

HEART RESEARCH CENTRE



FINANCIAL REPORT 2011

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 2011.

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
- Professor Edward Janus, Consultant Physician, President
- Ms Beverley Knowles, Marketing and Communications Consultant
- Ms Neroli Martin, Solicitor, Vice President
- Ms Kathy Soros, Accountant, Treasurer (resigned 11 February 2011)
- Mr David Young, Solicitor, Secretary
- Mr Joss Raines, Head of Pricing and Portfolio Modelling Banking
- Dr Robert Newman, Cardiologist (appointed 11 February 2011)
- Mr Garry Webb, Internal audit & Risk Manager, Treasurer (appointed (11 February 2011)

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

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
- Investigation of the impact of acute cardiac events upon patients' partners
- Screening for depression in patients who have had transient ischaemic attacks

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

Short and long term objectives

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

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.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT (continued)

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.

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
- Translation of research findings to practice
- 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 \$484,028 compared with a deficit of \$6,571 in 2010. The net assets of the Centre at the end of the financial year were \$1,563,794 compared with \$2,047,822 in the previous year.

Income was \$3,496,746 compared with \$3,660,526 in 2010. This decrease was due to a decrease in bequest income.

(i) Donations

We would like to thank our loyal donors who once again supported our research programs by donating \$980,714. Donors gave \$1,228,943 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 \$2,189,891 in revenue from raffles for the year, compared with \$2,029,588 in the previous year.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

DIRECTORS' REPORT (continued)

Information on Directors

Director	Experience	Special Responsibilities
Prof Edward Janus MD, PhD, FRACP, FRCPA	Non-executive Director for seven years. Consultant Physician and medical researcher for over 30 years.	President, Chairman
Ms Neroli Martin BA, LLB	Non-executive Director for seventeen years. Practising solicitor for over 20 years.	Vice – President
Mr David Young LLB	Non-executive Director for seventeen years. Practising solicitor for over 35 years.	Secretary
Mr Garry Webb FCPA	Non-executive Director appointed during financial year. Auditor, Risk Manager and Accountant for over 30 years.	Treasurer
Ms Beverley Knowles BA, DipEd (Qld), FAICD MPRIA	Non-executive Director for twelve years. Director of public relations company for over nine years. Public relations practitioner for over 35 years.	
Professor Shane Thomas BA(Hons), DipPubPol, PhD	Non-executive Director for seven years. Public health researcher for 30 years.	Past President
Mr Joss Raines BSc, MPhil	Non-executive Director for two years. Head of Pricing and Portfolio Modelling, ANZ Bank	
Dr Robert Newman MB BS, FRACP, FCSANZ	Non- executive Director appointed during the financial year. Head of Clinical cardiology Western Hospital and Cardiologist for over 30 years	

Heart Research Centre

A company limited by guarantee
ACN 060 479 763

Meetings of Directors:

During the financial year five meetings of Directors (including committees) were held.
Attendances were:

Directors' meetings	Number eligible	Number attended
Prof Edward JANUS	5	5
Ms Beverley KNOWLES	5	5
Ms Neroli MARTIN	5	4
Ms Kathy SOROS	4	3
Prof Shane THOMAS	5	4
Mr David YOUNG	5	5
Mr Joss RAINES	5	5
Dr Robert NEWMAN	1	1
Mr Garry WEBB	1	1

The Centre is a company incorporated under the Corporations Act 2011 and is 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 2011, the number of members was eight (2010:7).

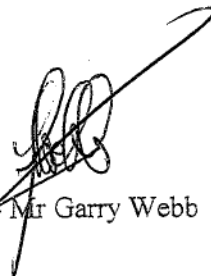
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 20 of the financial report.

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



Director – Prof Edward Janus



Director – Mr Garry Webb

Dated this 21st day of October 2011.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTES	2011 \$	2010 \$
Revenue	2	3,496,746	3,660,526
Fundraising		(2,023,629)	(1,856,308)
Salaries & benefits		(1,493,023)	(1,336,765)
Depreciation		(14,748)	(13,167)
Operating & administration costs	3	(449,374)	(460,857)
Surplus/(Deficit) for the year		(484,028)	(6,571)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive result for the year		(484,028)	(6,571)

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 2011**

	NOTES	2011	2010
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	752,334	289,503
Trade and other receivables	9	162,956	181,333
Financial Assets	10	600,000	950,000
Other assets		10,671	11,817
TOTAL CURRENT ASSETS		1,525,961	1,432,653
NON CURRENT ASSETS			
Financial assets	10	328,000	929,595
Property, plant & equipment	11	32,698	39,841
TOTAL NON CURRENT ASSETS		360,698	969,436
TOTAL ASSETS		1,886,659	2,402,089
CURRENT LIABILITIES			
Trade and other payables	12	155,172	143,529
Provisions	13	156,536	200,086
TOTAL CURRENT LIABILITIES		311,708	343,615
NON-CURRENT LIABILITIES			
Provisions	13	11,157	10,652
TOTAL NON-CURRENT LIABILITIES		11,157	10,652
TOTAL LIABILITIES		322,865	354,267
NET ASSETS		1,563,794	2,047,822
EQUITY			
Retained surplus		1,563,794	2,047,822
TOTAL EQUITY		1,563,794	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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2011**

	Retained Surplus	Total Equity
	\$	\$
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
Deficit for the year	(484,028)	(484,028)
At 30 June 2011	1,563,794	1,563,794

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 2011**

	NOTES	2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		112,850	149,571
Receipts from fundraising		3,170,605	3,258,781
Interest received		60,470	61,396
Receipts from other operations		176,597	120,496
Payments to suppliers & employees		(4,001,681)	(3,608,967)
NET CASHFLOW FROM OPERATING ACTIVITIES	15(b)	(481,159)	(18,723)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net drawdown/(investment) in financial assets		951,595	(1,851,594)
Payments for property, plant & Equipment		(7,605)	(31,245)
NET CASHFLOW FROM INVESTING ACTIVITIES		943,990	(1,882,839)
NET (DECREASE)/INCREASE IN CASH HELD		462,831	(1,901,562)
Cash at the beginning of the financial year		289,503	2,191,065
CASH AT THE END OF THE FINANCIAL YEAR	15(a)	752,334	289,503

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 2011

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**

Heart Research Centre has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board 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 are 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.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(c) Property, Plant and Equipment (Cont'd)**

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.

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.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(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.

(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.

Heart Research

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(i) Financial instruments (Cont'd)***(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.

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 company 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.

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011 (Cont'd)**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(l) Critical accounting estimates and judgements (Cont'd)***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 2011 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 2011.

(m) Comparative figures

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

(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.

	2011	2010
	\$	\$
2. REVENUE		
Donations and Bequests	980,714	1,229,193
Grants	112,850	149,571
Interest received	102,081	103,007
Raffles	2,189,891	2,029,588
Training Course Fees & Book Sales	105,079	148,590
Other	6,131	577
	<u>3,496,746</u>	<u>3,660,526</u>

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011 (Cont'd)

	2011	2010
	\$	\$
3. OPERATING & ADMINISTRATION COSTS		
Audit fees	9,750	9,500
Bank charges	31,330	25,838
Communications	17,970	17,732
Computer & Equipment	16,753	23,611
Consultancy fees	29,963	34,482
Health education and public relations	33,544	28,803
Insurance	6,118	7,436
Legal fees	-	1,500
Conferences & Courses	22,465	27,998
Membership fees & Publications	10,794	12,831
Motor vehicle	22,932	27,169
Postage, printing & stationery	50,993	48,221
Rent & occupancy	135,939	131,244
Staff amenities	3,634	2,909
Training courses	17,458	39,356
Travel	26,981	12,652
Other	12,750	9,575
	449,374	460,857

4. REMUNERATION OF DIRECTORS

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

5. AUDITOR'S REMUNERATION

Remuneration of \$9,750 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 2011, the number of members was seven (2010:6).

	2011	2010
	\$	\$
8. CASH AND CASH EQUIVALENTS		
Cash on Hand	200	200
Cash at Banks	102,134	13,176
Term Deposits (<90 days)	650,000	276,127
Total	752,334	289,503

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

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011 (Cont'd)

	2011	2010
	\$	\$
9. RECEIVABLES		
Debtors	17,865	11,526
Investment income receivable	83,212	54,483
GST Receivable	61,879	115,324
Total	<u>162,956</u>	<u>181,333</u>
10. FINANCIAL ASSETS		
Current		
<i>Held to maturity financial assets:</i>		
Term Deposits	600,000	950,000
Total	<u>600,000</u>	<u>950,000</u>
Non current		
Term Deposits	300,000	900,000
Fixed Deposits	28,000	29,595
Total	<u>328,000</u>	<u>929,595</u>
11. PROPERTY, PLANT & EQUIPMENT		
Office equipment		
At cost	8,280	8,280
Less: Accumulated depreciation	7,349	6,593
	<u>931</u>	<u>1,687</u>
Motor Vehicles		
At cost	41,946	41,946
Less: Accumulated depreciation	41,946	41,946
	<u>-</u>	<u>-</u>
Computer Hardware		
At cost	94,993	87,388
Less: Accumulated depreciation	64,740	51,308
	<u>30,253</u>	<u>36,080</u>
Furniture and Fittings		
At cost	20,204	20,204
Less Accumulated depreciation	18,690	18,130
	<u>1,514</u>	<u>2,074</u>
Total property, plant & equipment	<u>32,698</u>	<u>39,841</u>

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011 (Cont'd)

	2011	2010
	\$	\$

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 2010	1,687	3,283
Additions	-	-
Disposals	-	(840)
Depreciation	(756)	(756)
Carrying value at 30 June 2011	931	1,687

Motor Vehicles

Carrying value at 1 July 2010	-	-
Depreciation	-	-
Carrying value at 30 June 2011	-	-

Computer Hardware

Carrying value at 1 July 2010	36,080	16,688
Additions	7,605	31,245
Depreciation	(13,432)	(11,853)
Carrying value at 30 June 2011	30,253	36,080

Furniture and Fittings

Carrying value at 1 July 2010	2,074	2,633
Depreciation	(560)	(559)
Carrying value at 30 June 2011	1,514	2,074

12. TRADE & OTHER PAYABLES

Trade payables	11,618	56,638
Accrued Liabilities	132,186	59,019
Payroll Liabilities	11,368	27,872
Total	155,172	143,529

13. PROVISIONS FOR EMPLOYEE BENEFITS

Employee benefit and related on-cost liabilities		
Provision for annual leave – current	87,349	138,191
Provision for long service leave – current	69,187	61,895
Total – current	156,536	200,086
Provision for long service leave – non-current	11,157	10,652
Total – non-current	11,157	10,652

Employee numbers

Average number of employees during the financial year	15	17
---	----	----

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011 (Cont'd)**14. COMMITMENTS FOR EXPENDITURE**

Commitments in relation to operating leases are payable as follows:	2011	2010
	\$	\$
Not later than one year	132,904	31,269
Later than one year but not later than 2 years	173,110	-
Representing lease liabilities:		
Current	132,904	31,269
Non-current	173,110	-

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	752,334	289,503
Cash at end of year	<u>752,334</u>	<u>289,503</u>

(b) Reconciliation of cash flow from operations with surplus from operating activities:

Operating surplus/(deficit)	(484,028)	(6,571)
Depreciation	14,748	13,167
Loss on sale of Fixed Assets	-	840
(Increase) / Decrease in receivables	18,377	(75,681)
(Increase) / Decrease in prepayments	1,146	3,719
Increase / (Decrease) in creditors	11,643	46,681
Increase / (Decrease) in provisions	(43,045)	(878)
Net cash flow from operating activities	<u>(481,159)</u>	<u>(18,723)</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:

Heart Research Centre

A company limited by guarantee

ACN 060 479 763

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2011(Cont'd)**16. FINANCIAL RISK MANAGEMENT (Cont'd)**

	Notes	2011 \$	2010 \$
Financial assets			
- Cash and cash equivalents	8	752,334	289,503
- Loans and receivables	9	162,956	181,333
Held to maturity investments			
- Fixed interest securities	10	928,000	1,879,595
Total financial assets		1,843,290	2,350,431
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	155,172	143,529
Total financial liabilities		155,172	143,529

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 2011.

	2011 \$	2010 \$
19. KEY MANAGEMENT PERSONNEL COMPENSATION		

Key management personnel during the year were:

Dr Marian Worcester (Director)
Mrs Prue Georgeson (Administration Manager)
Mr Craig Stapleton (Finance Manager)
Dr Barbara Murphy (Director of Research)

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

Short Term Employee Benefits		
Salary	405,617	409,857
Post Employment Benefits		
Superannuation	69,055	59,685
Total Benefits	474,672	469,532

Heart Research Centre

A company limited by guarantee
ACN 060 479 763

DIRECTORS' DECLARATION

The Directors of the company declare that:

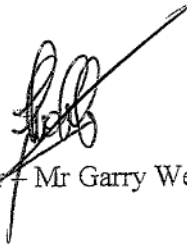
1. The financial statements and notes, as set out on pages 5 to 18 are in accordance with the Corporations Act 2011; and
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that 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 Edward Janus



Director – Mr Garry Webb



Dated this 21st day of October 2011.


**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 2011 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.


Crowe Horwath Melbourne


Margaret Crossley

 24 October 2011

Melbourne

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

Report on the Financial Report

We have audited the accompanying financial report of the Heart Research Centre, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Heart Research Centre on October 2011, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Audit Opinion

In our opinion, the financial report of the Heart Research Centre is in accordance with the Corporations Act 2001, including

- a. Giving a true and fair view of the company's financial position as at 30 June 2011 and its performance for the year then ended on that date; and
- b. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) And the Corporations Regulations 2001.

Audit Opinion

In our opinion, the financial report of the Heart Research Centre is in accordance with the Corporations Act 2001, including

- a. Giving a true and fair view of the company's financial position as at 30 June 2011 and its performance for the year then ended on that date; and
- b. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) And the Corporations Regulations 2001.



Crowe Horwath Melbourne



Margaret Crossley

Melbourne

Dated this 21st day of October 2011