



strokefoundation

**National Stroke Foundation**

**ABN 42 006 173 379**

**Financial Report for the year ended**

**31 December 2014**

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## Corporate information

### ABN

42 006 173 379

### Directors

Professor Richard Larkins AO	Non-executive Director (President)
Professor James Angus AO	Non-executive Director (President-Elect) – appointed 26 September 2014
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 – appointed 5 August 2014
Mr Michael Hill	Non-executive Director representing interests of Consumers
Ms Dawn Oldham	Non-executive Director representing interests of Consumers
Assoc. Professor Julie Bernhardt	Non-executive Director – appointed 5 August 2014 (previously Non-executive Director representing interests of Research)
Professor Richard Lindley	Non-executive Director – appointed 10 October 2014 (previously Non-executive Director representing interests of Clinicians)
Mr Ryan O’Hare	Non-executive Director
Ms Irene Trethowan	Non-executive Director
Dr Bruce Campbell	Non-executive Director representing interests of Clinicians – appointed 10 October 2014
Ms Jennifer Muller	Non-executive Director representing interests of Consumers – appointed 9 December 2014
Ms Karen Vernon	Non-executive Director – appointed 9 December 2014

### Company secretary

Mr John Buchanan

### Registered office

Level 7, 461 Bourke Street  
Melbourne, Victoria, 3000

### Auditors

RSM Bird Cameron  
Level 21, 55 Collins Street  
Melbourne, Victoria, 3000

The National Stroke Foundation is a company limited by guarantee.

### Internet

[www.strokefoundation.com.au](http://www.strokefoundation.com.au)

## Directors' Report (continued)

Your Directors present their report on the company for the financial year ended 31 December 2014.

### Directors

The names of the Directors of the Company in office during the year ended 31 December 2014 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 Richard Larkins AO**, MDBS, PhD, LL.D (Hon), LL.D (Hon), FTSE, FAAHMS.  
(Non-executive Director, President and Chair of Governance and Nominations Committee).

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.

**Professor James Angus AO**, BSc, PhD, FAA  
(Appointed as Non-executive Director and President-Elect 26 September 2014)

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.

## Directors' Report (continued)

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.

### **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 Managing Director, Global Loans, International & Institutional Banking at ANZ; and is responsible for strengthening ANZ's market leading positions across specialised lending and loan products. The business is a "Centre of Excellence" for Institutionals activities in Project and Structured Finance, Structures Asset and Export Finance, Debt Structuring and Acquisition Finance and Loan Products and Agency.

Ms Tonkin holds a Bachelor of Science (Honours) from the University of Sydney and has over 20 years' experience in specialised lending and loan syndications, and joined ANZ from Westpac in 2005 where she held several senior roles including Head of Debt Products, Head of Loan Products and Agency.

### **Mr Paul Shanley BBus, MTax, FCA**

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

Mr Paul Shanley joined JBWere as Head of Finance at the beginning of 2010. Prior to this he 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.

In 2007 Mr Shanley joined the Executive team at Aviva Australia as Group Director – Human Resources and served on the boards of Aviva Australia Holdings Limited, Norwich Union Life Australia Limited, Navigator Australia Limited and various other subsidiaries. Early in his career, Mr Shanley spent more than a decade in the chartered accounting profession across the audit, advisory, accounting and tax disciplines.

Mr Shanley holds a Bachelor of Business degree, a Masters of Taxation and is a Fellow of the Institute of Chartered Accountants in Australia.

### **Professor Amanda Thrift, BSc(Hons), PhD, PGDipBiostat**

(Appointed as Non-executive Director representing interests of Research and Chair of Research Advisory Committee 5 August 2014)

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 member of the NHMRC Research Committee, sits on numerous national and international advisory groups, and past President of the Stroke Society of Australasia.

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 includes

## Directors' Report (continued)

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.

Professor Thrift holds a Bachelor of Science (Honours) and Certificate of Health Economics from Monash University, and a Doctor of Philosophy and Postgraduate Diploma in Biostatistics from the University of Melbourne.

### **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/BCom (Hons), GradDipAppFin (Investment), GradDipFinPlanning

(Non-executive Director representing interests of Consumers, Co-Chair of Consumer Council, resigned from Finance & Investment Committee 5 August 2014)

Ms Dawn Oldham was a number one rated investment analyst in the consumer sector whilst working for Merrill Lynch and Citigroup for 15 years. Dawn has exceptional financial and strategic management skills and has owned and operated a successful strategy consulting business across the food, beverage and retail sector. Since having a stroke in 2010, Ms Oldham has followed her passion for helping people grow and build their wealth. She is the Director of a boutique personal financial advisory and confidante business, Dawn Oldham & Associates. She is a strong advocate for financial education for women and writes regularly on women's money matters.

Ms Oldham has also served on many not for profit committees and councils over the past five years., and 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. She is also a Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors.

### **Professor Julie Bernhardt** BSc, PhD

(Appointed Non-executive Director 5 August 2014, previously Non-executive Director representing interests of Research and Chair of Research Advisory Committee)

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.

## Directors' Report (continued)

### **Professor Richard Lindley** MBBS, MD

(Appointed Non-executive Director 10 October 2014, previously Non-executive Director representing interests of Clinicians and Chair of Clinical Council)

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.

### **Mr Ryan O'Hare**

(Non-executive Director)

Mr Ryan O'Hare has over 20 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 co-founded the telecommunications company, corpTEL, where he served as Chairman and CEO until its sale to AAPT Ltd in 1998. Prior to its sale to AAPT, corpTEL was one of Australia's largest and most successful privately owned telecommunications service providers 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. Mr O'Hare is currently the major shareholder, CEO and Chairman of IP business telecommunications company, Next Telecom, and international energy services group, Eutility.

### **Ms Irene Trethowan**, BA, LL.B

(Non-executive Director)

Ms Irene Trethowan is a consultant to Allens, an international law firm with offices throughout Australia and Asia, having retired from that firm in June 2013 as a partner in the Commercial Litigation practice group and a Board member of Allens. Ms Trethowan has been in legal practice for a number of years undertaking complex dispute work on behalf of a range of leading financial institutions, manufacturers and government authorities, specialising in advising clients in respect of regulatory investigations and ensuing litigation (particularly in the areas of competition law and taxation) and class actions. Ms Trethowan has also acted for a number of the firm's pro bono clients, primarily in the areas of human rights law.

Ms Trethowan holds a Bachelor of Arts degree in Diplomacy and World Affairs from Occidental College in Los Angeles, and an LL.B (First Class Honours) from the University of Melbourne.

### **Dr Bruce Campbell**, MBBS(Hons), BMedSc, PhD, FRACP

(Non-executive Director representing interests of Clinicians)

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

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

## Directors' Report (continued)

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

(Appointed Non-executive Director representing interests of Consumers 9 December 2014)

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, information systems and 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 and 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

(Appointed Non-executive Director 9 December 2014)

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 holds a Bachelor of Arts (Honours) (English Literature) and Bachelor of Laws, and is a Barrister and Solicitor of the Supreme Court of Western Australia, as well as the High Court and Federal Court of Australia.

### 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 2014 the collective liability of members was \$500 (2013: \$500).

### Nature of operations and principle activities

During the financial period the principle 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.

### Short and Long Term Objectives

The National Stroke Foundation Mission is to Stop Stroke, Save Lives and End Suffering, and its long term objectives are to:

- Decrease stroke incidence by reducing the impact of stroke incidence through primary prevention. This is measured through a decrease in stroke with unknown causes, more people living health lifestyles, more people understanding their risk of stroke, more people having a risk assessment after 45 (35 if ATSI) and more at risk people being treated.
- Ensure better quality of care, by improving the quality of care resulting in fewer deaths and improved life after stroke, and ensuring NSF programs are focussed and efficient and cover all components of the stroke journey – prevention, treatment/clinical services and support after stroke. This is measured through more people having a timely diagnosis, improved knowledge about how to avoid death and disability, more people getting access to best practice care and appropriate models of care, more consumers assisted with the coordination of their care and more consumers satisfied with the level of participation in their own recovery.
- Create conversations about stroke and a voice for stroke, by creating opportunities for people to have conversations about stroke, and strengthening the National Stroke Foundation as the voice of stroke

## Directors' Report (continued)

in Australia. This is measured through more influential people talking about stroke, frequent opportunities for conversation, stroke is a priority – top 5, high profile for stroke and for the NSF, and more people understand stroke and its impact.

- Increase funding for stroke programs, by ensuring funding for stroke is increased. This is measured through increased funding from governments, bequests, corporate relationships, competitive grants from NS and the stroke community, and from other current funding strategies.

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

- Build profile as a national organisation for improving stroke outcomes and experiences by establishing the National 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.
- Focussed 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.

and through delivery of the following key programs:

- FAST, which aims to teach Australians the signs of stroke.
- StrokeSafe community education, which teaches Australians how to reduce their risk of stroke.
- Know Your Numbers, which raises awareness of risk factors for stroke and diabetes in the community through pharmacy and community health checks.
- Clinical Guidelines, which develops guidelines for general practitioners and stroke care professionals that describe and define evidence-based best practice for stroke care and prevention.
- National Stroke Audit, which monitors and measures the delivery of best practice care in Australia, which utilises the clinical guidelines developed by the National Stroke Foundation.
- StrokeLink, which links evidence to practice to improve the quality of stroke care provided by stroke care professionals.
- StrokeConnect, which connects stroke survivors and carers with services, support and each other by providing access to information and publications about stroke and recovery, to a wide range of peer support programs and to support and advice provided by the National Stroke Foundation's telephone service StrokeLine.
- Research, which provides funding for capacity building grants in stroke research.

and 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.

## Directors' Report (continued)

### 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, has identified key performance indicators (KPIs) that are used to monitor performance. 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.

### Risk management

The Board of the National Stroke Foundation is actively involved in the identification and management of risks within the Company's risk management framework, and reviews changes in risks at each Board meeting via the Finance, Investment and Risk Committee who has delegated responsibility for monitoring risks.

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.

### Significant changes in the state of affairs

On 26 September 2014, the Board appointed a new Director as President-Elect.

### Directors' meetings

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

Ms Dawn Oldham resigned from the Finance, Investment & Risk Committee 5 August 2014.

Mr Ryan O'Hare was appointed to the Finance, Investment & Risk Committee 6 August 2014.

Professor James Angus was appointed to the Governance & Nominations Committee 26 September 2014.

## Directors' Report (continued)

### 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	Professor Richard Larkins AO
Mr Ryan O'Hare	Professor James Angus
Ms Irene Trethowan	Ms Christina Tonkin
	Ms Irene Trethowan

Ms Dawn Oldham resigned from the Finance, Investment & Risk Committee 5 August 2014.

Mr Ryan O'Hare was appointed to the Finance, Investment & Risk Committee 6 August 2014.

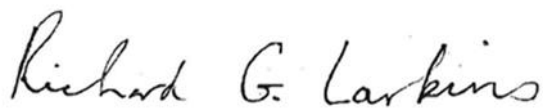
Professor James Angus was appointed to the Governance & Nominations Committee 26 September 2014.

### Auditor independence

RSM Bird Cameron were engaged to perform assurance related procedures.

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.



Professor Richard Larkins AO  
President



Mr Paul Shanley  
Treasurer

Melbourne, 31 March 2015

### **AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of National Stroke Foundation for the year ended 31 December 2014, 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 review.



**RSM BIRD CAMERON PARTNERS**



**R B MIANO**

Partner

31 March 2015  
Melbourne, VIC

## Statement of comprehensive income

For the year ended 31 December 2014

	2014	2013
Note	\$	\$
Revenue from operating activities	16,073,331	13,972,506
Core activity costs	15,577,725	13,824,290
<b>Gross surplus</b>	<b>495,606</b>	<b>148,216</b>
Administration costs	680,849	589,736
Occupancy expenses	477,195	434,377
Depreciation and amortisation	82,220	95,561
<b>Deficit from operating activities</b>	<b>(744,658)</b>	<b>(971,458)</b>
Monetary bequests	1,021,126	12,083,299
<b>Surplus from operating activities &amp; monetary bequests</b>	<b>276,468</b>	<b>11,111,841</b>
Other investment income	816,344	298,359
Realised gain/(loss) on investments	480,054	104,602
Unrealised gain/(loss) on investments	(140,418)	698,177
<b>Surplus before income tax expense</b>	<b>1,432,448</b>	<b>12,212,979</b>
Income tax expense	2(n) -	-
<b>Surplus after income tax expense</b>	<b>1,432,448</b>	<b>12,212,979</b>
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
<b>Total comprehensive income attributable to members of the entity</b>	<b>1,432,448</b>	<b>12,212,979</b>

## Statement of financial position

As at 31 December 2014

	Note	2014 \$	2013 \$
<b>Current assets</b>			
Cash & cash equivalents	15	6,017,384	7,440,184
Trade and other receivables	6	427,709	403,554
Inventories		4,950	10,654
Other current financial assets	9	<u>16,450,020</u>	<u>15,722,193</u>
<b>Total current assets</b>		<u>22,900,063</u>	<u>23,576,585</u>
<b>Non-current assets</b>			
Plant & equipment	7	350,248	197,908
Intangible assets	8	<u>292,812</u>	-
<b>Total non-current assets</b>		<u>643,060</u>	<u>197,908</u>
<b>Total assets</b>		<u>23,543,122</u>	<u>23,774,493</u>
<b>Current liabilities</b>			
Trade and other payables	10	1,158,152	850,516
Provisions	11	<u>1,554,208</u>	<u>3,537,976</u>
<b>Total current liabilities</b>		<u>2,712,360</u>	<u>4,388,493</u>
<b>Non-current liabilities</b>			
Provisions	12	<u>92,306</u>	<u>79,993</u>
<b>Total non-current liabilities</b>		<u>92,306</u>	<u>79,993</u>
<b>Total liabilities</b>		<u>2,804,666</u>	<u>4,468,485</u>
<b>Net assets</b>		<u>20,738,456</u>	<u>19,306,007</u>
<b>Funds</b>			
General Funds	13	20,738,455	18,281,550
Reserves	14	-	1,024,457
<b>Total funds</b>		<u>20,738,455</u>	<u>19,306,007</u>

## Statement of changes in equity

For the year ended 31 December 2014

	Reserves \$	General Funds \$	Total \$
<b>At 1 January 2013</b>	<u>1,035,413</u>	<u>6,057,595</u>	<u>7,093,008</u>
Surplus/(Deficit) for year	-	12,212,979	12,212,979
Transfer to/(from) reserves	(10,956)	10,976	20
<b>Balance at 31 December 2013</b>	<u>1,024,457</u>	<u>18,281,550</u>	<u>19,306,007</u>
<b>At 1 January 2014</b>	<u>1,024,457</u>	<u>18,281,550</u>	<u>19,306,007</u>
Surplus/(Deficit) for year	-	1,432,448	1,432,448
Transfer to/(from) reserves	(1,024,457)	1,024,457	-
<b>Balance at 31 December 2014</b>	<u>-</u>	<u>20,738,455</u>	<u>20,738,455</u>



## Statement of cash flows

For the year ended 31 December 2014

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from ordinary activities (inclusive of GST)		15,414,293	17,726,440
Payments to suppliers and employees (inclusive of GST)		(17,460,703)	(15,597,545)
Interest received		334,549	129,579
Net cash flows from operating activities	15	<u>(1,711,861)</u>	<u>2,258,474</u>
<b>Cash flows from investing activities</b>			
Purchase of investment securities		(9,031,744)	(5,843,499)
Proceeds from sale of investment securities		9,039,652	5,516,393
Purchase of plant and equipment		(245,620)	(38,243)
Purchase of intangible assets		(293,393)	-
Proceeds from sale of plant and equipment		3,822	10,000
Dividends received		816,344	298,359
Net cash flows from investing activities		<u>289,061</u>	<u>(56,990)</u>
<b>Net cash flows from financing activities</b>			
		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(1,422,800)	2,201,484
Add opening cash and cash equivalents brought forward		7,440,184	5,238,700
<b>Cash and cash equivalents at end of period</b>	15	<u>6,017,384</u>	<u>7,440,184</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 1. Corporate information

The financial report of the National Stroke Foundation Limited for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Directors on 17 March 2015.

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.

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

Reference, Title, Application date of standard	Application date for Group and Summary	Impact on Company Financial Report
2014-1B <i>Amendments to Australian Accounting Standards</i> 1 July 2014	Application date for the Company 1 January 2015  Part B of AASB 2014-1 makes amendments to AASB 119 Employee Benefits in relation to the requirements for contributions from employees or third parties that are linked to service.	There is no expected impact on the amendments.
2014-1A <i>Amendments to Australian Accounting Standards</i> 1 July 2014	Application date for the Company 1 January 2015  Part A of 2014-1 amends various standards as a result of the annual improvements process	There is no expected impact on the amendments.
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 2015  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.	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 2014

### 2. Summary of significant accounting policies (continued)

#### (b) New accounting standards and interpretations (continued)

Reference, Title, Application date of standard	Application date for Group and Summary	Impact on Company 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 2015  The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	The Company has not yet determined the extent of the impact on the amendments, if any.
AASB 15 <i>Revenue from Contracts with Customers</i> 1 January 2017	Application date for the Company 1 January 2015  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 2015  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 2015  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 2015  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 2014

### 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 subsidiaries 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 2014

### 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 Group. 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 2014

### 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 2014

### 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.

### 2. Summary of significant accounting policies (continued)

#### (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 2014

### 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	2014 \$	2013 \$
<b>Financial assets</b>			
Cash and cash equivalents	15	6,017,384	7,440,184
Trade and other receivables	6	427,707	403,554
Other current financial assets	9	16,450,020	15,722,193
Total financial assets		<u>22,895,111</u>	<u>23,565,931</u>
<b>Financial liabilities</b>			
Trade and other payables	10	1,158,152	850,516
Total financial liabilities		<u>1,158,152</u>	<u>850,516</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2014

### 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:

	2014		2013	
	Interest rate %	\$	Interest rate %	\$
Cash at bank	0.00 - 3.00	5,817,257	0.00 - 3.00	7,245,658
Deposits at call	3.00 - 4.00	200,127	3.00 - 4.00	194,526
Total exposure		<u>6,017,384</u>		<u>7,440,184</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 2014

**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:

	2014		2013	
	Yield estimate	\$	Yield estimate	\$
ASX listed - Australian securities	0.00 - 7.00	14,442,815	0.00 - 6.00	14,380,775
ASX listed - International securities	0.00 - 7.00	1,956,901	0.00 - 6.00	1,282,730
Unlisted Australian securities	0.00	50,304	2.86	58,688
Total exposure		<u>16,450,020</u>		<u>15,722,193</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, 20% 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 2014

**5. Surplus from ordinary activities**

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

	2014	2013
	\$	\$
<b>Revenue</b>		
Government	5,567,873	4,528,065
Community	8,455,218	8,597,834
Trusts and foundations	945,381	41,665
Corporate	699,755	643,943
Product merchandising	70,556	31,420
Interest	334,549	129,579
Total revenue	<u>16,073,331</u>	<u>13,972,506</u>
<b>Core activity expenditure</b>		
Programs and Operations	9,551,676	7,666,074
Income Development	4,980,045	5,321,045
Research	575,160	480,285
Advocacy	470,844	356,886
Total core activity expenditure	<u>15,577,725</u>	<u>13,824,290</u>
Governance and Sustainability	1,240,264	1,119,674
<b>Total expenditure</b>	<u>16,817,989</u>	<u>14,943,964</u>
<b>Deficit from operating activities</b>	<u>(744,658)</u>	<u>(971,458)</u>
Bequests received	1,021,126	12,083,299
Funds under external management	1,155,980	1,101,138
<b>Total comprehensive income attributable to members of the entity</b>	<u>1,432,448</u>	<u>12,212,979</u>

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 2014

### 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

	2014 \$	2013 \$
Trade debtors	100,887	118,550
Provision for impaired debtors	-	-
	<u>100,887</u>	<u>118,550</u>
Other receivables:		
Sundry receivables	190,722	104,752
GST receivable	63,961	123,546
Prepayments	72,137	56,706
	<u>326,820</u>	<u>285,004</u>
Total trade and other receivables	<u>427,707</u>	<u>403,554</u>

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
2014	100,887	39,439	17,733	22	43,693
2013	118,550	-	83,783	10,000	24,767

**Notes to the financial statements (continued)**

For the year ended 31 December 2014

**7. Plant and equipment**

	2014	2013
	\$	\$
<b>Plant and equipment</b>		
At cost	1,075,723	834,977
Accumulated depreciation	(725,475)	(637,070)
Net carrying amount	<u>350,248</u>	<u>197,908</u>

**Reconciliation of carrying amounts at beginning and end of period**

<b>Plant and equipment</b>		
At 1 January net of accumulated depreciation	197,908	273,152
Disposals	(4,874)	(10,341)
Additions	245,620	38,243
Depreciation expense	(81,639)	(95,561)
Reclassification	(6,767)	(7,585)
Total written down amount	<u>350,248</u>	<u>197,908</u>

**8. Intangible assets**

	Licences	Development costs	Total
	\$	\$	\$
<b>Cost</b>			
At 1 January 2013	-	-	-
External additions	-	-	-
Internally developed additions	-	-	-
At 31 December 2013	-	-	-
External additions	31,182	-	31,182
Internally developed additions	-	262,211	262,211
At 31 December 2014	<u>31,182</u>	<u>262,211</u>	<u>293,393</u>
<b>Amortisation</b>			
At 1 January 2013	-	-	-
Amortisation for the year	-	-	-
At 31 December 2013	-	-	-
Amortisation for the year	581	-	581
At 31 December 2014	<u>581</u>	<u>-</u>	<u>581</u>
<b>Net carrying amount</b>			
At 1 January 2013	-	-	-
At 31 December 2013	-	-	-
At 31 December 2014	<u>30,601</u>	<u>262,211</u>	<u>292,812</u>

**Notes to the financial statements (continued)**

For the year ended 31 December 2014

**9. Financial assets**

	2014	2013
	\$	\$
Investments at fair value through profit and loss:		
Quoted equity shares	16,399,716	15,663,505
Unquoted equity shares	50,304	58,688
Total investments at fair value	<u>16,450,020</u>	<u>15,722,193</u>

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 15% 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	421,801	427,625
Other payables	736,351	422,891
Total	<u>1,158,152</u>	<u>850,516</u>

**11. Provisions (current)**

Employee provisions	282,198	269,691
Deferred income	1,272,010	3,268,285
Total	<u>1,554,208</u>	<u>3,537,976</u>

**12. Provisions (non-current)**

Employee provisions	<u>92,306</u>	<u>79,993</u>
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**13. General funds**

General funds at beginning of the financial year	18,281,550	6,057,595
Net surplus	1,432,448	12,212,979
Transfer to special research reserve	-	10,976
Transfer from special research reserve	274,457	-
Transfer from future fund	750,000	-
General funds at end of the financial year	<u>20,738,455</u>	<u>18,281,550</u>

**Notes to the financial statements (continued)**

For the year ended 31 December 2014

**14. Reserves**

The Company has closed both of its separately held reserves during the year.

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 has 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**

	2014	2013
	\$	\$
Balance at the beginning of the year	274,457	285,413
Surplus on special research funds from general funds	-	1,875
Adjustment to prior year surplus	-	(12,831)
Transfer to general funds	(274,457)	-
Balance at the end of the year	-	274,457

**(b) Reconciliation of Future fund reserve**

Balance at the beginning of the year	750,000	750,000
Transfer to general funds	(750,000)	-
Balance at the end of the year	-	750,000
<b>Total reserves</b>	-	<b>1,024,457</b>

**Notes to the financial statements (continued)**

For the year ended 31 December 2014

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

	2014	2013
	\$	\$
Net surplus	1,432,448	12,212,979
Adjustments for:		
Depreciation of non-current assets	79,795	95,561
Amortisation of intangible assets	581	-
Loss/(surplus) on sale of plant and equipment	1,052	341
Non-cash bequests	(387,486)	(10,626,400)
Change in fair value of quoted shares	(339,636)	(802,779)
Cash dividends included in the calculation of net surplus	(816,344)	(298,359)
Changes in assets and liabilities:		
(Increase)/decrease in current receivables	(24,155)	74,425
(Increase)/decrease in inventories	5,704	(4,791)
(Decrease)/increase in current trade and other creditors	307,636	46,409
(Decrease)/increase in provisions	(1,971,455)	1,561,087
Net cash provided by operating activities	<u>(1,711,861)</u>	<u>2,258,474</u>

**(b) Cash and cash equivalents at balance date**

Cash at bank and on hand	5,817,257	7,245,658
Deposits at call	200,127	194,526
Closing cash balance	<u>6,017,384</u>	<u>7,440,184</u>

**16. Expenditure commitments****Operating leases**

Within one year	521,011	507,854
After one year but not more than five years	449,663	808,086
Total minimum lease payments	<u>970,674</u>	<u>1,315,940</u>

**Capital expenditure commitments**

Within one year	841,206	-
After one year but not more than five years	-	-
Total capital commitments	<u>841,206</u>	<u>-</u>

**17. Auditor's remuneration**

Amounts received or due and receivable by RSM Bird Cameron for:		
Audit or review of the financial report	<u>18,000</u>	<u>16,200</u>



**Notes to the financial statements (continued)**

For the year ended 31 December 2014

**18. Related party disclosure**

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

Related party	2014 \$	2013 \$
Next Telecom Pty Ltd - telecommunication services provided (a company significantly influenced by Mr Ryan O'Hare)	46,333	36,318
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)	114,664	90,000

**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	860,661	917,010
Post-employment benefits	79,326	80,861
Total	<u>939,987</u>	<u>997,871</u>

**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 have occurred after balance date which will significantly impact the financial position reported at 31 December 2014.

**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	
		2014	2013
Stroke Care Australia	Australia	100%	100%

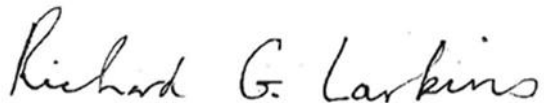
## Directors' declaration

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 that reads "Richard G. Larkins". The signature is written in a cursive, flowing style.

Professor Richard Larkins AO  
President  
Melbourne, 31 March 2015

**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 2014, 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 2014 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 BIRD CAMERON PARTNERS**



**R B MIANO**

Partner

31 March 2015  
Melbourne, VIC