

HEART RESEARCH CENTRE



**GENERAL PURPOSE
FINANCIAL REPORT**

2010

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT

Your Directors present this report on the company for the year ended 30 June 2010.

The names of each person who has been a director during the year and to the date of this report are:

- Professor Shane Thomas, Public Health Researcher, President
- Professor Edward Janus, Consultant Physician
- Ms Beverley Knowles, Marketing and Communications Consultant
- Ms Neroli Martin, Solicitor, Vice President
- Ms Kathy Soros, Accountant, Treasurer
- Mr David Young, Solicitor, Secretary
- Mr Joss Raines, Head of Pricing and Portfolio Modelling Banking (appointed 16 October 2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Short and long term objectives

The Heart Research Centre's short term objective is to contribute to knowledge concerning the psychological, social and behavioural aspects of the prevention, management and impact of cardiovascular disease. The Centre's long term objective is to help prevent cardiovascular disease and reduce deaths and disability from cardiovascular disease.

Strategy for achieving these objectives

The Heart Research Centre achieves these objectives by

- Identifying key factors which impact upon these aspects of cardiovascular disease;
- Creating effective relationships, collaborations and partnerships with other groups and organisations to achieve our objectives;
- Translating clinically relevant research findings to improve health care services and support for patients, their families and the broader community;
- Developing, implementing and evaluating model programs;
- Transferring knowledge based upon research findings by conducting training programs for health professionals in cardiac rehabilitation and the prevention of cardiovascular and other chronic diseases;
- Influencing and contributing to the development of health policies by producing best practice guidelines and through representation on committees convened by government and peak bodies.

Principal activities during the years

The following research programs were in progress:

- Depression as a predictor of mortality: a 25 year follow-up study
- Depression in rural cardiac patients
- A trial of a secondary prevention intervention based upon cognitive behaviour therapy
- Predictors of mortality in female cardiac patients
- Cardiac rehabilitation attendance as a predictor of long-term outcomes
- Improving occupational outcomes of acute cardiac events
- Improving heart health in Indigenous communities
- International quality of life study

The following training programs were conducted:

- Five day training program in cardiovascular disease rehabilitation and prevention
- Integrated disease management for patients with chronic heart failure
- Leading group sessions for patients with chronic disease
- Motivational interviewing to help patients improve their health behaviours
- Supporting chronic disease self management
- Smoking cessation

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT (continued)

Operating activities contribution to objectives

Research and training programs have contributed to the improved management of cardiac patients and prevention of cardiovascular disease in high risk groups.

Effectiveness and key performance indicators

The Heart Research Centres measures effectiveness by applying the following key performance measures:

- Number of publications in peer reviewed journals
- Number of presentations at national and international conferences
- Number of competitive and other research grants
- Number of new research projects commenced and number of completed projects
- Development of effective collaborations with researchers and clinicians
- Continued representation on committees of professional organisations and government
- Number of university student placements
- Number and range of training programs provided for health professionals
- Creation and dissemination of patient and health professional resources.

Operating Results:

The result from ordinary activities of the operations of the centre was a deficit of \$6,571 compared with a deficit of \$64,306 in 2009. The net assets of the centre at the end of the financial year were \$2,047,822 compared with \$2,054,393 in the previous year.

Income was \$3,660,526 compared with \$3,310,652 in 2009. This increase was due to an increase in bequest income. This additional income enabled an increase in the resourcing of research.

(i) Donations

We would like to thank our loyal donors who once again supported our research programs by donating \$1,228,943. Donors gave \$783,676 in the previous year.

(ii) Raffles

We would like to thank all our supporters who participated in the four raffles held this year, helping us to generate a total of \$2,029,588 in revenue from raffles for the year, compared with \$2,009,911 in the previous year.

Indemnifying Officers or Auditor:

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT (continued)**Information on Directors**

Director	Experience	Special Responsibilities
Professor Shane Thomas BA(Hons), DipPubPol, PhD	Non-executive Director for six years. Public health researcher for 30 years.	President, Chairman
Ms Neroli Martin BA, LLB	Non-executive Director for sixteen years. Practising solicitor for over 20 years.	Vice – President
Mr David Young LLB	Non-executive Director for sixteen years. Practising solicitor for over 35 years.	Secretary
Ms Kathy Soros BBus, CPA	Non-executive Director for five years. Accountant for over 30 years.	Treasurer
Ms Beverley Knowles BA, DipEd (Qld), FAICD MPRIA	Non-executive Director for eleven years. Director of public relations company for over nine years. Public relations practitioner for over 35 years.	
Prof Edward Janus MD, PhD, FRACP, FRCPA	Non-executive Director for six years. Consultant Physician and medical researcher for over 30 years.	
Mr Joss Raines	Non-executive Director appointed during the financial year. Head of Pricing and Portfolio Modelling, ANZ Bank	

Meetings of Directors:

During the financial year four meetings of Directors (including committees) were held.

Attendances were:

Directors' meetings	Number eligible	Number attended
Prof Edward JANUS	4	4
Ms Beverley KNOWLES	4	4
Ms Neroli MARTIN	4	2
Ms Kathy SOROS	4	4
Prof Shane THOMAS	4	2
Mr David YOUNG	4	4
Mr Joss RAINES	3	3

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT (continued)**Members' guarantee**

The Centre is a company incorporated under the Corporations Law as a company limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2010, the number of members was six (2009:6).

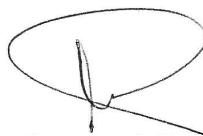
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 22.

Signed in accordance with a resolution of the Board of Directors.



Director – Prof Shane Thomas



Director - Ms Kathy Soros

Dated this 27 day of October 2010

Heart Research Centre
A company limited by guarantee
ACN 060 479 763

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTES	2010 \$	2009 \$
Revenue	2	3,660,526	3,310,652
Fundraising		(1,856,308)	(1,750,979)
Salaries & benefits		(1,336,765)	(1,126,768)
Depreciation		(13,167)	(10,917)
Operating & administration costs	3	(460,857)	(486,294)
		<hr/>	<hr/>
Surplus/(Deficit) for the year		(6,571)	(64,306)
Other comprehensive income		-	-
		<hr/>	<hr/>
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive result for the year		(6,571)	(64,306)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

Heart Research Centre
A company limited by guarantee
ACN 060 479 763

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	NOTES	2010	2009
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	289,503	2,191,065
Trade and other receivables	9	181,333	105,652
Financial Assets	10	950,000	-
Other assets		11,817	15,536
TOTAL CURRENT ASSETS		1,432,653	2,312,253
NON CURRENT ASSETS			
Financial assets	10	929,595	28,000
Property, plant & equipment	11	39,841	22,604
TOTAL NON CURRENT ASSETS		969,436	50,604
TOTAL ASSETS		2,402,089	2,362,857
CURRENT LIABILITIES			
Trade and other payables	12	143,529	96,848
Provisions	13	200,086	207,719
TOTAL CURRENT LIABILITIES		343,615	304,567
NON-CURRENT LIABILITIES			
Provisions	13	10,652	3,897
TOTAL NON-CURRENT LIABILITIES		10,652	3,897
TOTAL LIABILITIES		354,267	308,464
NET ASSETS		2,047,822	2,054,393
EQUITY			
Retained surplus		2,047,822	2,054,393
TOTAL EQUITY		2,047,822	2,054,393

The accompanying notes form part of these financial statements

Heart Research Centre
A company limited by guarantee
ACN 060 479 763

**STATEMENT IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2010**

	Retained Surplus	Total Equity
	\$	\$
At 1 July 2008	2,118,699	2,118,699
Deficit for the year	(64,306)	(64,306)
At 30 June 2009	2,054,393	2,054,393
Deficit for the year	(6,571)	(6,571)
At 30 June 2010	2,047,822	2,047,822

The accompanying notes form part of these financial statements

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	NOTES	2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		149,571	93,645
Receipts from fundraising		3,258,781	2,793,587
Interest received		61,396	126,671
Receipts from other operations		120,496	281,951
Payments to suppliers & employees		(3,608,967)	(3,282,845)
NET CASHFLOW FROM OPERATING ACTIVITIES	15(b)	(18,723)	13,009
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in financial assets		(1,851,594)	2,050,000
Payments for property, plant & Equipment		(31,245)	(6,065)
NET CASHFLOW FROM INVESTING ACTIVITIES		(1,882,839)	2,043,935
NET (DECREASE)/INCREASE IN CASH HELD		(1,901,562)	2,056,944
Cash at the beginning of the financial year		2,191,065	134,121
CASH AT THE END OF THE FINANCIAL YEAR	15(a)	289,503	2,191,065

The accompanying notes form part of these financial statements

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010

The financial statements are for the Heart Research Centre as an individual entity, incorporated and domiciled in Australia. The Heart Research Centre is a company limited by guarantee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements and presented below have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected of non-current assets, financial assets and financial liabilities.

(a) Revenue Recognition

Revenue is recognised for the major business activities as follows:

(i) Donations

Revenue from donations is recognised as revenue when received.

(ii) Grants

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefit gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until these conditions are satisfied.

(iii) Fundraisings

Revenue from fundraising is recognised in the year funds are received in the bank.

(iv) Interest revenue

Interest revenue is recognised using the effective interest rate method.

(b) Income Tax

The centre is exempt from paying income tax as it is a charitable institution in terms of Sections 50-5 and 50-60 of the Income Tax Assessment Act, 1997. Therefore Tax Effect accounting is not required.

The Centre is entitled to a partial exemption from Fringe Benefits Tax.

(c) Property, Plant and Equipment

Plant and equipment of \$1,000 or more are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Property, Plant and Equipment (Cont'd)

Plant and equipment is depreciated on a straight line basis over the asset's useful life to the entity, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Office equipment and furniture	10 years
Computer hardware and software	4 years

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the entity will obtain ownership of the asset, the life of the asset.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(f) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(h) Trade and other payables

These amounts represent the liability at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Heart Research Centre
 A company limited by guarantee
 ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Heart Research Centre
 A company limited by guarantee
 ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Financial instruments (Cont'd)

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Impairment of assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the carrying amount over its recoverable amount is expensed to the statement of comprehensive income.

(l) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements

Provision for impairment of receivables:

Included in receivables at 30 June 2010 is an amount receivable from the Australian Taxation Office which is material and an amount from other debtors that is immaterial. The Directors believe that the full amount of the debt will be recoverable and a doubtful debt provision has not been made at 30 June 2010.

(m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010 (continued)**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(n) Adoption of new and revised Accounting Standards**

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions as follows. The company's financial statement now contains a statement of comprehensive income.

(n) New accounting standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The organisation has decided against early adoption of these standards. The organisation has determined that the impact for future reporting periods is considered insignificant

	2010	2009
	\$	\$
2. REVENUE		
Donations and Bequests	1,229,193	783,676
Grants	149,571	93,645
Interest received	103,007	117,118
Raffles	2,029,588	2,009,911
Training Course Fees & Book Sales	148,590	105,486
Other	577	200,816
	3,660,526	3,310,652

3. OPERATING & ADMINISTRATION COSTS

Audit fees	9,500	8,500
Bank charges	25,838	24,322
Communications	17,732	31,774
Computer & Equipment	23,611	15,585
Consultancy fees	34,482	49,805
Health education and public relations	28,803	28,553
Insurance	7,436	7,627
Legal fees	1,500	46,092
Conferences & Courses	27,998	7,633
Membership fees & Publications	12,831	12,024
Motor vehicle	27,169	14,761
Postage, printing & stationery	48,221	34,792
Rent & occupancy	131,244	134,040
Staff amenities	2,909	3,469
Training courses	39,356	30,912
Travel	12,652	21,022
Other	9,575	5,383
	460,857	486,294

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010 (continued)**4. REMUNERATION OF DIRECTORS**

The Directors did not receive any remuneration from the Centre during the financial year.

5. AUDITOR'S REMUNERATION

Remuneration of \$9,500 is due to the auditors for auditing the accounts.

6. RELATED PARTIES

The names of persons who were Directors of the Centre are set out in the Directors' Report. There were no remuneration or payments made to Directors.

7. MEMBERS' GUARANTEE

The Centre is a company incorporated under the Corporations Law as a company limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2010, the number of members was six (2009:6).

	2010	2009
	\$	\$
8. CASH AND CASH EQUIVALENTS		
Cash on Hand	200	200
Cash at Banks	13,176	190,865
Term Deposits (<90 days)	276,127	2,000,000
Total	<u>289,503</u>	<u>2,191,065</u>
9. RECEIVABLES		
Debtors	11,526	48,184
Investment income receivable	54,483	12,871
GST Receivable	115,324	44,597
Total	<u>181,333</u>	<u>105,652</u>
10. FINANCIAL ASSETS		
Current		
<i>Held to maturity financial assets:</i>		
Term Deposits	950,000	-
Total	<u>950,000</u>	<u>-</u>
Non current		
Term Deposits	900,000	-
Fixed Deposits	29,595	28,000
Total	<u>929,595</u>	<u>28,000</u>

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

	2010 \$	2009 \$
11. PROPERTY, PLANT & EQUIPMENT		
Office equipment		
At cost	8,280	12,101
Less: Accumulated depreciation	6,593	8,818
	<u>1,687</u>	<u>3,283</u>
Motor Vehicles		
At cost	41,946	41,946
Less: Accumulated depreciation	41,946	41,946
	<u>-</u>	<u>-</u>
Computer Hardware		
At cost	87,388	80,510
Less: Accumulated depreciation	51,308	63,822
	<u>36,080</u>	<u>16,688</u>
Furniture and Fittings		
At cost	20,204	20,204
Less Accumulated depreciation	18,130	17,571
	<u>2,074</u>	<u>2,633</u>
Total property, plant & equipment	<u>39,841</u>	<u>22,604</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below.

Office equipment

Carrying value at 1 July 2009	3,283	4,148
Additions	-	-
Disposals	(840)	-
Depreciation	(756)	(865)
Carrying value at 30 June 2010	<u>1,687</u>	<u>3,283</u>

Motor Vehicles

Carrying value at 1 July 2009	-	234
Depreciation	-	(234)
Carrying value at 30 June 2010	<u>-</u>	<u>-</u>

Computer Hardware

Carrying value at 1 July 2009	16,688	19,881
Additions	31,245	6,064
Depreciation	(11,853)	(9,257)
Carrying value at 30 June 2010	<u>36,080</u>	<u>16,688</u>

Furniture and Fittings

Carrying value at 1 July 2009	2,633	3,193
Depreciation	(559)	(560)
Carrying value at 30 June 2010	<u>2,074</u>	<u>2,633</u>

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

	2010	2009
	\$	\$
12. TRADE & OTHER PAYABLES		
Trade payables	56,638	27,577
Accrued Liabilities	59,019	49,602
Payroll Liabilities	27,872	19,669
Total	<u>143,529</u>	<u>96,848</u>
13. PROVISIONS FOR EMPLOYEE BENEFITS		
Employee benefit and related on-cost liabilities		
Provision for annual leave – current	138,191	148,276
Provision for long service leave – current	61,895	59,443
Total – current	<u>200,086</u>	<u>207,719</u>
Provision for long service leave – non-current	<u>10,652</u>	<u>3,897</u>
Total – non-current	<u>10,652</u>	<u>3,897</u>
Aggregate employee benefit and related on-costs liabilities	<u>210,738</u>	<u>211,616</u>
Employee numbers		
Average number of employees during the financial year	2010 17	2009 16
14. COMMITMENTS FOR EXPENDITURE		
Commitments in relation to operating leases are payable as follows:	2010	2009
	\$	\$
Not later than one year	31,269	125,076
Later than one year but not later than 2 years	-	31,269
Later than 2 years but not later than 5 years	-	-
Representing lease liabilities:		
Current	31,269	125,076
Non-current	-	31,269

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010 (continued)

	2010	2009
	\$	\$
15. CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	289,503	2,191,065
Cash at end of year	<u>289,503</u>	<u>2,191,065</u>
(b) Reconciliation of cash flow from operations with surplus from operating activities:		
Operating surplus/(deficit)	(6,571)	(64,306)
Depreciation	13,167	10,917
Loss on sale of Fixed Assets	840	-
(Increase) / Decrease in receivables	(75,681)	(14,798)
(Increase) / Decrease in prepayments	3,719	993
Increase / (Decrease) in creditors	46,681	24,779
Increase / (Decrease) in provisions	(878)	55,424
Net cash flow from operating activities	<u>(18,723)</u>	<u>13,009</u>

16. FINANCIAL RISK MANAGEMENT

The company's financial instruments comprise cash on hand and bank, short term investments, accounts receivable and payables.

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2010	2009
		\$	\$
Financial assets			
- Cash and cash equivalents	8	289,503	2,191,065
- Loans and receivables	9	181,333	105,652
Held to maturity investments			
- Fixed interest securities	10	1,879,595	28,000
Total financial assets		<u>2,350,431</u>	<u>2,324,717</u>
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	143,529	96,848
Total financial liabilities		<u>143,529</u>	<u>96,848</u>

Financial Risk Management Policies

The company's board is responsible, among other issues, for monitoring and managing financial risk exposure of the company. The board monitors the company's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010**16. FINANCIAL RISK MANAGEMENT** (continued)**Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company. Receivables are monitored on a regular basis to ensure the exposure to bad debts is not significant.

	Notes	2010 \$	2009 \$
Cash and cash equivalents			
- AA rated	8	289,503	2,191,065

(b) Market risk*(i) Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 30 June 2010, the company has no borrowings.

(ii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Exposures arise predominantly from assets bearing variable interest rates as the company intends to hold any fixed rate assets to maturity.

(c) Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010**16. FINANCIAL RISK MANAGEMENT (continued)****(c) Liquidity Risk (Cont'd)**

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and deferred income)	143,529	96,848	-	-	-	-	143,529	96,848
Financial lease liabilities	-	-	-	-	-	-	-	-
Total expected outflows	143,529	96,848	-	-	-	-	143,529	96,848
Financial Assets - cash flows realisable								
Cash and cash equivalents	289,503	2,191,065	-	-	-	-	289,503	2,191,065
Trade, term and loans receivables	181,333	105,652	-	-	-	-	181,333	105,652
Other investments	951,595	-	900,000	-	28,000	28,000	1,879,595	28,000
Total anticipated inflows	1,422,431	2,296,717	900,000	-	28,000	28,000	2,350,431	2,324,717
Net (outflow)/inflow on financial instruments	1,278,902	2,199,869	900,000	-	28,000	28,000	2,206,902	2,227,869

No financial assets have been pledged as security for any financial liability.

(d) Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonable possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2010**(d) Sensitivity Analysis (Cont'd)**

At reporting date, if interest rates had been 100 basis points higher, the reported net result would have been \$2,895 higher (2009: \$22,006). Had interest rates been 50 basis points lower, net result would have been \$1,448 lower (2009: \$11,003).

The company has no borrowings at balance date.

No sensitivity analysis has been performed on foreign exchange risk, as the company is not exposed to foreign currency fluctuations.

Net Fair Values

The net fair value for other assets and liabilities, the net fair value approximates their carrying value.

No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The company holds no financial assets where the carrying amount exceeds net fair value.

17. CONTINGENT LIABILITIES

At the date of signing these accounts, the directors of the Centre are not aware of any contingent liabilities.

18. EVENTS AFTER THE REPORTING PERIOD

There are no significant events which have occurred subsequent to 30 June 2010.

19. KEY MANAGEMENT PERSONNEL COMPENSATION

2010	2009
\$	\$

Key management personnel during the year were:

Dr Marian Worcester (Director)

Mrs Prue Georgeson (Administration Manager)

Mr Craig Stapleton (Finance Manager)

Mr Andy Scobie (Fundraising and Development Manager)

The aggregate compensation made to members of key management personnel of the company is set out below:

Short Term Employee Benefits

Salary	409,857	280,051
--------	---------	---------

Post Employment Benefits

Superannuation	59,685	47,609
----------------	--------	--------

Total Benefits	<u>469,532</u>	<u>327,660</u>
-----------------------	----------------	----------------

Heart Research Centre

A company limited by guarantee
ACN 060 479 763

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes set out on pages 5 to 20 are in accordance with the Corporations Act 2001;
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director – Professor Shane Thomas



Director – Ms Kathy Soros

Dated this *22* day of *October* 2010.



Level 17, 181 William Street
Melbourne, Victoria 3000
GPO Box 4324
Melbourne, Victoria 3001
T +61 3 9258 6700
F +61 3 9258 6722
mel@whk.com.au
www.whk.com.au
WHK Horwath Melbourne
ABN 41 099 415 845

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF HEART RESEARCH
CENTRE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- I. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- II. No contraventions of any applicable code of professional conduct in relation to the audit.

WHK Horwath Melbourne

Margaret Crossley

15 October 2010

Melbourne

better advice for a better life

Member Crowe Horwath International

Liability limited by a scheme approved under Professional Standards Legislation
other than for the acts or omissions of financial services licensees



Level 17, 181 William Street
Melbourne, Victoria 3000
GPO Box 4324
Melbourne, Victoria 3001
T +61 3 9258 6700
F +61 3 9258 6722
mel@whk.com.au
www.whk.com.au
WHK Horwath Melbourne
ABN 41 099 415 845

INDEPENDENT AUDITOR'S REPORT
to the Members of Heart Research Centre (a company limited by guarantee)

We have audited the accompanying financial statements of the Heart Research Centre, which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes, and the Directors' declaration.

The responsibility of the Directors for the Financial Statements

The Directors of the company are responsible for the preparation and presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the financial statements that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entities 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 evaluation the overall presentation of the financial statements.

better advice for a better life

Member Crowe Horwath International

Liability limited by a scheme approved under Professional Standards Legislation
other than for the acts or omissions of financial services licensees



Level 17, 181 William Street
Melbourne, Victoria 3000
GPO Box 4324
Melbourne, Victoria 3001
T +61 3 9258 6700
F +61 3 9258 6722
mel@whk.com.au
www.whk.com.au
WHK Horwath Melbourne
ABN 41 099 415 845

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF HEART RESEARCH
CENTRE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- I. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- II. No contraventions of any applicable code of professional conduct in relation to the audit.

WHK Horwath Melbourne

Margaret Crossley

15 October 2010

Melbourne

better advice for a better life

Member Crowe Horwath International

Liability limited by a scheme approved under Professional Standards Legislation
other than for the acts or omissions of financial services licensees