



strokefoundation

National Stroke Foundation

ABN 42 006 173 379

**Financial Report for the year ended
31 December 2015**

Contents

Corporate information.....	3
Directors' Report.....	4
Auditor's Independence Declaration.....	13
Statement of comprehensive income.....	14
Statement of financial position.....	15
Statement of changes in equity.....	16
Statement of cash flows.....	17
Notes to the financial statements.....	18
Directors' Declaration.....	35
Independent Audit Report.....	36

Corporate information

ABN

42 006 173 379

Directors

Professor James Angus AO	Appointed President and Non-executive Director 5 May 2015 (previously President-Elect and Non-executive Director)
Professor Richard Larkins AO	Resigned as President Non-executive Director 5 May 2015
Mr Paul Leeds	Non-executive Director
Ms Christina Tonkin	Non-executive Director
Mr Paul Shanley	Non-executive Director
Professor Amanda Thrift	Non-executive Director representing interests of Research
Mr Michael Hill	Non-executive Director representing interests of Consumers
Ms Dawn Oldham	Non-executive Director
Mr Ryan O'Hare	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	Appointed Non-executive Director 29 May 2015
Professor Richard Lindley	Resigned Non-executive Director 5 May 2015
Assoc. Professor Julie Bernhardt	Resigned Non-executive Director 5 May 2015

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

The National Stroke Foundation is a company limited by guarantee.

Internet

www.strokefoundation.com.au

Directors' Report

Your Directors present their report on the company for the financial year ended 31 December 2015.

Directors

The names of the Directors of the Company in office during the year ended 31 December 2015 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

(Non-executive Director, appointed as President 5 May 2015, formerly President-Elect)

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 Senior Advisor to the Minister's Health Innovation and Reform Council, Board Member of the Florey Institute of Neuroscience and Mental Health, Peter MacCallum Cancer Institute and Chair, Melbourne Genomics Health Alliance.

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.

Professor Richard Larkins AO MDBS, PhD, LLD (Hon), LLD (Hon), FTSE, FAAHMS.

(Resigned as Non-executive Director, President and Chair of Governance and Nominations Committee 5 May 2015).

Professor Larkins is an Emeritus Professor of Monash University. He was Vice-Chancellor and President of Monash University from 2003 to 2009. Prior to that he was Dean of the Faculty of Medicine, Dentistry and Health Sciences at the University of Melbourne from 1998 to 2003 and the James Stewart Professor of Medicine of the University of Melbourne at Royal Melbourne Hospital from 1984 to 1997. Other positions held have included Chair of Universities Australia, Chair of the National Health and Medical Research Council of Australia, President of the Royal Australasian College of Physicians, Chair of the Medical Schools Accreditation Committee of the Australian Medical Council, President of the Endocrine Society of Australia, member of the Prime Minister's Science, Engineering and Innovation Council and member of the National Aboriginal and Torres Strait Islander Health Council.

Professor Larkins has received the Eric Susman Prize for medical research from the RACP, the Sir William Upjohn Medal for distinguished service to medicine and the Brownless Medal from the University of Melbourne.

Current roles include Chair of the Board of Victorian Comprehensive Cancer Centre, Chair of the Council of EMBL Australia, Chair of the Australian Synchrotron Holding Company, member of the Board of Trustees of the Sir Ian Potter Foundation, member of the Council of La Trobe University and member of the Board of Trustees of the Jeffrey Cheah Foundation.

Directors' Report (continued)

Mr Paul Leeds

(Non-executive Director, Vice President)

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.

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.

Mr Paul Shanley BBus, MTax, FCA

(Non-executive Director, Treasurer and Chair of Finance Investment & Risk Committee)

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.

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.

Directors' Report (continued)

Mr Michael Hill BSc

(Non-executive Director representing interests of Consumers, Co-Chair of Consumer Council)

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.

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

(Non-executive Director, resigned Co-Chair of Consumer Council 5 May 2015)

Ms Dawn Oldham was a number one rated equity investment analyst in the consumer sector whilst working for Merrill Lynch and Citigroup for 15 years. Dawn has exceptional financial, wealth management and strategic management skills and has owned and operated a successful strategy consulting business across the food, beverage and retail sector. She is currently the Director of a boutique personal financial advisory and confidante business for women.

Ms Oldham has also served on many not for profit committees and councils over the past five years. Dawn Oldham holds a Bachelor of Economics & Commerce (First Class Honours) from Monash University, a Graduate Diploma in Applied Finance & Investment and a Graduate Diploma in Financial Planning and was appointed to the AICD Chair Mentoring Program in late 2015. She is also a Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors.

Mr Ryan O'Hare

(Non-executive Director)

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.

Irene Trethowan BA, LLB (Hons)

(Non-executive Director)

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.

Directors' Report (continued)

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 Dip Rad (Diag), Grad Dip Hlth Ed, MEnv&ComHealth
(Non-executive Director representing interests of Consumers)

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 Vernon is a Barrister, and has been practising law for almost 20 years across a number of areas but with an emphasis on vocational regulation, commercial litigation, criminal law and medical negligence representing clients in the Industrial Relations Commission, Magistrates Courts, District, Supreme and Federal Courts, as well as appearing on contested hearings and appeals in the District, Supreme and Federal Courts and Health Practitioner Boards.

Ms Vernon is a Barrister and Solicitor of the Supreme Court of Western Australia, as well as the High Court and Federal Court of Australia.

Ms Rosemary Cummins B Pty (Hons), Grad Dip App Fin & Inv, GAICD, F Fin
(Appointed as Non-executive Director 29 May 2015)

Ms 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.

Directors' Report (continued)

Professor Richard Lindley MBBS, MD

(Resigned as Non-executive Director 5 May 2015)

Professor Richard Lindley is the Moran Foundation for Older Australians Professor of Geriatric Medicine at The University of Sydney, and Professorial Fellow at the George Institute for Global Health.

Professor Lindley holds a Doctor of Medicine from the University of Newcastle upon Tyne in the United Kingdom, and is a Fellow of the Royal College of Physicians of Edinburgh and a Fellow of the Royal Australasian College of Physicians.

Professor Lindley's main research interests include stroke, randomised controlled trials of new treatments for older people and frailty, and he is Past President of the Stroke Society of Australasia, and remains a clinical geriatrician in addition to his research interests.

Professor Julie Bernhardt BSc, PhD

(Resigned as Non-executive Director 5 May 2015)

Professor Bernhardt holds Bachelor of Science and Doctor of Philosophy degrees

Professor Julie Bernhardt is Head of the Stroke Division, The Florey Institute for Neuroscience and Mental Health, and leads the AVERT Early Intervention Research Program, which includes a multidisciplinary team of researchers committed to the development and testing of rehabilitation interventions that can reduce the burden of stroke related disability. AVERT, the largest, international, acute stroke rehabilitation trial ever conducted, sits at the core of the program. She is Director of the NHMRC Centre of Research Excellence in Stroke Rehabilitation and Recovery.

Professor Bernhardt's clinical career has been devoted to working with people with stroke and neurological diseases. As a strong proponent of evidence based care, another key theme within her program is the synthesis and translation of evidence into practice. Julie sits on a number of national and international stroke advisory groups.

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 2015 the collective liability of members was \$650 (2014: \$750).

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.

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.

Directors' Report (continued)

- 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 2015, the National Stroke Foundation delivered the following programs and initiatives:

- FAST, 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, which raises awareness of risk factors for stroke and diabetes in the community through pharmacy and community health 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, all 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 complimented by a range of fact sheets on the impact of stroke;
 - StrokeLine, Health professionals provide information and advice on stroke prevention, treatment and recovery via telephone;
 - 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 lead groups.
- Stroke EXPERT, a program aimed at healthcare professionals, including:
 - Guidelines – provides a series of evidence based recommendations related to recovery from stroke and TIA and to assist in decision making;
 - National Stroke Acute and rehabilitation framework - aims to improve the quality of Australian acute and rehabilitation health services by outlining recommended structures , networks, settings and criteria;
 - Audit – the 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 guidelines and standards.;
 - AuSDaT- A single data collection tool for clinical monitoring of stroke care;
 - StrokeLink – a team based quality improvement program, to help reduce the gap between evidence and practice.
 - InformMe – A digital platform to provide health professionals working with stroke survivors the most relevant up to date information regarding stroke, research , treatment, recovery and rehabilitation
- Research, which provides funding for capacity building grants in stroke research. In 2015, 14 grants were awarded by the Stroke Foundation including one grant in conjunction with the Health 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 is augmented by the work of our Fight Stroke campaign, a Stroke Foundation led community of grass roots activists dedicated to increasing federal government funding for stroke.

Directors' Report (continued)

This work was supported by:

- Good governance: ensuring growth is planned, organised and sustainable, governance is best practice, 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 flow 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 risks within the context of the organisation's risk management framework, and reviews changes in strategic risks at each Board meeting. The monitoring of operational risks has been delegated by the Board to the Finance, Investment and Risk Committee who formally review operational risks at their quarterly meetings.

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 5 May 2015, the Board appointed a new President Professor James Angus AO.

On 1 February 2016, the Board appointed a new Chief Executive Officer, Miss Sharon McGowan.

Directors' Report (continued)

Directors' meetings

	Meetings of the Board and Committees		
	Board	Finance Investment & Risk	Governance & Nominations
Number of meetings held	6	6	2
Number of meetings attended:			
Professor James Angus AO	6	-	2
Professor Richard Larkins AO (eligible 2)	2	-	1
Mr Paul Leeds	5	-	-
Ms Christina Tonkin	6	-	2
Mr Paul Shanley	6	6	-
Professor Amanda Thrift	3	-	-
Mr Michael Hill	6	-	-
Ms Dawn Oldham	6	-	-
Mr Ryan O'Hare	5	6	-
Ms Irene Trethowan	6	6	2
Assoc. Professor Bruce Campbell	6	-	-
Ms Jennifer Muller	6	-	-
Ms Karen Vernon	5	-	-
Ms Rosemary Cummins (eligible 4)	3	4	-
Professor Richard Lindley (eligible 2)	2	-	-
Assoc. Prof. Julie Bernhardt (eligible 2)	2	-	-

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
Mr Paul Shanley (c)	Professor James Angus AO (c)
Ms Irene Trethowan	Ms Christina Tonkin
Ms Rosemary Cummins (eligible 4)	Ms Irene Trethowan
Mr Peter Fekete ¹	

Notes:

(c) Designates the chairperson of the committee

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

Mr Ryan O'Hare resigned from the Finance, Investment & Risk committee 1 December 2015.

Professor Richard Larkins AO resigned from the Governance & Nominations committee 5 May 2015.

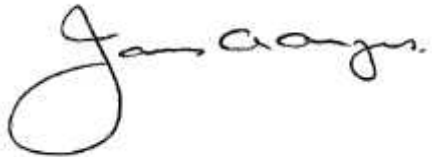
Directors' Report (continued)

Auditor independence

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 black ink, appearing to read 'James Angus'.

Professor James Angus AO
President

A handwritten signature in blue ink, appearing to read 'Paul Shanley'.

Mr Paul Shanley
Treasurer

Melbourne, 23 March 2016

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 2015, 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 stylized blue ink signature of "RSM" in a cursive script.**RSM AUSTRALIA PARTNERS**A stylized blue ink signature of "R B Miano" in a cursive script.**R B MIANO**

Partner

23 March 2016
Melbourne, VIC

Statement of comprehensive income

For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue from operating activities		12,619,937	16,073,331
Core activity costs		13,612,811	15,577,725
Gross surplus/(deficit)		(992,874)	495,606
Administration costs		644,714	680,849
Occupancy expenses		490,553	477,195
Depreciation and amortisation		147,576	82,220
Deficit from operating activities		(2,275,717)	(744,658)
Monetary bequests		1,618,698	1,021,126
Surplus/(Deficit) from operating activities & monetary bequests		(657,019)	276,468
Other investment income		723,912	816,344
Realised gain/(loss) on investments		434,081	480,054
Unrealised gain/(loss) on investments		(496,198)	(140,418)
Surplus before income tax expense	5	4,775	1,432,448
Surplus after income tax expense		4,775	1,432,448
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		4,775	1,432,448

Statement of financial position

As at 31 December 2015

	Note	2015 \$	2014 \$
Current assets			
Cash & cash equivalents	15	5,751,553	6,017,384
Trade and other receivables	6	719,749	427,707
Inventories		-	4,950
Other current financial assets	9	15,548,647	16,450,020
Total current assets		22,019,949	22,900,061
Non-current assets			
Plant & equipment	7	281,218	350,248
Intangible assets	8	954,087	292,812
Total non-current assets		1,235,305	643,060
Total assets		23,255,254	23,543,121
Current liabilities			
Trade and other payables	10	860,808	1,158,152
Provisions	11	1,527,063	1,554,208
Total current liabilities		2,387,871	2,712,360
Non-current liabilities			
Provisions	12	124,153	92,306
Total non-current liabilities		124,153	92,306
Total liabilities		2,512,024	2,804,666
Net assets		20,743,230	20,738,455
Funds			
General Funds	13	20,743,230	20,738,455
Total funds		20,743,230	20,738,455

Statement of changes in equity

For the year ended 31 December 2015

	Reserves \$	General Funds \$	Total \$
At 1 January 2014	1,024,457	18,281,550	19,306,007
Surplus/(Deficit) for year	-	1,432,448	1,432,448
Transfer to/(from) reserves	(1,024,457)	1,024,457	-
Balance at 31 December 2014	-	20,738,455	20,738,455
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

Statement of cash flows

For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from ordinary activities (inclusive of GST)		14,533,218	15,414,293
Payments to suppliers and employees (inclusive of GST)		(15,979,360)	(17,460,703)
Interest received		356,944	334,549
Net cash flows from operating activities	15	(1,089,198)	(1,711,861)
Cash flows from investing activities			
Purchase of investment securities		(12,911,285)	(9,031,744)
Proceeds from sale of investment securities		13,750,541	9,039,652
Purchase of plant and equipment		(45,777)	(245,620)
Purchase of intangible assets		(704,627)	(293,393)
Proceeds from sale of plant and equipment		10,604	3,822
Dividends received		723,911	816,344
Net cash flows from investing activities		823,367	289,061
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(265,832)	(1,422,800)
Add opening cash and cash equivalents brought forward		6,017,384	7,440,184
Cash and cash equivalents at end of period	15	5,751,553	6,017,384

Notes to the financial statements (continued)

For the year ended 31 December 2015

1. Corporate information

The financial report of the National Stroke Foundation Limited for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 23 March 2016.

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
2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> 1 January 2016	Application date for the Company 1 January 2016 This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	These amendments are not expected to have a significant impact on the Company's financial report.
2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> 1 January 2016	Application date for the Company 1 January 2016 The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	These amendments are not expected to have a significant impact on the Company's financial report.

Notes to the financial statements (continued)

For the year ended 31 December 2015

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
2015-2 <i>Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 101</i> 1 January 2016	Application date for the Company 1 January 2016 The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.	Amendments to impact disclosures only
AASB 15 <i>Revenue from Contracts with Customers</i> 1 January 2017	Application date for the Company 1 January 2017 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 extent of the impact on the amendments, if any.
2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> 1 January 2017	Application date for the Company 1 January 2017 Consequential amendments arising from the issuance of AASB 15.	The Company has not yet determined the extent of the impact on the amendments, if any.
AASB 9 <i>Financial Instruments</i> 1 January 2018	Application date for the Company 1 January 2018 This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	The Company has not yet determined the extent of the impact on the amendments, if any.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i> 1 January 2018	Application date for the Company 1 January 2018 Consequential amendments arising from the issuance of AASB 9.	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 2015

2. Summary of significant accounting policies (continued)

(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 with a maturity of three months or less 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.

(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.

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.

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Summary of significant accounting policies (continued)

(h) Impairment of assets

Non-current assets (other than intangible assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. 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.

(i) 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.

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.

(j) 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.

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Summary of significant accounting policies (continued)

(k) 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.

(l) 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.

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.

(m) 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.

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

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.

(n) 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.

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.

(o) 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.

(p) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with 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.

Notes to the financial statements (continued)

For the year ended 31 December 2015

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.

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	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	15	5,751,553	6,017,384
Trade and other receivables	6	719,749	427,707
Other current financial assets	9	15,548,647	16,450,020
Total financial assets		22,019,949	22,895,111
Financial liabilities			
Trade and other payables	10	860,808	1,158,152
Total financial liabilities		860,808	1,158,152

Notes to the financial statements (continued)

For the year ended 31 December 2015

4. Financial risk management objectives and policies (continued)

(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:

	2015		2014	
	Interest rate		Interest rate	
	%	\$	%	\$
Cash at bank	0.00 - 2.50	5,545,948	0.00 - 3.00	5,817,257
Deposits at call	2.50 - 3.00	205,605	3.00 - 4.00	200,127
Total exposure		<u>5,751,553</u>		<u>6,017,384</u>

(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 the forecasted 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.

(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.

Notes to the financial statements (continued)

For the year ended 31 December 2015

4. Financial risk management objectives and policies (continued)

(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:

	2015		2014	
	Yield estimate	\$	Yield estimate	\$
ASX listed - Australian securities	0.00 - 7.00	13,982,280	0.00 - 7.00	14,442,815
ASX listed - International securities	0.00 - 7.00	1,541,215	0.00 - 7.00	1,956,901
Unlisted Australian securities	0.00	25,152	0.00	50,304
Total exposure		<u>15,548,647</u>		<u>16,450,020</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 are predominantly exposed to U.S currency fluctuations. At balance date, 40% of international ETF's include inbuilt currency hedges 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.

(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 2015

5. Surplus from ordinary activities

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

	2015	2014
	\$	\$
Revenue		
Government	3,244,837	5,567,873
Community	7,135,092	8,455,218
Trusts and foundations	1,124,945	945,381
Corporate	731,892	699,755
Product merchandising	26,226	70,556
Interest	356,944	334,549
Total revenue	12,619,937	16,073,331
Core activity expenditure		
Programs and Operations	7,121,194	9,551,676
Income Development	5,347,997	4,980,045
Research	499,546	575,160
Advocacy	644,073	470,844
Total core activity expenditure	13,612,811	15,577,725
Governance and Sustainability	1,282,843	1,240,264
Total expenditure	14,895,654	16,817,989
Deficit from operating activities	(2,275,717)	(744,658)
Bequests received	1,618,698	1,021,126
Investments under external management	661,795	1,155,980
Total comprehensive income attributable to members of the entity	4,775	1,432,448

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 2015

5. Surplus 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 focusses on fundraising. Expenditure includes major developmental investment costs of a donor acquisition and bequest program necessary to support long-term growth and the vision of the Company. Expenditure also includes salary and wages.

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.

6. Trade and other receivables

	2015 \$	2014 \$
Trade debtors	86,785	100,887
Provision for impaired debtors	-	-
	86,785	100,887
Other receivables:		
Sundry receivables	368,113	190,722
GST receivable	126,101	63,961
Prepayments	138,750	72,137
	632,964	326,820
Total trade and other receivables	719,749	427,707

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
2015	92,077	40,102	12,748	110	39,117
2014	100,887	39,439	17,733	22	43,693

Notes to the financial statements (continued)

For the year ended 31 December 2015

7. Plant and equipment

	2015	2014
	\$	\$
Plant and equipment		
At cost	663,939	1,075,723
Accumulated depreciation	(382,721)	(725,475)
Net carrying amount	281,218	350,248

Reconciliation of carrying amounts at beginning and end of period

Plant and equipment		
At 1 January net of accumulated depreciation	350,248	197,908
Disposals	(10,687)	(4,874)
Additions	45,777	245,620
Depreciation expense	(104,120)	(81,639)
Reclassification	-	(6,767)
Total written down amount	281,218	350,248

8. Intangible assets

	Licences	Development costs	Total
	\$	\$	\$
Cost			
At 1 January 2014	-	-	-
External additions	31,182	-	31,182
Internally developed additions	-	262,211	262,211
At 31 December 2014	31,182	262,211	293,393
External additions	-	-	-
Internally developed additions	-	704,627	704,627
At 31 December 2015	31,182	966,838	998,020
Amortisation			
At 1 January 2014	-	-	-
Amortisation for the year	581	-	581
At 31 December 2014	581	-	581
Amortisation for the year	6,236	37,115	43,352
At 31 December 2015	6,817	37,115	43,933
Net carrying amount			
At 1 January 2014	-	-	-
At 31 December 2014	30,601	262,211	292,812
At 31 December 2015	24,365	929,723	954,087

Development costs represent internally generated intangible assets of relevance for the Company and primarily relate to internally developed software.

Notes to the financial statements (continued)

For the year ended 31 December 2015

9. Financial assets

	2015	2014
	\$	\$
Investments at fair value through profit and loss:		
Quoted equity shares	15,523,495	16,399,716
Unquoted equity shares	25,152	50,304
Total investments at fair value	15,548,647	16,450,020

Quoted equity shares represent shares traded on the Australian Securities Exchange and the Australian Warrant and Exchange Traded Funds (ETF) Exchange. Shares held via the ETF Exchange are from international markets, predominantly the U.S. At balance date 40% of international ETF's include an inbuilt currency hedge to protect the Company against currency risk exposure.

10. Trade and other payables (current)

Trade payables	374,894	421,801
Other payables	485,914	736,351
Total	860,808	1,158,152

11. Provisions (current)

Employee provisions	269,066	282,198
Deferred income	1,257,998	1,272,010
Total	1,527,063	1,554,208

12. Provisions (non-current)

Employee provisions	124,153	92,306
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13. General funds

General funds at beginning of the financial year	20,738,455	18,281,550
Net surplus	4,775	1,432,448
Transfer from special research reserve	-	274,457
Transfer from future fund	-	750,000
General funds at end of the financial year	20,743,230	20,738,455

Notes to the financial statements (continued)

For the year ended 31 December 2015

14. Reserves

The Company closed both of its separately held reserves during 2014.

The Board agreed to close the Special research reserve after it became satisfied the funds no longer needed to be held for a specific purpose. They approved for the reserve to be closed and transferred to general funds.

The future fund reserve was established to sustain and support the future of the economic entity. The Board determined that a separate reserve is no longer needed to achieve that purpose and approved the reserve to be closed and transferred to general funds.

(a) Reconciliation of Special research reserve

	2015 \$	2014 \$
Balance at the beginning of the year	-	274,457
Transfer to general funds	-	(274,457)
Balance at the end of the year	-	-

(b) Reconciliation of Future fund reserve

Balance at the beginning of the year	-	750,000
Transfer to general funds	-	(750,000)
Balance at the end of the year	-	-

Total reserves	-	-
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Notes to the financial statements (continued)

For the year ended 31 December 2015

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

	2015	2014
	\$	\$
Net surplus	4,775	1,432,448
Adjustments for:		
Depreciation of non-current assets	104,225	79,795
Amortisation of intangible assets	43,352	581
Loss/(surplus) on sale of plant and equipment	83	1,052
Non-cash bequests	-	(387,486)
Change in fair value of quoted shares	62,117	(339,636)
Cash dividends included in the calculation of net surplus	(723,911)	(816,344)
Changes in assets and liabilities:		
(Increase)/decrease in current receivables	(292,147)	(24,155)
(Increase)/decrease in inventories	4,950	5,704
(Decrease)/increase in current trade and other creditors	(297,344)	307,636
(Decrease)/increase in provisions	4,702	(1,971,455)
Net cash provided by operating activities	(1,089,198)	(1,711,860)

(b) Cash and cash equivalents at balance date

Cash at bank and on hand	5,545,948	5,817,257
Deposits at call	205,605	200,127
Closing cash balance	5,751,553	6,017,384

16. Expenditure commitments**Operating leases**

Within one year	402,139	521,011
After one year but not more than five years	253,569	449,663
Total minimum lease payments	655,708	970,674

Capital expenditure commitments

Within one year	748,042	841,206
After one year but not more than five years	-	-
Total capital commitments	748,042	841,206

Notes to the financial statements (continued)

For the year ended 31 December 2015

17. Auditor's remuneration

	2015	2014
	\$	\$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit or review of the financial report	18,900	18,000

18. Related party disclosure

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

Related party		
Next Telecom Pty Ltd - telecommunication services provided (a company significantly influenced by Mr Ryan O'Hare)	35,479	46,333
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))	284,007	114,664

19. 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	957,825	860,661
Post-employment benefits	85,681	79,326
Total	1,043,506	939,987

20. 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 2015.

21. 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 2015	2014
Stroke Care Australia	Australia	100%	100%

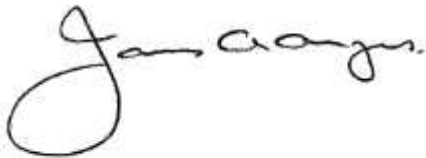
Directors' declaration

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 2016

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

We have audited the accompanying financial report of National Stroke Foundation ("the company"), which comprises the statement of financial position as at 31 December 2015, and 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 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 is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We 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 Australian professional accounting bodies.

Opinion

In our opinion:

- (a) the financial report of National Stroke Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.



RSM AUSTRALIA PARTNERS



R B MIANO
Partner

23 March 2016
Melbourne, VIC