



**National Stroke Foundation
ABN 42 006 173 379**

**Financial Report for the year ended
31 December 2016**



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Corporate information

ABN

42 006 173 379

Directors

Professor James Angus AO	President and Non-executive Director
Ms Christina Tonkin	Non-executive Director
Professor Amanda Thrift	Non-executive Director representing interests of Research
Ms Dawn Oldham	Non-executive Director
Ms Irene Trethowan	Non-executive Director
Assoc. Professor Bruce Campbell	Non-executive Director representing interests of Clinicians
Ms Jennifer Muller	Non-executive Director representing interests of Consumers
Ms Karen Vernon	Non-executive Director
Ms Rosemary Cummins	Non-executive Director
Mr Colin Cowell	Appointed Non-executive Director 27 April 2016
Ms Sally Bateman	Appointed Non-executive Director 7 June 2016
Mr Christopher Edwards	Appointed Non-executive Director 26 August 2016
Mr Paul Leeds	Resigned Non-executive Director 27 April 2016
Mr Michael Hill	Resigned Non-executive Director representing interests of Consumers 27 April 2016
Mr Paul Shanley	Resigned Non-executive Director 2 December 2016
Mr Ryan O'Hare	Resigned Non-executive Director 8 December 2016

Company secretary

Mr John Buchanan

Registered office

Level 7, 461 Bourke Street
Melbourne, Victoria, 3000

Auditors

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne, Victoria, 3000

Internet

www.strokefoundation.org.au

The National Stroke Foundation is a company limited by guarantee.

Directors' Report

Your Directors present their report for the year ended 31 December 2016.

Directors

The names of the Directors of the Company in office during the year ended 31 December 2016 and until the date of this report are as follows. All Directors, unless otherwise indicated were in office from the beginning of the financial period until the date of this report.

Names, qualifications, experience and special responsibilities

Professor James Angus AO BSc, PhD, FAA
(President and Non-executive Director)

Professor Angus is an Honorary Professorial Fellow and Professor Emeritus in the Department of Pharmacology and Therapeutics in the Faculty of Medicine, Dentistry and Health Sciences (MDHS), University of Melbourne. In July 2013 he completed a 10 year term as Dean of the Faculty of MDHS at the University of Melbourne. Before becoming Dean, he was Professor and Head of the Department of Pharmacology and Deputy Dean of the Faculty of MDHS. At the University of Melbourne, Professor Angus has been President of the Academic Board (2000-2001), Pro Vice-Chancellor (1999-2001) and member of University Council (1999-2001)

Professor Angus was awarded the Gottschalk Medal of the Australian Academy of Science (1984), is a Fellow of the Academy (FAA) and has been a member of its Council. In 2003 he was awarded Australia's Centenary Medal for contribution to Pharmacology and the Community.

Professor Angus was a First Vice-President of the International Union of Pharmacology (IUPHAR) and was President of the Australasian Society of Clinical and Experimental Pharmacologists and Toxicologists. From 2009-2011 he was President of Medical Deans Australia and New Zealand.

His current roles include Chair, Independent Medical Advisory Board for Medicinal Cannabis, Board Member of the Florey Institute of Neuroscience and Mental Health, Chair, Melbourne University Sport Advisory Board and Director, Jack Brockhoff Foundation.

Professor Angus holds a Bachelor of Science and Doctor of Philosophy from the University of Sydney, and was appointed an officer to The Order of Australia in 2010 for distinguished service to biomedical research, particularly in the fields of pharmacology and cardiovascular disease, as a leading academic and medical educator, and as a contributor to a range of advisory boards and professional organisations both nationally and internationally.

Ms Christina Tonkin BSc (Hons)
(Non-executive Director, Vice President)

Ms Christina Tonkin is the Managing Director, Loans & Specialised Finance, Institutional Banking at ANZ; and is responsible for strengthening ANZ's market leading positions across specialised lending and loan product. The business is a "centre of excellence" for ANZ activities across the Asia-Pacific region in Project Finance, Export Finance, Asset Finance, Leveraged Finance, Loan Syndications and Loans Agency.

Ms Tonkin holds a Bachelor of Science (Honours) from the University of Sydney and has over 25 years' experience in specialised finance and loan syndications, and joined ANZ from Westpac in 2005 where she held several senior roles.

Directors' Report (continued)

Professor Amanda Thrift BSc (Hons), PhD, PGDipBiostat

(Non-executive Director representing interests of Research and Chair of Research Advisory Committee)

Professor Thrift is Head of the Epidemiology and Prevention Division, Stroke and Ageing Research, Monash University, and is an NHMRC Senior Research Fellow. She is a past President of the Stroke Society of Australasia and sits on numerous national and international advisory groups.

Professor Thrift gained her PhD from Monash University in 1995 in epidemiology in the study of risk factors for intracerebral haemorrhage. She has considerable research expertise in the epidemiology of stroke, having led the influential North East Melbourne Stroke Incidence Study (NEMESIS). This study has provided much of the evidence base for policy decisions around stroke in Australia. Her current portfolio of research include NHMRC funded studies of implementation of secondary prevention of stroke and vascular disease in Australia, and studies of causal factors for vascular disease and hypertension in low and middle income countries.

Ms Dawn Oldham BEc (Hons), Grad Dip App Fin & Inv, Grad Dip Fin Planning, GAICD, F Fin

(Non-executive Director)

Ms Dawn Oldham has a background in equity analysis (top rated investment analyst in the consumer sector whilst working for Merrill Lynch and Citigroup) and has owned and operated a successful strategy consulting business across the food, beverage and retail sector and a successful wealth management business. Ms Oldham has also served on many not for profit committees and councils over the past decade.

Ms Oldham is currently the Non-Executive Director of IOOF Investment Management Ltd, IOOF Ltd and Australian Executor Trustees Ltd and a member of the Investment Committee of ANZSOG and provides financial management assistance to private clients.

Irene Trethowan BA, LLB (Hons)

(Non-executive Director, Vice President)

Ms Irene Trethowan is a non-executive director and a member of the Governance & Nominations and Finance Investment & Risk board sub-committees. Irene has a Bachelor of Arts degree in Diplomacy & World Affairs from Occidental College, Los Angeles, California and an LLB (First Class Honours) from the University of Melbourne. Irene worked for the World Energy Conference, an international organisation based in London, after leaving university. After emigrating to Melbourne and completing her law degree, she commenced work as a lawyer in 1991 at Allens (formerly Arthur Robinson & Hedderwicks) specialising in commercial litigation. She retired from the Allens partnership on 30 June 2013, and remained as a consultant to the firm until 30 June 2015.

Irene is now retired and enjoys spending more time with her family and friends and to pursue other interests.

Associate Professor Bruce Campbell MBBS(Hons), BMedSc, PhD, FRACP

(Non-executive Director representing interests of Clinicians)

Associate Professor Campbell is a consultant neurologist and Head of Hyperacute Stroke at the Royal Melbourne Hospital as well as a principal research fellow in the Department of Medicine, Melbourne Brain Centre at the Royal Melbourne Hospital, University of Melbourne.

Associate Professor Campbell holds a Doctor of Philosophy from the University of Melbourne and is a Fellow of the Royal Australasian College of Physicians. Associate Professor Campbell's main research interests include imaging and emergency treatment of stroke, including randomised controlled trials of new treatments.

Ms Jennifer Muller PSM, Dip Rad (Diag), Grad Dip Hlth Ed, MEnv&ComHealth

(Non-executive Director representing interests of Consumers)

Directors' Report (continued)

Ms Muller is an Adjunct Associate Professor at Queensland University of Technology's School of Public Health & Social Work, as well as a Director of Veritas Health Service Solutions – a consultancy business that aims to assist individual health professionals, groups and organisations to achieve better health outcomes for their clients.

Prior to her current positions, Ms Muller was a Senior Executive in Queensland Health and led the development and implementation of state-wide population based cancer screening services, including BreastScreen Queensland and the Cervical and Bowel Cancer Screening Programs, clinical information systems, state-wide registers and ensuring equitable access to services for people in rural and remote areas, Aboriginal and Torres Strait Islanders, people from diverse cultures and disadvantaged groups.

Ms Muller holds a Master of Environmental and Community Health from Griffith University, a Graduate Diploma of Health Education from Queensland University of Technology and a Diploma of Radiography (Diagnostic) from NSW University of Technology, and is the recipient of an Australian Public Service Medal Honours Award and an Australia Day Achievement Medallion.

Ms Karen Vernon BA (Hons), LL.B
(Non-executive Director)

Ms Karen Vernon is a Barrister practising at Francis Burt Chambers in Western Australia. Ms Vernon graduated from the University of Western Australia with a Bachelor of Arts (Honours) in 1990 and a Bachelor of Laws in 1994.

She has practiced law for over 20 years, beginning her career at national law firm Phillips Fox in 1994, before becoming a partner of Metaxas & Vernon in 1999. Ms Vernon worked in London between 2003 and 2004 but returned to Perth when her father suffered a stroke. Ms Vernon worked as a senior legal officer with the Commonwealth DPP in Perth before commencing practice as a barrister in 2005. Her diverse practice areas include commercial litigation, criminal law and industrial relations, and she has represented individual, corporate and national clients across Australia in the High Court, Federal Court, national commissions and all jurisdictions within WA.

Ms Vernon has been a company director and board member of a number of organisations during the last 15 years, and is currently the Chair of the Vincentcare Advisory Board, a charity providing supported accommodation services for the homeless and those with mental health challenges.

Ms Rosemary Cummins B Pty (Hons), Grad Dip App Fin & Inv, GAICD, F Fin
(Non-executive Director, Treasurer and Chair of Finance Investment & Risk Committee)

Ms Rosemary Cummins has worked in the financial industry for over 17 years. As an investment equities analyst at Citigroup and UBS, her responsibilities included in-depth financial analysis and modelling of Australian and international healthcare companies and preparation of company performance forecasts and investment recommendations. More recently, she has worked as a consultant to a number of ASX listed companies and financial service organisations, providing investment related advisory services.

Her interest in stroke care and prevention has been long-held, and spans a number of levels. Having commenced her professional career as a physiotherapist, her clinical experience gives her insight into the often complex and differing needs of stroke patients, their families and carers. Subsequent management roles within healthcare provider organisations including the Epworth Hospital, Melbourne, and AMI Group, UK, give her knowledge of the structural and financial aspects of healthcare systems.

Mr Colin Cowell Dip Acc / Bus Mgmt, Cert. Marketing
(Non-executive Director)

Mr Colin Cowell has over 45 years, developed vast Indigenous communications, media and project management experience consulting to government and private enterprise both nationally and internationally (17 countries) producing multi-award winning campaigns and strategies.

Directors' Report (continued)

In 2014/15 he survived a series of strokes that required a left Carotid Endarterectomy operation that he is still recovering from. Besides being the national Co-chair of the Consumer Council he is also a local member of the Coffs Harbour Stroke Recovery Group meeting with regional and local stroke survivors and carers twice a month.

After 45 years of working in health and tourism in Alice Springs, Cape York and Bougainville PNG communities, the past 10 years has seen him working in Canberra as an Indigenous media and communications advisor to the Federal Department of Health, the National Aboriginal Community Controlled Health Organisation (NACCHO), the Department of Prime Minister and Cabinet-Indigenous Communications, the Australian Indigenous Leadership Centre and the Federal Attorney-General's Department (Assistant Director 2009-2012).

Since 2012 as National Media and Communications Advisor to NACCHO he has managed their social media, a daily Aboriginal Health News Alert, edits the Aboriginal Health Newspaper an insert in the Koori Mail and is also currently the producer of the 20 part television series 'Aboriginal Health Aboriginal Hands'.

Ms Sally Bateman BA, MAICD
(Non-executive Director)

Ms Sally Bateman is a senior executive with extensive experience in consumer marketing and digital strategy. During the past decade she has held leadership roles at Penguin Australia, and Penguin Random House Asia Pacific where she was Director of Digital, Marketing & Publicity and led regional strategy and the digital business.

Over the years Sally's initiatives have featured in leading marketing and digital media, and the teams she developed and mentored have won local and international industry, retail and innovation awards. A former Victorian board member of AIMIA, the industry body for interactive content and digital media in Australia, Sally is a passionate advocate for new technology and driving digital innovation in organisations.

Mr Christopher Edwards FCA, CPA, BSc Econ (Hons), GAICD
(Non-executive Director)

Mr Chris Edwards is a senior finance executive with both Australian and international experience in CFO roles mostly in the financial services sector with companies including HSBC, Prudential Insurance and Colonial First State. He has also worked in the IT industry and at QANTAS.

In addition to financial responsibilities, Mr Edward's roles have included responsibility for strategic and business planning, risk, internal audit/compliance, property management, investment management, customer service, and IT.

Mr Edwards has focussed on supporting the strategic and commercial operations of organisations by improving transparency of performance, ensuring that business decisions are based on sound analysis, prioritising scarce resources and by identifying risks together with minimising, monitoring and controlling their potential impact.

Mr Edwards holds a BSc(Econ) with Hons from the London School of Economics and trained as a Chartered Accountant with PwC in London, migrating to Sydney on qualifying. Mr Edwards is a member of CPA Australia and a graduate member of the Australian Institute of Directors.

Mr Paul Leeds
(Resigned as Non-executive Director, Vice President 27 April 2016)

Mr Paul Leeds has spent over 40 years in the advertising, media and communications industries and held many senior executive positions in the highly competitive advertising industry, as well as establishing his own successful media company in 1992. He is one of the most respected leaders in the advertising industry being the former Chairman of DDB Needham Melbourne and CEO Australia for the global communications company, Starcom Mediavest Group.

Mr Leeds is currently Chairman of Twenty3 Sport and Entertainment and Australian Made Media and is a Director of Radio 3UZ Pty Ltd, the Victoria Racing Club and the Collingwood Football Club.

Directors' Report (continued)

Mr Michael Hill BSc

(Resigned as Non-executive Director representing interests of Consumers, Co-Chair of Consumer Council 27 April 2016)

Mr Michael Hill is a graduate in psychology from the University of New South Wales and specialised in evaluation research of healthcare programs. Mr Hill was a Charter Member of the Australasian Evaluation Society and served on a number of national committees, and in 1990 joined the Goss Labour Government in Queensland and was Chief of Staff and Principal Policy Advisor to three Health Ministers before being appointed Director of Health Outcomes in Queensland Health. In 2000 Michael suffered a stroke and then neck cancer - experiences that have transformed his perspective of healthcare as a consumer. After a successful national and international sporting career as a fencer, Mr Hill still contributes to the Queensland Fencing Association.

Mr Paul Shanley BBus, MTax, FCA

(Resigned as Non-executive Director, Treasurer and Chair of Finance Investment & Risk Committee 2 December 2016)

Mr Paul Shanley has in excess of 30 years' experience in the financial services industry and chartered accounting profession. Most recently he was the Chief Operating Officer of JBWere until December 2015. Prior to this he was the Chief Financial Officer of JBWere from December 2009 until February 2014. Prior to JB Were, Paul spent 13 years with the Aviva Australia group in various senior finance roles across its life insurance business, investment platforms business and the general insurance operations of CGU Insurance.

Earlier in his career, Mr Shanley spent more than a decade in the chartered accounting profession across the audit, advisory, accounting and tax disciplines.

Paul has a Masters of Taxation from the University of Melbourne and a Bachelor of Business degree from Deakin University. He is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand.

Mr Ryan O'Hare

(Resigned as Non-executive Director 8 December 2016)

Mr Ryan O'Hare has over 30 years' experience in the telecommunications and energy industries, during which he has held a variety of senior management and public company board positions.

In 1993 Mr O'Hare founded the telecommunications company, corpTEL, where he served as Chairman and CEO until its sale to AAPT Ltd in 1998. Prior to its significant sale to AAPT, corpTEL was one of Australia's largest and most successful privately owned telecommunications companies with revenues exceeding \$AUS150m. In 2000, Mr O'Hare co-founded ASX listed People Telecom Ltd where he has served as a Director and CEO, building the company to well over \$150m that is now part of the Vocus Ltd family who's market cap exceeds \$3.5bn.

Mr O'Hare is currently the major shareholder, CEO and Chairman of IP telecoms company Next Telecom that operates in Australia and the United Kingdom and is recognised as one of the leading B2B IP telecoms groups. In addition, Mr O'Hare recently founded (and is the CEO and chairman) of Next Business Energy Ltd, now one of Australia's leading energy retailers.

Company Secretary

Mr John Buchanan

Mr John Buchanan is a Fellow of The Institute of Chartered Accountants in Australia, a member of CPA Australia, a member of The Taxation Institute of Australia and a Registered Company Auditor.

Directors' Report (continued)

Company overview

The National Stroke Foundation provides stroke services across all regions of Australia.

The business derives its revenue from:

- Donations from the Australian public
- State and federal governments for specific stroke awareness or support programs
- Corporations in the form of donations or funding for specific programs
- Trusts and foundations

The Company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 31 December 2016 the collective liability of members was \$600 (2015: \$650).

Operating and financial review

The operating result for the 2016 year was a net deficit of \$1,032,326 (2015: \$4,775 surplus). The main reason for the deficit was from the decline in community donations from fundraising activities. The Company is actively pursuing strategies to diversify its revenue streams going forward.

Nature of operations and principle activities

During the financial period the principal activities of the Company were to provide services that aim to prevent stroke and reduce the impact of stroke on the Australian community, including:

- To promote, foster, develop and assist the study of and the acquisition, dissemination and application of knowledge and information concerning the causes, diagnosis, prevention and treatment of stroke and diseases and other disorders of the nervous system;
- To encourage, stimulate and aid research in branches of health and medical science pertaining to stroke and diseases and other disorders of the nervous system;
- To stimulate public interest in and enhance public knowledge of the prevention and treatment of stroke;
- To assist in keeping the health profession in Australia conversant with the latest developments in the field of medical and scientific research and the diagnosis, prevention and treatment of stroke;
- To assist in the development and provision of support and information for stroke survivors and their families and carers; and
- To encourage and assist an international interchange of health professionals, researchers, students and others to exchange ideas for purposes of teaching, research, study and training relating to the above.

There were no significant changes in the nature of these activities during the year.

Objectives

The vision of the National Stroke Foundation is a world free from disability and suffering caused by stroke.

The Stroke Foundation Mission is to Stop Stroke, Save Lives and End Suffering. Its objectives are to:

- Decrease stroke incidence by reducing the impact of stroke incidence through primary prevention;
- Ensure better quality of care, by improving the quality of care resulting in fewer deaths and improved life after stroke;
- Create opportunities for people to have conversations about stroke;
- Strengthen the Stroke Foundation as the voice of stroke in Australia;
- Increase funding for stroke programs in Australia.

Directors' Report (continued)

To achieve these objectives, the organisation has adopted the following strategies:

- Build profile as a national organisation for improving stroke outcomes and experiences by establishing the Stroke Foundation as the authoritative national voice for stroke.
- Engage consumers (those recovering from stroke and their families and carers) to amplify our work by strengthening our advocacy through increased contact with, and improved understanding of those affected by stroke.
- Strengthen advocacy by becoming a prominent national advocate for stroke, improving awareness and aiding prevention, through targeting both state and federal governments.
- Focused program delivery by ensuring the design and delivery of our programs and services is clearly targeted and highly efficient to achieve optimal impact, and they are nationally relevant and accessible.
- Consolidate and grow revenue by growing, diversifying and consolidated our income streams.
- Build a nationally sustainable organisation by becoming a truly national organisation, with a presence in all states and territories, strengthened relationships and partnerships with other organisations and improved understanding of the inequalities of access and care in both geographic and social terms.

In 2016, the National Stroke Foundation delivered the following programs and initiatives:

- FAST, a public awareness campaign which aims to teach people the signs of stroke.
- StrokeSafe community education, which teaches people how to reduce their risk of stroke.
- Health Check Program, incorporating the Know Your Numbers initiative and Australia's Biggest Blood Pressure Check, which raises awareness of risk factors for stroke and diabetes in the community through pharmacy and community health centre checks.
- Stroke Connect, a program to ensure that stroke survivors and their carers are provided with information and supported to access the necessary resources to assist in their best possible recovery and improve the quality of life after stroke. Major activities include:
 - Stroke Connect Followup, where stroke survivors and their carers are connected with, and supported to access the necessary services, resources and information in order to improve the quality of life post stroke;
 - My Stroke Journey, which delivers high quality information to stroke survivors, their family members and carers. MSJ is designed to support care planning and the transition from hospital to home. It is complemented by a range of information fact sheets on the impact of stroke;
 - StrokeLine, a telephone and online service operated by trained health professionals who provide information and advice on stroke prevention, treatment and recovery;
 - enableme, an online portal that uses adaptive technology to empower stroke survivors, carers and families with the information they need to maximise their recovery and to navigate the journey after stroke; and
 - Stroke Connect Support groups – providing support to stroke survivors in the community via volunteer led groups.
- Stroke EXPERT, a program aimed at healthcare professionals, including:
 - National Clinical Guidelines – provides a series of evidence based recommendations related to treatment, care and recovery from stroke and TIA to assist in decision making;
 - National Stroke Acute Standard and the Rehabilitation Framework which aims to improve the quality of acute and rehabilitation health services in Australia by outlining recommended systems, structures, networks, settings and criteria;
 - National Audit – presents data central to the understanding of the current acute and rehabilitation services in Australia, reports on areas for improvement and tracks performance over time against best practice clinical guidelines and standards;
 - StrokeLink – a team based quality improvement program for hospital staff working in stroke which uses audit data to help reduce the gap between evidence and practice;
 - InformMe – A digital 'one stop shop' platform to provide health professionals working in stroke evidenced based information, clinical guidelines, audit and benchmarking data, quality improvement tools and online education modules to promote best practice stroke care in acute and rehabilitation services.

Directors' Report (continued)

- Research, which provides funding and in-kind support for capacity building grants in stroke research. In 2016, 8 grants were awarded by the Stroke Foundation;
- Advocacy at federal and state government levels, with the aim of obtaining more funding for proven interventions which will ultimately reduce the economic, societal and health burdens of stroke in Australia.

This work was supported by:

- Good governance: ensuring financial sustainability and effective risk management processes, engaging and retaining outstanding people, implementing quality processes and systems, and creating quality infrastructure and environments.
- Communications: working with the media, business, governments, health professionals and the general community to establish two-way flows of information to raise awareness about stroke, show how stroke can be prevented and treated, and demonstrate how life can be made better for stroke survivors and their carers, friends and families.

Strategy and operational risk management

The Board of the Stroke Foundation is actively involved in the identification and management of enterprise risks within the context of the organisation's risk management framework, and reviews significant changes in organisational risk profile at each Board meeting. The monitoring of risks has been delegated by the Board to the Finance, Investment and Risk Committee who formally review risks at their quarterly meetings and escalate to the Board when residual risks increase significantly, or when emerging issues exceed organisational risk appetite.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with potential business risks and opportunities. They include the implementation of Board approved operating plans and budget, the Board monitoring of progress against these budgets including financial and non-financial key performance indicators.

Management and the Board monitor the Company's overall performance, from its implementation of the strategic plan through to the performance of the Company against operating plans and financial budgets.

The Board, together with management, monitor organisational performance through a suite of key performance indicators (KPIs). Management monitor KPIs on a timely basis. Directors receive various financial and non-financial KPIs for review prior to each Board meeting allowing all Directors to actively monitor the Company's performance.

Significant changes in the state of affairs

On 1 February 2016, the Board appointed a new Chief Executive Officer, Miss Sharon McGowan. During the year, the Company restructured its Executive team (which includes key management personnel) from five to four in order to optimise operational alignment.

Indemnification and insurance of directors and officers

Indemnification

The Company has agreed to indemnify the immediate current and former Directors and the current and the immediate former Company Secretary against all liabilities to another person (other than the Company) that may arise from their position as Directors or Secretary of the Company, except where the liability arises out of a lack of good faith. The agreement stipulates that the Company will meet the full amount of such liabilities, including costs and expenses.

The Company has paid insurance premiums of \$1,892.69 in respect of Directors and Officers Liability insurance.

Directors' Report (continued)

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

Directors' meetings

	Meetings of the Directors and Committees		
	Directors' meetings	Finance Investment & Risk	Governance & Nominations
Number of meetings held	8	8	4
Number of meetings attended:			
Professor James Angus AO	8	-	3
Ms Christina Tonkin	5	-	2
Professor Amanda Thrift	7	-	-
Ms Dawn Oldham	8	-	-
Ms Irene Trethowan	8	7	4
Assoc. Professor Bruce Campbell	8	-	-
Ms Jennifer Muller	8	-	-
Ms Karen Vernon	5	-	1
Ms Rosemary Cummins	8	8	1
Mr Colin Cowell (eligible 6)	6	-	-
Ms Sally Bateman (eligible 5)	5	-	-
Mr Christopher Edwards (eligible 3)	2	4	-
Mr Paul Leeds (eligible 3)	2	-	1
Mr Michael Hill (eligible 3)	3	-	-
Mr Paul Shanley (eligible 7)	7	8	1
Mr Ryan O'Hare (eligible 8)	5	-	-

Committee memberships

At the date of this report, the Company had a Finance, Investment & Risk Committee and a Governance & Nominations Committee.

Finance, Investment & Risk	Governance & Nominations
Ms Rosemary Cummins (c)	Professor James Angus AO (c)
Ms Irene Trethowan	Ms Christina Tonkin
Mr Christopher Edwards (eligible 4)	Ms Irene Trethowan
Mr Peter Fekete ¹	Ms Karen Vernon (eligible 2)

(c) Designates the chairperson of the committee

¹ Mr Peter Fekete is an independent advisor and non-director

Mr Paul Shanley resigned from the Finance, Investment & Risk committee 2 December 2016

Mr Christopher Edwards was appointed to the Finance, Investment & Risk committee 26 August 2016

Mr Paul Leeds resigned from the Governance & Nominations committee 27 April 2016

Ms Karen Vernon was appointed to the Governance & Nominations committee 30 May 2016

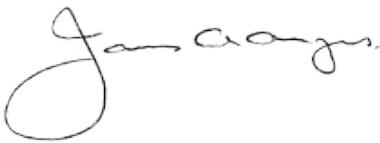
Directors' Report (continued)

Auditor independence

In addition to audit services, RSM Australia Partners were engaged to perform assurance related procedures in relation to grant acquittals.

The Directors have received the Declaration of Independence from the auditor of National Stroke Foundation Limited, a copy of which follows the Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in dark ink, appearing to read 'James Angus'.

Professor James Angus AO
President

A handwritten signature in dark ink, appearing to read 'Rosemary Cummins'.

Mrs Rosemary Cummins
Treasurer

Melbourne, 23 March 2017

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of National Stroke Foundation for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'R B Miano'.

R B MIANO
Partner

Melbourne, VIC
23 March 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue from operating activities	5	11,929,719	14,041,156
Core activity costs		12,857,597	13,612,811
Gross surplus/(deficit)		(927,878)	428,345
Administration costs		759,843	644,714
Occupancy expenses		514,400	490,553
Depreciation and amortisation		281,616	147,576
Deficit from operating activities		(2,483,737)	(854,498)
Other income	5	875,614	921,390
Realised gain/(loss) on investments		(17,372)	434,081
Unrealised gain/(loss) on investments		593,168	(496,198)
Surplus/(deficit) before income tax expense	5	(1,032,326)	4,775
Surplus/(deficit) after income tax expense		(1,032,326)	4,775
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		(1,032,326)	4,775

Statement of financial position

As at 31 December 2016

	Note	2016 \$	2015 \$
Current assets			
Cash & cash equivalents	16(b)	5,255,423	5,751,553
Trade and other receivables	6	863,648	719,749
Other current financial assets	9	14,102,192	15,548,647
Total current assets		20,221,263	22,019,949
Non-current assets			
Plant & equipment	7	335,706	281,218
Intangible assets	8	1,656,423	954,087
Total non-current assets		1,992,129	1,235,305
Total assets		22,213,392	23,255,254
Current liabilities			
Trade and other payables	10	679,701	860,808
Provisions	11	311,859	269,066
Deferred revenue	12	1,098,360	1,179,831
Other liabilities	13	33,239	-
Total current liabilities		2,123,159	2,309,704
Non-current liabilities			
Provisions	11	99,551	124,153
Deferred revenue	12	161,738	78,167
Other liabilities	13	118,040	-
Total non-current liabilities		379,329	202,320
Total liabilities		2,502,489	2,512,024
Net assets		19,710,903	20,743,230
Funds			
General Funds	14	4,710,904	20,743,230
Reserves	15	15,000,000	-
Total funds		19,710,904	20,743,230

Statement of changes in equity

For the year ended 31 December 2016

	Reserves \$	General Funds \$	Total \$
At 1 January 2015	-	20,738,455	20,738,455
Surplus/(Deficit) for year	-	4,775	4,775
Transfer to/(from) reserves	-	-	-
Balance at 31 December 2015	-	20,743,230	20,743,230
At 1 January 2016	-	20,743,230	20,743,230
Surplus/(Deficit) for year	-	(1,032,326)	(1,032,326)
Transfer to/(from) reserves	15,000,000	(15,000,000)	-
Balance at 31 December 2016	15,000,000	4,710,904	19,710,904

Statement of cash flows

For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from ordinary activities (inclusive of GST)		12,418,929	14,533,218
Payments to suppliers and employees (inclusive of GST)		(14,935,745)	(15,979,360)
Interest received		161,261	159,465
Net cash outflows from operating activities	16(a)	(2,355,556)	(1,286,677)
Cash flows from investing activities			
Purchase of investment securities		(14,197,935)	(12,911,285)
Proceeds from sale of investment securities		16,220,187	13,750,541
Purchase of plant and equipment		(152,719)	(45,777)
Purchase of intangible assets		(885,721)	(704,627)
Proceeds from sale of plant and equipment		-	10,604
Dividends received		644,175	723,911
Interest received		231,439	197,479
Net cash flows from investing activities		1,859,426	1,020,846
Net cash flows from financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents		(496,130)	(265,832)
Add opening cash and cash equivalents brought forward		5,751,553	6,017,384
Cash and cash equivalents at end of period	16(b)	<u>5,255,423</u>	<u>5,751,553</u>

Notes to the financial statements

For the year ended 31 December 2016

1. Corporate information

The financial report of the National Stroke Foundation Limited for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Directors on 23 March 2017.

National Stroke Foundation Limited is a company limited by guarantee and domiciled in Australia. The financial report is presented in Australian dollars, which is the Company's functional currency.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation of financial report

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for financial assets which have been measured at fair value. All financial statements should be read in conjunction with the notes.

The financial report is presented in Australian dollars.

(a) Statement of compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference, Title, Application date of standard	Application date for Company and Summary	Impact on Company Financial Report
AASB 9 <i>Financial Instruments</i> 1 January 2018	Application date for the Company 1 January 2018 The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	The Company has not yet determined the extent of the impact on the amendments, if any.

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

Reference, Title, Application date of standard	Application date for Company and Summary	Impact on Company Financial Report
AASB 15 <i>Revenue from Contracts with Customers</i> 1 January 2019	Application date for the Company 1 January 2019 This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	The Company has not yet determined the full extent of the impact on the amendments, however a preliminary assessment estimates there to be no significant impact on the Company's financial report.
AASB 16 <i>Leases</i> 1 January 2019	Application date for the Company 1 January 2019 The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	The Company has not yet determined the extent of the impact on the amendments, if any.

(c) Basis of consolidation

The consolidated financial report comprises the financial statements of the National Stroke Foundation and its subsidiary as at 31 December each year.

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Stroke Care Australia Pty Ltd is the only subsidiary and has not operated during the financial year. Stroke Care Australia Pty Ltd has no assets or liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash at bank, cash in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company does not have an overdraft facility.

(e) Trade and other receivables

Trade receivables generally have terms of 30-60 days and are recognised initially at fair value and subsequently measured at amortised cost less an allowance for any impairment.

Collectability of trade receivables is reviewed on an ongoing basis.

An allowance for impairment loss is made when there is objective evidence that the debt will not be collectible, including default of payment or where the debtor is experiencing financial difficulties. Individual debts that are known to be uncollectible are written off.

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Summary of significant accounting policies (continued)

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of purchase comprises the purchase price plus other costs directly attributable to the acquisition.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition or ownership.

(g) Plant and equipment

Plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the useful life of individual items of plant and equipment.

Depreciation rates for plant and equipment is over 1 to 10 years, depending on asset classification.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(i) Impairment of assets

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and also annually at each reporting date. Assets are written down to their recoverable amount when the carrying amount of the asset is greater than the higher of the assets' fair value less costs to sell and value in use.

(j) Intangible assets

Separately acquired intangible assets

On initial recognition, intangible assets acquired separately are measured at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life and amortisation method are revised at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Summary of significant accounting policies (continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Internally generated intangible assets

Development costs represent typical internally generated intangible assets of relevance for the Company. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable and the following main conditions are met:

- (i) the development costs can be measured reliably,
- (ii) the technical feasibility of the product has been ascertained and
- (iii) Management has the intention and ability to complete the intangible asset and use or sell it.

Internally generated intangible assets primarily relate to internally developed software.

(k) Other financial assets

The company classifies its investments in the following categories: financial assets at fair value through the profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends upon the purpose for which the investments were acquired. Management determines the classification at initial recognition and re-evaluates this designation at each reporting date.

A financial asset is categorised as a "Financial assets at fair value through profit and loss" if it is acquired principally for the purpose of selling in the short term or if it is so designated by management. The policy of management is to designate a financial asset, if it exists a possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

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.

(l) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted.

They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Donations

Donation revenue is recognised in the results when received.

Monetary bequests

Bequest revenue is recognised in the results when received.

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Summary of significant accounting policies (continued)

Rendering of services

Revenue from the delivery of services (including grants from Governments) is recognised in accordance with the percentage of completion method. The stage of completion is determined by reference to key milestones achieved to date as a percentage of total contractual value. Funds relating to Government grants are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs they are intended to compensate.

Interest revenue

Interest accrues using the effective interest method which allocates interest income over the relevant period using an effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividend revenue is recognised in the results when received.

(n) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Wages, salaries and annual leave

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured using remuneration rates which are expected to be paid when the liability is settled.

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. In determining the present value of expected future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(o) Income tax and other taxes

Income tax

Due to an exemption granted by the Australian taxation authorities, no provision for income tax is necessary.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the ATO, in which case the GST is recognised as either part of the cost of acquisition of an asset or as part of the expense item; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Summary of significant accounting policies (continued)

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal, equitable or constructive) to make a future outflow of economic benefits as a result of past transactions or other past events, it is probable that a future outflow of economic benefits will be required and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(q) Comparative figures

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Key estimates – classification and valuation of investments

The Company has classified investment in listed securities as financial assets at fair value through profit and loss. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Notes to the financial statements (continued)

For the year ended 31 December 2016

4. Financial risk management objectives and policies

(a) Financial risk management objective and policies

Interest, liquidity and credit risk arise in the normal course of the Company's operations. The Company's principal financial instruments comprise investments, cash and short term deposits. Other financial instruments include trade receivables and trade payables.

The Company uses different methods to measure and manage different types of risks to which it is exposed, as further outlined below. The Company's management of financial risk is aimed at supporting the delivery of the Company's financial targets while protecting future financial security.

The totals for each category of financial instruments are as follows:

	Note	2016 \$	2015 \$
Financial assets			
Cash and cash equivalents	16	5,255,423	5,751,553
Trade and other receivables	6	863,648	719,749
Other current financial assets	9	14,102,192	15,548,647
Total financial assets		20,221,263	22,019,949
Financial liabilities			
Trade and other payables	10	679,700	860,808
Total financial liabilities		679,700	860,808

(b) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and cash equivalent assets. The Company has no borrowings.

At balance date the Company had the following mix of financial assets exposed to Australian variable interest rate risk:

	2016		2015	
	Interest rate %	\$	Interest rate %	\$
Cash at bank	0.00 - 2.50	4,992,184	0.00 - 2.50	5,545,948
Deposits at call	2.50 - 3.00	263,238	2.50 - 3.00	205,605
Total exposure		5,255,422		5,751,553

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due.

The liquidity position for the Company is managed to ensure financial commitments are met in a timely manner. Forecasted cash flows are used to calculate a future liquidity position and to maintain suitable liquidity levels.

The Company's exposure to liquidity risk is low due to the active and regular monitoring of financial performance, approved budgets and future cash flows, coupled with the significant reserves held.

Notes to the financial statements (continued)

For the year ended 31 December 2016

4. Financial risk management objectives and policies (continued)

(d) Credit risk

Credit risk is the risk that a contracting party with the Company may not meet its obligations and in turn result in a potential financial loss to the Company.

The carrying amount of financial assets represents the maximum credit exposure. The major trade receivables of the Company are large corporations who hold strong relationships with the Company and Governments. Credit risk is therefore considered low for the majority of the balance. The Company holds no collateral on trade receivables as the Company only deals with creditworthy third parties. Receivable balances are monitored on an ongoing basis and given the low risk profile of customers, the Company's exposure to bad debts is not significant.

(e) Price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through the guidance of external investment advisors. Price risk is minimised via diversification and by placing an agreed upon framework around limits of how the portfolio is allocated. Reports on the equity portfolio are submitted to the Company's senior management and Board of Directors on a regular basis.

At balance date, the Company had the following mix of financial assets exposed to changes in market prices:

	2016		2015	
	Yield estimate	\$	Yield estimate	\$
ASX listed - Australian securities	0.00 - 7.00	12,742,409	0.00 - 7.00	13,982,280
ASX listed - International securities	0.00 - 7.00	1,346,117	0.00 - 7.00	1,541,215
Managed fund - International securities	0.00 - 7.00	486,621	-	-
Unlisted Australian securities	0.00	13,666	0.00	25,152
Total exposure		<u>14,588,813</u>		<u>15,548,647</u>

Australian securities are traded on the Australian Securities Exchange.

International securities are traded on the Australian Warrant and Exchange Traded Funds (ETF) Exchange and via an international equity fund. They are predominantly exposed to U.S, U.K and European currency fluctuations. At balance date, approximately 26% of securities held via the ETF Exchange and in international markets include an inbuilt currency hedge to protect the Company against currency risk exposure.

Any increase or decline on Australian or international markets could have an impact on the income or equity attributable to the Company, depending on whether any increase or decline is significant or prolonged.

Notes to the financial statements (continued)

For the year ended 31 December 2016

4. Financial risk management objectives and policies (continued)

(f) Fair value

Due to their short term nature, the fair value of all the financial assets and liabilities held by the Company is assumed to approximate the individual carrying values of those assets and liabilities.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The listed financial assets are based on a level 1 method to determine fair value.

The unlisted financial assets are based on a level 2 method to determine fair value.

There are no other recurring or non-recurring financial assets or liabilities measured at fair value.

Notes to the financial statements (continued)

For the year ended 31 December 2016

5. Surplus/(deficit) from ordinary activities

Surplus/(deficit) from ordinary activities has been determined after:

	2016 \$	2015 \$
Operating revenue		
Government	2,273,255	3,244,837
Community	6,298,498	7,135,092
Bequests received	1,841,194	1,618,698
Trusts and foundations	934,286	1,124,945
Corporate	385,472	731,892
Interest	161,261	159,465
Product merchandising	35,753	26,226
Total operating revenue	11,929,719	14,041,155
Core activity expenditure		
Programs and Operations	6,749,913	7,121,194
Income Development	5,135,876	5,347,997
Research	416,970	499,546
Advocacy	554,838	644,073
Total core activity expenditure	12,857,597	13,612,811
Governance and Sustainability	1,555,858	1,282,843
Total expenditure	14,413,455	14,895,654
Deficit from operating activities	(2,483,737)	(854,498)
Other income		
Interest income on interest bearing securities	231,439	197,479
Dividend income on equity securities	418,607	542,824
Franking credits earned	225,568	181,087
Total other income	875,614	921,390
Unrealised and realised gain/(loss) from Investments under external management	575,796	(62,117)
Total comprehensive income attributable to members of the entity	(1,032,326)	4,775

The following explanations of revenue types and core activity expenditure groups are provided to assist in understanding the deficit from ordinary activities and net surplus.

Revenue

Government revenue is provided by both state and federal governments for specific purposes.

Community revenue includes revenue raised from donations and events where there is no specific requirement for use.

Trusts and foundations revenue represents revenue provided by various trusts or foundations for specific purposes.

Corporate revenue is provided by companies for specific and non-specific purposes.

Notes to the financial statements (continued)

For the year ended 31 December 2016

5. Surplus/(deficit) from ordinary activities (continued)

Core activity expenditure

Programs and Operations expenditure relates to the delivery of nationwide programs. A large number of programs exist to prevent stroke prevalence in the Australian public by educating and informing the community of the risk factors and signs of stroke. Programs also include those that help to improve support services for people and families living with stroke to help improve lives and to improve treatments and access to stroke units. Expenditure largely includes promotional types of expenditure as well as salary and wages.

Income development focuses on fundraising. Expenditure includes salary and wages as well as developmental investment costs for donor acquisition and recruitment as well as a bequest program necessary to support long-term growth and vision of the Company.

Research costs relate to promoting and supporting excellence in stroke related research.

Advocacy is connected to influencing public-policy and resource allocation decisions within political, economic, and social systems and institutions to the benefit of the Australian public and stroke community.

Governance and Sustainability

This non-core activity drives the Company's good governance and strategic planning activities. The focus of this activity is to ensure the Company is efficient, effective and operates with high integrity and process that services stakeholders to a high level of satisfaction. Expenditure includes salary and wages, administration and overhead type costs.

6. Trade and other receivables

	2016 \$	2015 \$
Trade debtors	111,141	86,785
Provision for impaired debtors	-	-
	111,141	86,785
Other receivables:		
Sundry receivables	482,158	368,113
GST receivable	139,462	126,101
Prepayments	130,887	138,750
	752,507	632,964
Total trade and other receivables	863,648	719,749

Trade receivables are non-interest bearing and are expected to settle within 30-60 days. An allowance for impairment loss is made when there is objective evidence that an individual debt will not be collectible, including default of payment or where the debtor is experiencing financial difficulties.

At 31 December the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days	61-90 days	+ 91 days
2016	111,141	94,825	10,046	6,160	110
2015	92,077	40,102	12,748	110	39,117

Notes to the financial statements (continued)

For the year ended 31 December 2016

7. Plant and equipment

	2016	2015
	\$	\$
Plant and equipment		
At cost	816,658	663,939
Accumulated depreciation	(480,952)	(382,721)
Net carrying amount	335,706	281,218

Reconciliation of carrying amounts at beginning and end of period

Plant and equipment		
At 1 January net of accumulated depreciation	281,218	350,248
Disposals	-	(10,687)
Additions	152,719	45,777
Depreciation expense	(98,231)	(104,120)
Total written down amount	335,706	281,218

8. Intangible assets

	Licences	Development costs	Total
	\$	\$	\$
Cost			
At 1 January 2015	31,182	262,211	293,393
External additions	-	-	31,182
Internally developed additions	-	704,627	704,627
At 31 December 2015	31,182	966,838	998,020
External additions	19,555	-	19,555
Internally developed additions	-	866,166	866,166
At 31 December 2016	50,737	1,833,004	1,883,741
Amortisation			
At 1 January 2015	581	-	581
Amortisation for the year	6,236	37,115	43,352
At 31 December 2015	6,817	37,115	43,933
Amortisation for the year	8,213	175,172	183,385
At 31 December 2016	15,031	212,287	227,318
Net carrying amount			
At 1 January 2015	30,601	262,211	292,812
At 31 December 2015	24,365	929,723	954,087
At 31 December 2016	35,706	1,620,717	1,656,423

Development costs represent internally generated intangible assets of relevance for the Company and primarily relate to internally developed software such as the enableme and InformMe online platforms.

Notes to the financial statements (continued)

For the year ended 31 December 2016

9. Financial assets

	2016	2015
	\$	\$
Investments at fair value through profit and loss:		
Quoted equity shares	14,088,526	15,523,495
Unquoted equity shares	13,666	25,152
Total investments at fair value	14,102,192	15,548,647

Quoted equity shares represent securities traded on the Australian Securities Exchange, the Australian Warrant and Exchange Traded Funds (ETF) Exchange and international markets via an international equity fund. At balance date, approximately 26% of securities held via the ETF Exchange and in international markets include an inbuilt currency hedge to protect the Company against currency risk exposure.

10. Trade and other payables (current)

Trade payables	389,669	374,894
Other payables	290,032	485,914
Total	679,701	860,808

11. Provisions

Employee provisions	411,410	393,219
Total	411,410	393,219
Current	311,859	269,066
Non-current	99,551	124,153
Total	411,410	393,219

12. Deferred revenue

Deferred revenue	1,260,098	1,257,998
Current	1,098,360	1,179,831
Non-current	161,738	78,167
Total	1,260,098	1,257,998

13. Other liabilities

Lease incentive	151,278	-
Current	33,239	-
Non-current	118,040	-
Total	151,279	-

Notes to the financial statements (continued)

For the year ended 31 December 2016

14. General funds

	2016	2015
	\$	\$
General funds at beginning of the financial year	20,743,230	20,738,455
Net surplus/(deficit)	(1,032,326)	4,775
Transfer to Contingency Fund Reserve	(15,000,000)	-
General funds at end of the financial year	4,710,904	20,743,230

15. Reserves

During 2016, the Board approved a new Reserves Policy designed to ensure the Company retains sufficient financial reserves to safeguard the continuity of its operations and provide a regular income stream to further the Company's mission.

The Reserves Policy has been implemented in conjunction with other governance, risk management and financial policies of the Stroke Foundation. The policy is intended to support the goals and strategies contained in these related policies and in the strategic and operational plans approved by the Board.

(a) Reconciliation of Contingency fund reserve

Balance at the beginning of the year	-	-
Transfer from general funds	15,000,000	-
Balance at the end of the year	15,000,000	-

(b) Nature and purpose of Contingency fund reserve

The reserve acts specifically as a contingency fund to protect the ongoing operations of the organisation in the event of an unexpected catastrophic event impacting revenue or expense. It also acts as an endowment fund which produces an annual source of revenue (interest, dividends, franking credits) to support and/or invest in the Company's activities.

Notes to the financial statements (continued)

For the year ended 31 December 2016

16. Cash flow statement reconciliation**(a) Reconciliation of net cash provided by operating activities to operating surplus**

	2016	2015
	\$	\$
Net surplus/(deficit)	(1,032,326)	4,775
Adjustments for:		
Depreciation of non-current assets	98,231	104,225
Amortisation of intangible assets	183,385	43,352
Loss/(surplus) on sale of plant and equipment	-	83
Change in fair value of quoted shares	(575,796)	62,117
Cash dividends included in the calculation of net surplus	(875,615)	(921,390)
Changes in assets and liabilities:		
(Increase)/decrease in current receivables	(143,897)	(292,147)
(Increase)/decrease in inventories	-	4,950
(Decrease)/increase in current trade and other creditors	(181,106)	(297,344)
(Decrease)/increase in provisions	20,291	4,702
(Decrease)/increase in other liabilities	151,277	-
Net cash provided by operating activities	(2,355,556)	(1,286,677)

(b) Cash and cash equivalents at balance date

Cash at bank and on hand	4,992,185	5,545,948
Deposits at call	263,238	205,605
Closing cash balance	5,255,423	5,751,553

17. Commitments and contingencies

The Company has entered into operating leases on certain office equipment and property for office space as well as capital expenditure.

Operating leases

Within one year	434,695	402,139
After one year but not more than five years	580,274	253,569
Total minimum lease payments	1,014,969	655,708

Capital expenditure commitments

Within one year	358,100	748,042
After one year but not more than five years	-	-
Total minimum capital payments	358,100	748,042

The Company had no contingent assets or contingent liabilities at the reporting date (2015: nil).

Notes to the financial statements (continued)

For the year ended 31 December 2016

18. Auditor's remuneration

	2016	2015
	\$	\$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit or review of the financial report	19,000	18,900

19. Related party disclosure

The Company has purchased services from a related party on commercial terms.

Next Telecom Pty Ltd - telecommunication services provided (a company significantly influenced by Mr Ryan O'Hare, resigned 8 December 2016)	27,252	35,479
The Florey Institute of Neuroscience and Mental health - a partner in supporting stroke research and developing infrastructure to collect stroke data. (a company significantly influenced by Prof. James Angus AO and Assoc. Professor Julie Bernhardt (resigned 5 May 2015))	399,240	284,007

20. Key management personnel compensation

Key management personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include the CEO and Divisional Directors of the Company. Directors of the Board operate on a pro bono basis and therefore do not receive any remuneration.

The aggregate compensation made to key management personnel is outlined below.

Short-term benefits	955,081	957,825
Post-employment benefits	85,465	85,681
Termination benefits	63,440	-
Total	1,103,986	1,043,506

21. Significant events after balance sheet date

At the date of issue of these consolidated financial statements, the Company is not aware of any events occurring after balance date which will significantly impact the financial position reported at 31 December 2016.

22. Controlled entities

The consolidated financial statements include the financial statements of National Stroke Foundation Limited and all its subsidiaries as listed in the following table.

	Country of Incorporation	Ownership interest 2016	2015
Stroke Care Australia	Australia	100%	100%

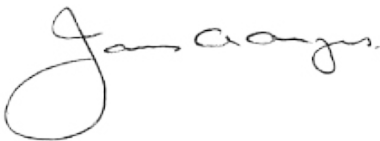
Directors' declaration

In accordance with the resolution of the Directors of the National Stroke Foundation, I state that:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'James Angus', with a large, stylized initial 'J'.

Professor James Angus AO
President
Melbourne, 23 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL STROKE FOUNDATION

Opinion

We have audited the financial report of National Stroke Foundation (the company), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of National Stroke Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the ABC Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is 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.

In preparing the financial report, directors are responsible for assessing National Stroke Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate National Stroke Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS****R B MIANO**
PartnerMelbourne, VIC
27 March 2017