follows:

Less than one year	378,945	748,876
Between one and five years	-	380,218
Later than five years	-	-
	378,945	1,129,094

Expenditure in the period was as follows:

Office space	626,070	602,416
	626,070	602,416

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

16 Provisions

Obligations arising as a result of the Foundation's adherence with the prescribed treatment of leases outlined in the accounting standards are shown as follows:

	Office lease incentives deferred	Make good of leased premises	Total
	\$	\$	\$
Balance at 1 January 2014	308,852	260,604	569,456
Future obligations incurred	-	-	-
Lease incentives received	-	-	-
Incentives offset against lease rental expense	(123,541)	-	(123,541)
Expenditure recognised in the statement of comprehensive income	-	-	-
Balance at 31 December 2014	185,311	260,604	445,915
Current	123,541	-	123,541
Non-Current	61,770	260,604	322,374
	185,311	260,604	445,915

	Office lease incentives deferred	Make good of leased premises	Total
	\$	\$	\$
Balance at 1 January 2015	185,311	260,604	445,915
Future obligations incurred	-	-	-
Lease incentives received	-	-	-
Incentives offset against lease rental expense	(123,541)	-	(123,541)
Expenditure recognised in the Statements of Surplus or Deficit and Other Comprehensive Income	-	7,818	7,818
Balance at 31 December 2015	61,770	268,422	330,192
Current	61,770	-	61,770
Non-Current	-	268,422	268,422
	61,770	268,422	330,192

The carrying value of make good of leased premises is equal to fair value. The Foundation's and consolidated entity's exposure to liquidity risk related to the make good provision is disclosed in note 20.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

17 Company limited by guarantee

The National Heart Foundation (New South Wales Division) is a company incorporated in Australia under the Australian Charities and Not-for-profits Commission Act 2012 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 31st December 2015 there were 76 members (2014: 75 members).

18 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 entity for the entire period:

Non executive directors

Ms R Davies, BEc, LLB (hons), FAICD– President
A/Prof R M Allan, MBBS, FRACP, FCSANZ, FACC
Prof D Brieger, MBBS, Mmed, PhD, FRACP
Ms K Hughes, BAcc, CA, GAICD
Mr L J Patton, BA, MCom, Grad Cert Mgt, FAICD (to 25 May 2015)
Ms G Schroder, GAICD
Mr G Selig, BEc
Mr D Shortland, LLB, Grad.Dip. Legal Practice, MAICD
A/Prof S P Thomas, BMed, PhD, FRACP
Ms L Wilson, BCom

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

Executive Staff

Ms Kerry Doyle PSM, MAICD, BA (Hons) Class 1	Chief Executive
Ms Julie Anne Mitchell, MPH, GradDip Health Promotion, BA, RN	Director Cardiovascular Health Programs
Ms Frances Cinelli, BA (Comms), MMgmt, EMFIA	NSW Fundraising Director to 30 January 2015
Ms Deborah Mills, BA (Hons) DipACB	Executive Manager, Revenue & Communications (from 16 March 2016 to 3 April 2015 – parental leave)
Ms Katrina Dowling, B.Com (Economics), B.Bus (Marketing)	Executive Manager, Revenue & Communications (from 27 May 2016 – parental leave replacement)
Ms Kristina Cabala, BSc, Grad Dip Marketing	Director NSW Cardiovascular Research Network
Ms Nellie Wang, Adv. Dip Accounting, Bachelor of Law (China)	Management/Senior Accountant

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

18 Related parties (continued)

The compensation of key management personnel was as follows:

Short term employee benefits

Other long term benefits

Total

2015 \$	2014 \$
960,991	844,489
24,258	13,923
985,249	858,412

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 National Heart Foundation of Australia ("National") 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 ("National"). 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 the National Heart Foundation of Australia ("National") to the Foundation.

Net (Deficit)/Surplus

The aggregate amounts included in the Surplus/(Deficit) that resulted from transactions with non-director related parties are :

Contributions received from sale of services

Contributions paid for purchase of services

Grants for research and other national initiatives

2015 \$	2014 \$
(386,988)	150,180
596,724	640,588
(3,492,905)	(3,834,878)
(8,539,425)	(5,941,041)

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

19 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.

20 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 and/or Divisions if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's

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. 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. The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was only Australia.

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

20 Financial instruments (continued)

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:

	Notes	2015 \$	2014 \$
Financial assets			
Cash *		154,076	161,300
Cash call accounts *		524,358	441,078
Term deposits under 90 days *		2,000,000	4,150,000
Total cash and cash equivalents	7a	2,678,434	4,752,378
Trade and other receivables *	8	599,872	384,208
Grants income accrued *	8	4,208	6,098
		<u>3,282,514</u>	<u>5,142,684</u>

* Financial assets held at cost/amortised cost

Impairment losses from trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2015 \$	2014 \$
Balance at 1 January of provision for doubtful debts	-	7,055
Realisation of impairment (loss)/recovery previously provided for	-	(2,096)
Impairment loss/(recovery) recognised in Surplus/(Deficit)	-	(4,959)
Balance at 31 December of provision for doubtful debts	<u>-</u>	<u>-</u>

Of the Foundations trade receivables balance of \$440,000, \$0 is past due (2014, \$0)

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 inter divisional accounts and grants income accrued.

Liquidity risk

Liquidity risk is the risk that the Foundation and/or Divisions will not be able to meet its financial obligations as they fall due. The entity'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 entity's reputation.

Trade and other payables, and grants income deferred have contractual cashflows which are 6 months or less. Provisions relating to obligations for office leases have contractual cashflow obligations until lease expiry, which are all between 5 and 10 years.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

20 Financial instruments (continued)

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	2015 \$	2014 \$
Non derivative financial liabilities			
Trade and other payables	10	770,734	1,490,287
Grants income deferred	11	1,963,052	2,399,254
		<u>2,733,786</u>	<u>3,889,541</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Foundation's and/or Divisions 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 equity securities and 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 on page 31.

Fair value sensitivity analysis for fixed rate instruments

The surplus/(deficit) would be affected by changes in the fixed interest rate as shown in the Sensitivity Disclosure Analysis. The analysis assumes all other variables remain constant. The analysis is performed using a change of 1% on page 37. The analysis is performed on the same basis as that used in 2014

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 surplus/(deficit) by the amounts shown in the Sensitivity Analysis Disclosure. This analysis assumes all other variables remain constant. The analysis is performed on the same basis as that used in 2014.

Other market price risk

Equity price risk arises from any fair value equity securities held by the Foundation as part of managing the investment of available funds. Equity securities are designated at fair value through other comprehensive income and their performance is actively monitored and managed on a fair value basis. There would be no impact on surplus/(deficit) due to valuation changes as the resultant gain or loss is recognised directly in other comprehensive income.

Fair value sensitivity analysis - listed shares

A change of 10% in market price at the reporting date would have increased/(decreased) equity by the amounts shown below in the Sensitivity Analysis Disclosure on page 37. This analysis assumes all other variables remain constant. The analysis is performed on the same basis as that used in 2014

Investments in fair value equities are designated at fair value through equity and their performance is actively monitored and managed on a fair value basis. There would be no impact on surplus/(deficit) due to valuation changes as the resultant gain or loss is recognised directly in other comprehensive income.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

20 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 Foundations and/or Divisions 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 Foundations operations.

The Foundations objective is to manage operational risk so as to prevent financial losses and damage to the Foundations 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 Foundations management and submitted to the Board of the Foundation.

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%

	2015					2014				
	Carrying Amount/ Face Value	-1% Surplus/ (Deficit)	Equity	+1% Surplus/ (Deficit)	Equity	Carrying Amount/ Market Price	-1% Surplus/ (Deficit)	Equity	+1% Surplus/ (Deficit)	Equity
Interest rate risk	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
<i>Fixed rate instruments</i>										
Term deposits-maturing within 90 days	2,000,000	(20,000)	(20,000)	20,000	20,000	4,150,000	(41,500)	(41,500)	41,500	41,500
Term deposits-maturing beyond 90 days	-	-	-	-	-	-	-	-	-	-
<i>Variable rate instruments</i>										
Cash at bank	154,076	(1,541)	(1,541)	1,541	1,541	161,300	(1,613)	(1,613)	1,613	1,613
Cash call accounts	524,358	(5,244)	(5,244)	5,244	5,244	441,078	(4,411)	(4,411)	4,411	4,411
Total increase/(decrease)		(26,784)	(26,784)	26,785	26,784		(47,524)	(47,524)	47,524	47,524

National Heart Foundation of Australia (New South Wales Division)

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

21 Information and declarations to be furnished under the Charitable Fundraising Act 1991

Details of aggregate gross income and total expenses of fundraising appeals.

	2015	2014
	\$	\$
Fundraising Income		
Fundraising	14,587,315	12,851,914
Gross Proceeds from Fundraising Appeals	14,587,315	12,851,914
Fundraising Costs		
Fundraising Appeals	3,719,042	3,938,813
Total Costs of Fundraising Appeals	3,719,042	3,938,813
Net Surplus from Fundraising Appeals	10,868,273	8,913,101
Applied as follows:		
Direct Services		
Net grants to National Fundraising - refer to Note 18	8,539,425	5,941,041
Health programs*	2,638,044	2,753,243
Research network	1,242,737	1,216,715
	12,420,205	9,910,999
Indirect Expenditure		
Administration	260,527	209,181
Communications and Publicity	275,484	209,107
	536,011	418,289
Total Direct and Indirect Expenditure	12,956,217	10,329,288
Net Surplus/(Deficit) from Fundraising Appeals after Expenditure	(2,087,944)	(1,416,186)
Reconciliation to surplus/(deficit) from continuing operations		
Net surplus from sale of goods	89	1,862
Grants for specific health programs - Government and Other	986,124	833,281
Health programs funded by grants	(635,237)	(713,854)
CVH income	-	61,241
Interest and other revenue from operating activities	104,167	165,264
Net gain/(loss), including impairment loss, on disposal of plant & equipment	3,076	1,857
Grants for specific research programs	1,242,737	1,216,715
	1,700,956	1,566,366
Surplus/(deficit) from continuing operations	(386,988)	150,180

* Health program expenses and communication and publicity expenses in the Statement of Surplus or Deficit and Comprehensive Income include amounts spent where funding has been received from other parties for specific purposes. The expense amounts included in the above direct and indirect expenditure do not include specific purpose expenditure.

(i) A summary of significant accounting policies and methods is detailed in Note 3.

(ii) During the year the Foundation did not experience any material matter or occurrence, including any of an adverse nature.

(iii) During the year the Foundation did not enter into any Trader Agreement, and no income received from any traders.

(iv) Fundraising appeals conducted during the year were:

Direct Mail Appeals, Recurring Giving, Memorial Giving, Corporate Relations, Community Events, Bequests, Jump Rope for Heart and Big Heart Appeal.

(v) Comparisons:

Notes to the Financial Statements (continued)
for the year ended 31 December 2015**21 Information and declarations to be furnished under the Charitable Fundraising Act 1991 (continued)**

	2015	2014
	\$	\$
Total costs of fundraising/	3,719,042	3,938,813
Gross income from fundraising	14,587,315	12,851,914
As a percentage	25%	31%
Net surplus from fundraising/	10,868,273	8,913,101
Gross income from fundraising	14,587,315	12,851,914
As a percentage	75%	69%
Total costs of services provided/	12,420,205	9,910,999
Total expenditure	12,956,217	10,329,288
As a percentage	96%	96%
Total costs of services provided/	12,420,205	9,910,999
Total income received	14,691,836	13,080,858
As a percentage	85%	76%

In accordance with the requirements of the Regulations to the Charitable Fundraising Act 1991, the Foundation has maintained proper and effective internal control over the conduct of all appeals conducted by it. It is not practicable, however, for the Foundation to establish complete accounting control over all unsolicited income prior to its receipt by the Foundation. The directors believe that the controls in place are adequate and the risk of material amounts of unsolicited income not being recorded by the Foundation is low.

Declaration by Chief Executive in respect of fundraising appeals

to the members of National Heart Foundation of Australia (New South Wales Division)

I, Kerry Doyle, Chief Executive of the National Heart Foundation of Australia (New South Wales Division), declare in my opinion:

- (a) the financial statements give a true and fair view of all income and expenditure of the National Heart Foundation of Australia (New South Wales Division) with respect to fundraising appeal activities for the financial year ended 31 December 2015;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2015;
- (c) the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with the for the financial year ended 31 December 2015; and
- (d) the internal controls exercised by the National Heart Foundation (New South Wales Division) are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Kerry Doyle, PSM
Chief Executive

Dated at Sydney this 4th day of April 2016



Independent Audit Report

to the members of National Heart Foundation of Australia (New South Wales Division)

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

Report on the financial report

We have audited the accompanying financial report of National Heart Foundation of Australia (New South Wales Division) ("the Company"), which comprises the statements of financial position as at 31 December 2015, and statement 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 21 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations.

Directors' responsibility for the financial report

The Directors' of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the ACNC, 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 Company'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 Company'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, and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Act and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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



Independent Audit Report

to the members of National Heart Foundation of Australia (New South Wales Division)

**Independent auditor's report to the members of National Heart Foundation of Australia (New South Wales Division)
(continued)**

Independence

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

Basis for qualified auditor's opinion

Within the charitable fundraising income of \$14,587,315 is a significant source of fundraising revenue from cash donations for the National Heart Foundation (New South Wales Division). The National Heart Foundation (New South Wales Division) has determined that it is impracticable to establish controls over the collection of cash donations received as charitable fundraising income prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to charitable fundraising income has to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the charitable fundraising income of the National Heart Foundation (New South Wales Division), reported in the accompanying financial report is complete. In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the Company, are not appropriate given the size and nature of the Company.

Auditor's opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial report of National Heart Foundation (New South Wales 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 Company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

NSW – Reporting under Charitable Fundraising (NSW) Act 1991

Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph:

- (a) the financial report gives a true and fair view of the National Heart Foundation (New South Wales Division) financial result of fundraising appeal activities for the financial year ended 31 December 2015;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2015 to 31 December 2015, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 January 2015 to 31 December 2015 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) there are reasonable grounds to believe that the National Heart Foundation (New South Wales Division) will be able to pay its debts as and when they fall due.

KPMG

KPMG

Cameron Roan

Partner

Sydney

4 April 2016

Members ¹⁾

A/Prof Roger M Allan **
Mr George M Armstead
Dr Alan W Barclay
Dr Bruce Bastian *
Prof Bill Bellew
Mr Allan Brackin
Prof David Brieger **
Prof Terence J Campbell AM *
Dr Annette E Carruthers *
Dr Peter G Caspari
Prof David S Celermajer AO *
Prof John Chalmers AC *
Mr David V Cody OAM
Ms Pamela B Cohen
Mr John C Conde AO *
Prof Roger A L Dampney
Prof Patricia M Davidson **
Ms Rebecca Davies **
Mr Arthur E Delbridge AM *
Dr Peter H Edwards
Mr Barry J Elliott
Ms Maree A Faulkner
Prof Michael P Feneley AM *
Mr Dale C Fisher
Prof Peter Fletcher *
Prof Carolyn Geczy
Prof Robert M Graham AO *
Ms Ann E Griffiths
Dr John F Gunning AM *
Mr Paul Hannan *
Prof Mark Harris
Prof Phillip J Harris AM *
Mr Stephen B M Harrison AO
Mr Bruce G Hayman
A/Prof Christopher S Hayward *
Prof John B Hickie AO *
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Mr Richard D Johnson
Dr Craig Juergens
Mr Gunninder Singh Katari *
Prof David T Kelly AM
Mr Hugo J W Kocken
A/Prof Len Kritharides
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Mr Trevor J Maloney *
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Mr Frederick W. Millar AO. CBE
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Mr Laurence J Patton
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A/Prof C Dimity Pond
A/Prof Lynne A Pressley AM *
Mr Brendan Reilly
Dr John G Richards *
Ms Elizabeth Roberts
Mr Norman B Rydge AM, OBE
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Ms Gabrielle Schroder **
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Mr David Shortland **
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Prof Andrew Sindone
Mr David W Smithers AM *
Ms Robyn Speerin
Mrs Dal Stevenson
Mr E Keith Stewart *
Ms Elizabeth Strachan
A/Prof Stuart P Thomas **
Prof Geoffrey H Tofler
Dr Harvey G Washington
Mr Peter E S White *
Ms Louise Wilson **
Mr John S Young OAM *

1) At the Foundation's Annual General Meeting held 30 April 2014 a new Constitution was adopted, which makes provision of one category of Members only.

* Members who under the previous Constitution were appointed Life Members of the NSW Division

** Members of the NSW Board of Directors

Friends of the Heart Foundation

The National Heart Foundation of Australia (N.S.W. Division) wishes to gratefully acknowledge the generous contribution of \$882,300 from the NSW State Government towards our work during 2015.

Benefactor	NSW State Government
Major Donor - Gold	Stanley Roth AM and Charmaine Roth
Major Donor - Pearl	Rebecca Davies
Major Donor - Pearl	Bill and Alison Hayward
Major Donor - Pearl	The Selig Family
Major Donor - Pearl	Ian Sharp
Major Donor - Silver	Charles Curran AC and Eva Curran
Major Donor - Silver	Steve Gordon
Major Donor - Silver	Erwin and Judith Katz
Major Donor - Silver	Bill and Gina Malouf
Major Donor - Silver	Marshall Family Foundation
Major Donor - Silver	Beverley and Wayne Wilson
Supporter	A/Prof Roger M Allan
Supporter	Mr Vivian Berner
Supporter	Prof John Chalmers AC
Supporter	Kin H Chan
Supporter	A. Cho
Supporter	Davies Family Foundation
Supporter	Kerry Doyle PSM
Supporter	Fell Foundation
Supporter	Goodridge Foundation
Supporter	Julian and Lizanne Knights
Supporter	Veronica Kohne
Supporter	Mr and Mrs Elwyn Kotzur
Supporter	Kevin and Carol Lee
Supporter	Mrs Carolyn Lyons OAM
Supporter	Maple-Brown Family Charitable Trust
Supporter	The Alexandra and Lloyd Martin Family Foundation
Supporter	The McNally Foundation
Supporter	Mr Steven Moss and Mrs Carol Moss
Supporter	Mr and Mrs Paul Okkerse
Supporter	Protrust Pty Ltd
Supporter	Margaret J Ralston
Supporter	Mr Frank Robertson
Supporter	Skipper-Jacobs Charitable Trust
Supporter	Mrs Robin Spencer
Supporter	Shirley Stimson
Supporter	Clare Tankard
Supporter	Mrs Vera G Thompson
Supporter	Sheila Woodcock

Advisory Committees

Hunter New England Region Cardiovascular Health Committee ¹⁾

Dr Rosemary Hackworthy (Chairperson)
Dr Bruce Bastian
Dr Melinda Hutchesson
Mr Peter Ivey
Ms Jane Kerr
Ms Margaret Lewis
Ms Deborah Moore
Ms Debbie Sullivan
Ms Dawn McIvor
Ms Penny Milson
Ms Julie Anne Mitchell
Dr Angela Worthington
Ms Anne Williams

NSW Cardiovascular Research Network Management Committee

Mr Geoff Selig (Chairman)
Prof Andrew Boyle
Ms Kristina Cabala
Ms Kerry Doyle PSM
Prof Robert Graham AO
Prof Len Kritharides
Prof Bruce Neal
Prof Carol Pollock
Dr Roger Wilkinson

¹⁾ The Hunter New England Region Cardiovascular Health Committee has the express purpose to improve cardiovascular health in people of the Hunter New England region through advocacy and support for best practice primary and secondary prevention initiatives.

For heart health information
1300 36 27 87
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